



Canada

# Debates of the Senate

OFFICIAL REPORT  
(HANSARD)

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THE HONOURABLE MARK ROBERT DROUIN,  
SPEAKER

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1957-58

FIRST SESSION, TWENTY-THIRD PARLIAMENT  
6 ELIZABETH II

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*Parliament was opened by Her Majesty the Queen on  
October 14, 1957, and dissolved by Proclamation  
of His Excellency the Governor General on  
February 1, 1958*

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EDMOND CLOUTIER, C.M.G., O.A., D.S.P.  
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY  
OTTAWA, 1958

## THE MINISTRY

According to Precedence

FEBRUARY 1, 1958

THE RIGHT HONOURABLE JOHN GEORGE DIEFENBAKER, M.P. ....	Prime Minister.
THE HONOURABLE HOWARD CHARLES GREEN, M.P. ....	Minister of Public Works and Acting Minister of Defence Production.
THE HONOURABLE DONALD METHUEN FLEMING, M.P. ....	Minister of Finance and Receiver General.
THE HONOURABLE ALFRED JOHNSON BROOKS, M.P. ....	Minister of Veterans Affairs.
THE HONOURABLE GEORGE HEES, M.P. ..	Minister of Transport.
THE HONOURABLE LÉON BALCER, M.P. ..	Solicitor General.
THE HONOURABLE GEORGE RANDOLPH PEARKE, M.P. ....	Minister of National Defence.
THE HONOURABLE GORDON MINTO CHURCHILL, M.P. ....	Minister of Trade and Commerce.
THE HONOURABLE EDMUND DAVIE FULTON, M.P. ....	Minister of Justice and Attorney General and Acting Minister of Citizenship and Immigration.
THE HONOURABLE GEORGE CLYDE NOWLAN, M.P. ....	Minister of National Revenue.
THE HONOURABLE DOUGLAS SCOTT HARKNESS, M.P. ....	Minister of Agriculture.
THE HONOURABLE ELLEN LOUKS FAIRCLOUGH, M.P. ....	Secretary of State.
THE HONOURABLE J. ANGUS MACLEAN, M.P. ....	Minister of Fisheries.
THE HONOURABLE MICHAEL STARR, M.P.	Minister of Labour.
THE HONOURABLE WILLIAM MCLEAN HAMILTON, M.P. ....	Postmaster General.
THE HONOURABLE JAMES MACKERRAS MACDONNELL, M.P. ....	Minister without Portfolio.

THE HONOURABLE WILLIAM J. BROWNE, M.P. ....	Minister without Portfolio.
THE HONOURABLE PAUL COMTOIS, M.P. . .	Minister of Mines and Technical Surveys.
THE HONOURABLE JAY WALDO MONTEITH, M.P. ....	Minister of National Health and Welfare.
THE HONOURABLE FRANCIS ALVIN GEORGE HAMILTON, M.P. ....	Minister of Northern Affairs and National Resources.
THE HONOURABLE SIDNEY EARLE SMITH, M.P. ....	Secretary of State for External Affairs.
SENATOR THE HONOURABLE JOHN T. HAIG	Minister without Portfolio and Leader of the Government in the Senate.

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#### PARLIAMENTARY ASSISTANTS

J. A. CHARLTON, M.P. ....	to the Minister of Agriculture.
ARTHUR MALONEY, M.P. ....	to the Minister of Labour.
G. E. HALPENNY, M.P. ....	to the Minister of National Health and Welfare.
RAYMOND O'HURLEY, M.P. ....	to the Minister of Mines and Technical Surveys.
MARCEL LAMBERT, M.P. ....	to the Minister of National Defence.
THOMAS M. BELL, M.P. ....	to the Minister of Trade and Commerce.
ANGUS R. MACDONALD, M.P. ....	to the Minister of Transport.
CLAYTON W. HODGSON, M.P. ....	to the Minister of Public Works.
W. B. NESBITT, M.P. ....	to the Secretary of State for External Affairs.
WALTER DINSDALE, M.P. ....	to the Minister of Veterans Affairs.
DAVID J. WALKER, M.P. ....	to the Minister of Justice.
RICHARD A. BELL, M.P. ....	to the Minister of Finance.
JOHN B. HAMILTON, M.P. ....	to the Minister of Citizenship and Immigration.

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#### PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

R. B. BRYCE .....	Clerk of the Privy Council and Secre- tary to the Cabinet.
A. M. HILL .....	Assistant Clerk of the Privy Council.

# SENATORS OF CANADA

ACCORDING TO SENIORITY

FEBRUARY 1, 1958

THE HONOURABLE MARK ROBERT DROUIN, SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ARTHUR C. HARDY, P.C.....	Leeds.....	Brockville, Ont.
DONAT RAYMOND.....	De la Vallière.....	Montreal, Que.
CAIRINE R. WILSON.....	Rockcliffe.....	Ottawa, Ont.
ARTHUR MARCOTE.....	Ponteix.....	Ponteix, Sask.
RALPH BYRON HORNER.....	Blaine Lake.....	Blaine Lake, Sask.
WALTER MORLEY ASELTINE.....	Rosetown.....	Rosetown, Sask.
FELIX P. QUINN.....	Bedford-Halifax.....	Bedford, N.S.
JOHN T. HAIG, P.C.....	Winnipeg.....	Winnipeg, Man.
JOHN WALLACE DE B. FARRIS.....	Vancouver South.....	Vancouver, B.C.
ADRIAN K. HUGESSEN.....	Inkerman.....	Montreal, Que.
NORMAN P. LAMBERT.....	Ottawa.....	Ottawa, Ont.
ARTHUR LUCIEN BEAUBIEN.....	Provencher.....	St. Jean Baptiste, Man.
ARISTIDE BLAIS.....	St. Albert.....	Edmonton, Alta.
CHARLES BENJAMIN HOWARD.....	Wellington.....	Sherbrooke, Que.
SALTER ADRIAN HAYDEN.....	Toronto.....	Toronto, Ont.
NORMAN MCLEOD PATERSON.....	Thunder Bay.....	Fort William, Ont.
WILLIAM DAUM EULER, P.C.....	Waterloo.....	Kitchener, Ont.
LÉON MERCIER GOUIN.....	De Salaberry.....	Montreal, Que.
THOMAS VIÊN, P.C.....	De Lorimier.....	Outremont, Que.
WILLIAM RUPERT DAVIES.....	Kingston.....	Toronto, Ont.
GORDON PETER CAMPBELL.....	Toronto.....	Toronto, Ont.
WISHART MCLEA ROBERTSON, P.C.....	Shelburne.....	Truro, N.S.
TÉLÉSPHORE DAMIEN BOUCHARD.....	The Laurentides.....	St. Hyacinthe, Que.
CYRILLE VAILLANCOURT.....	Kennebec.....	Lévis, Que.
JACOB NICOL.....	Bedford.....	Sherbrooke, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
THOMAS ALEXANDER CRERAR, P.C.....	Churchill.....	Winnipeg, Man.
WILLIAM HORACE TAYLOR.....	Norfolk.....	R. R. 3, Brantford, Ont.
FRED WILLIAM GERSHAW.....	Medicine Hat.....	Medicine Hat, Alta.
JOHN POWER HOWDEN.....	St. Boniface.....	Norwood Grove, Man.
VINCENT DUPUIS.....	Rigaud.....	Montreal, Que.
CHARLES L. BISHOP.....	Ottawa.....	Ottawa, Ont.
JOHN JAMES KINLEY.....	Queens-Lunenburg.....	Lunenburg, N.S.
CLARENCE JOSEPH VENIOT.....	Gloucester.....	Bathurst, N.B.
ARTHUR WENTWORTH ROEBUCK.....	Toronto-Trinity.....	Toronto, Ont.
JOHN ALEXANDER McDONALD.....	Kings.....	Halifax, N.S.
ALEXANDER NEIL McLEAN.....	Southern New Brunswick..	Saint John, N.B.
GEORGE PERCIVAL BURCHILL.....	Northumberland-Miramichi	South Nelson, N.B.
JEAN-MARIE DESSUREAULT.....	Stadacona.....	Quebec, Que.
PAUL HENRI BOUFFARD.....	Grandville.....	Quebec, Que.
JAMES GRAY TURGEON.....	Cariboo.....	Vancouver, B.C.
STANLEY STEWART McKEEN.....	Vancouver.....	Vancouver, B.C.
THOMAS FARQUHAR.....	Algoma.....	Little Current, Ont.
JOSEPH WILLIE COMEAU.....	Clare.....	Comeauville, N.S.
THOMAS H. WOOD.....	Regina.....	Regina, Sask.
JAMES ANGUS MacKINNON, P.C.....	Edmonton.....	Edmonton, Alta.
THOMAS VINCENT GRANT.....	Montague.....	Montague, P.E.I.
WILLIAM ALEXANDER FRASER.....	Trenton.....	Trenton, Ont.
WILLIAM HENRY GOLDING.....	Huron-Perth.....	Seaforth, Ont.
GEORGE H. BARBOUR.....	Prince.....	Charlottetown, P.E.I.
ALEXANDER BOYD BAIRD.....	St. John's.....	St. John's, Nfld.
RAY PETTEN.....	Bonavista.....	St. John's, Nfld.,
THOMAS REID.....	New Westminster.....	New Westminster, B.C.
J. WESLEY STAMBAUGH.....	Bruce.....	Bruce, Alta.
GORDON B. ISNOR.....	Halifax-Dartmouth.....	Halifax, N.S.
CHARLES G. HAWKINS.....	Milford-Hants.....	Milford Station, N.S.
CALVERT C. PRATT.....	St. John's West.....	St. John's, Nfld.
MICHAEL G. BASHA.....	West Coast.....	Curling, Nfld.
MARIANA BEAUCHAMP JODOIN.....	Sorel.....	Montreal, Que.
MURIEL McQUEEN FERGUSSON.....	Fredericton.....	Fredericton, N.B.
ALLAN L. WOODROW.....	Toronto-Centre.....	Toronto, Ont.
FREDERICK GORDON BRADLEY, P.C.....	Bonavista-Twillingate.....	Bonavista, Nfld.
WILLIAM ROSS MACDONALD, P.C.....	Brantford.....	Brantford, Ont.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
JOSEPH ARTHUR BRADETTE.....	Cochrane.....	Cochrane, Ont.
LEONARD DAVID SWEZEY TREMBLAY.....	Lauzon.....	St. Malachie, Que.
SARTO FOURNIER.....	De Lanaudière.....	Montreal, Que.
AUREL D. LÉGER.....	Kent.....	Grande Digue, N.B.
JOHN J. CONNOLLY.....	Ottawa West.....	Ottawa, Ont.
NANCY HODGES.....	Victoria.....	Victoria, B.C.
DONALD CAMERON.....	Banff.....	Edmonton, Alta.
WILLIAM M. WALL.....	Winnipeg.....	Winnipeg, Man.
DAVID A. CROLL.....	Toronto-Spadina.....	Toronto, Ont.
THOMAS D'ARCY LEONARD.....	Toronto-Rosedale.....	Toronto, Ont.
FRED A. McGRAND.....	Sunbury.....	Fredericton Junction, N.B.
CALIXTE F. SAVOIE.....	L'Acadie.....	Moncton, N.B.
DONALD SMITH.....	Queens-Shelburne.....	Liverpool, N.S.
HAROLD CONNOLLY.....	Halifax North.....	Halifax, N.S.
FLORENCE ELSIE INMAN.....	Murray Harbour.....	Montague, P.E.I.
HARTLAND DE MONTARVILLE MOLSON.....	Alma.....	Montreal, Que.
CHARLES GAVAN POWER, P.C.....	Gulf.....	St. Pacome, Que.
JEAN-FRANÇOIS POULIOT.....	De la Durantaye.....	Rivière du Loup, Que.
SYDNEY JOHN SMITH.....	Kamloops.....	Kamloops, B.C.
AUSTIN CLAUDE TAYLOR.....	Westmorland.....	Salisbury, N.B.
WILLIAM ALBERT BOUCHER.....	Prince Albert.....	Prince Albert, Sask.
HENRI CHARLES BOIS.....	Montarville.....	St. Bruno, Que.
J. EUGÈNE LEFRANÇOIS.....	Repentigny.....	Montreal, Que.
GEORGE STANLEY WHITE.....	Hastings-Frontenac.....	Madoc, Ont.
MARK ROBERT DROUIN (Speaker).....	La Salle.....	Quebec, Que.
CLARENCE V. EMERSON.....	Saint John-Albert.....	Saint John, N.B.
JOSEPH A. SULLIVAN.....	North York.....	Toronto, Ont.
WILLIAM RALPH BRUNT.....	Hanover.....	Hanover, Ont.
ARTHUR M. PEARSON.....	Lumsden.....	Lumsden, Sask.
LÉON MÉTHOT.....	Shawinigan.....	Three Rivers, Que.
GUSTAVE MONETTE.....	Mille Isles.....	Montreal, Que.
JOHN JOSEPH MACDONALD.....	.....	Glenfinnan, P.E.I.
GUNNAR S. THORVALDSON.....	.....	Winnipeg, Man.
JAMES GLADSTONE.....	.....	Cardston, Alta.
LIONEL CHOQUETTE.....	Ottawa East.....	Ottawa, Ont.

*Died during session:*

*The Honourable William H. McGuire, Toronto, Ontario,*

*October 31, 1957.*

# SENATORS OF CANADA

## ALPHABETICAL LIST

FEBRUARY 1, 1958

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

## SENATORS—ALPHABETICAL LIST

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DUPUIS, VINCENT.....	Rigaud.....	Montreal, Que.
EMERSON, CLARENCE V.....	Saint John-Albert.....	Saint John, N.B.
EULER, W. D., P.C.....	Waterloo.....	Kitchener, Ont.
FARQUHAR, THOMAS.....	Algoma.....	Little Current, Ont.
FARRIS, J. W. DE B.....	Vancouver South.....	Vancouver, B.C.
FERGUSSON, MURIEL MCQ.....	Fredericton.....	Fredericton, N.B.
FOURNIER, SARTO.....	De Lanaudière.....	Montreal, Que.
FRASER, WILLIAM A.....	Trenton.....	Trenton, Ont.
GERSHAW, F. W.....	Medicine Hat.....	Medicine Hat, Alta.
GLADSTONE, JAMES.....	.....	Cardston, Alta.
GOLDING, WILLIAM H.....	Huron-Perth.....	Seaforth, Ont.
GOUIN, L. M.....	De Salaberry.....	Montreal, Que.
GRANT, THOMAS V.....	Montague.....	Montague, P.E.I.
HAG, JOHN T., P.C.....	Winnipeg.....	Winnipeg, Man.
HARDY, ARTHUR C., P.C.....	Leeds.....	Brockville, Ont.
HAWKINS, CHARLES G.....	Milford-Hants.....	Milford Station, N.S.
HAYDEN, SALTER A.....	Toronto.....	Toronto, Ont.
HODGES, NANCY.....	Victoria.....	Victoria, B.C.
HORNER, R. B.....	Blaine Lake.....	Blaine Lake, Sask.
HOWARD, CHARLES B.....	Wellington.....	Sherbrooke, Que.
HOWDEN, JOHN P.....	St. Boniface.....	Norwood Grove, Man.
HUGESSEN, A. K.....	Inkerman.....	Montreal, Que.
INMAN, F. ELSIE.....	Murray Harbour.....	Montague, P.E.I.
ISNOR, GORDON B.....	Halifax-Dartmouth.....	Halifax, N.S.
JODOIN, MARIANA B.....	Sorel.....	Montreal, Que.
KINLEY, JOHN J.....	Queens-Lunenburg.....	Lunenburg, N.S.
LAMBERT, NORMAN P.....	Ottawa.....	Ottawa, Ont.
LEFRANÇOIS, J. EUGÈNE.....	Repentigny.....	Montreal, Que.
LÉGER, AUREL D.....	Kent.....	Grande Digue, N.B.
LEONARD, T. D'ARCY.....	Toronto-Rosedale.....	Toronto, Ont.
MACDONALD, JOHN J.....	.....	Glenfinnan, P.E.I.
MACDONALD, W. ROSS, P.C.....	Brantford.....	Brantford, Ont.
MACKINNON, JAMES A., P.C.....	Edmonton.....	Edmonton, Alta.
MARCOTTE, ARTHUR.....	Ponteix.....	Ponteix, Sask.
MCDONALD, JOHN A.....	Kings.....	Halifax, N.S.
MCGRAND, FRED A.....	Sunbury.....	Fredericton Junction, N.B.

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

*Died during session:*

*The Honourable William H. McGuire, Toronto, Ontario,  
October 31, 1957.*

# SENATORS OF CANADA

## BY PROVINCES

FEBRUARY 1, 1958

### ONTARIO—24

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

*Died during session:*

*The Honourable William H. McGuire, Toronto, Ontario,  
October 31, 1957.*

## QUEBEC—24

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

**NOVA SCOTIA—10**

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 FELIX P. QUINN.....	Bedford-Halifax.....	Bedford.
2 WISHART McLEA ROBERTSON, P.C.....	Shelburne.....	Truro.
3 JOHN JAMES KINLEY.....	Queens-Lunenburg.....	Lunenburg.
4 JOHN ALEXANDER McDONALD.....	Kings.....	Halifax.
5 JOSEPH WILLIE COMEAU.....	Clare.....	Comeauville.
6 GORDON B. ISNOR.....	Halifax-Dartmouth.....	Halifax.
7 CHARLES G. HAWKINS.....	Milford-Hants.....	Milford Station.
8 DONALD SMITH.....	Queens-Shelburne.....	Liverpool.
9 HAROLD CONNOLLY.....	Halifax North.....	Halifax.
10 .....	.....	.....

**NEW BRUNSWICK—10**

THE HONOURABLE		
1 CLARENCE JOSEPH VENIOT.....	Gloucester.....	Bathurst.
2 ALEXANDER NEIL McLEAN.....	Southern New Brunswick.....	Saint John.
3 GEORGE PERCIVAL BURCHILL.....	Northumberland- Miramichi.....	South Nelson.
4 MURIEL McQUEEN FERGUSSON.....	Fredericton.....	Fredericton.
5 AUREL D. LÉGER.....	Kent.....	Grande Digue.
6 FRED A. McGRAND.....	Sunbury.....	Fredericton Junction.
7 CALIXTE F. SAVOIE.....	L'Acadie.....	Moncton.
8 AUSTIN CLAUDE TAYLOR.....	Westmorland.....	Salisbury.
9 CLARENCE V. EMERSON.....	Saint John-Albert.....	Saint John.
10 .....	.....	.....

**PRINCE EDWARD ISLAND—4**

THE HONOURABLE		
1 THOMAS VINCENT GRANT.....	Montague.....	Montague.
2 GEORGE H. BARBOUR.....	Prince.....	Charlottetown.
3 FLORENCE ELSIE INMAN.....	Murray Harbour.....	Montague.
4 JOHN JOSEPH MACDONALD.....	.....	Glenfinnan.

## BRITISH COLUMBIA—6

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

## MANITOBA—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 JOHN T. HAIG, P.C.....	Winnipeg.....	Winnipeg.
2 ARTHUR L. BEAUBIEN.....	Provencher.....	St. Jean Baptiste.
3 THOMAS ALEXANDER CRERAR, P.C.....	Churchill.....	Winnipeg.
4 JOHN POWER HOWDEN.....	St. Boniface.....	Norwood Grove.
5 WILLIAM M. WALL.....	Winnipeg.....	Winnipeg.
6 GUNNAR S. THORVALDSON.....	.....	Winnipeg.

## SASKATCHEWAN—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 ARTHUR MARCOTTE.....	Ponteix.....	Ponteix.
2 RALPH BYRON HORNER.....	Blaine Lake.....	Blaine Lake.
3 WALTER M. ASELTINE.....	Rosetown.....	Rosetown.
4 THOMAS H. WOOD.....	Regina.....	Regina.
5 WILLIAM ALBERT BOUCHER.....	Prince Albert.....	Prince Albert.
6 ARTHUR M. PEARSON.....	Lumsden.....	Lumsden.

## ALBERTA—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 ARISTIDE BLAIS.....	St. Albert.....	Edmonton.
2 FRED WILLIAM GERSHAW.....	Medicine Hat.....	Medicine Hat.
3 JAMES ANGUS MacKINNON, P.C.....	Edmonton.....	Edmonton.
4 J. WESLEY STAMBAUGH.....	Bruce.....	Bruce.
5 DONALD CAMERON.....	Banff.....	Edmonton.
6 JAMES GLADSTONE.....	.....	Cardston

NEWFOUNDLAND—6

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

## THE SENATE

### Officers and Chiefs of Principal Branches

John F. MacNeill, Q.C., B.A., LL.B., Clerk of the Senate and Clerk of the Parliaments.

E. Russell Hopkins, B.A., LL.B., Law Clerk and Parliamentary Counsel.

Rodolphe Larose, E.D., First Clerk Assistant.

Major C. R. Lamoureux, D.S.O., Gentleman Usher of the Black Rod.

Harvey Armstrong, Chief Clerk of Committees.

H. D. Gilman, Chief Treasury Officer and Assistant to the Clerk of the Parliaments.

B. P. Lake, Editor of Debates and Chief of Reporting Branch.

Miss I. M. Hutton, Chief of Minutes and Journals (English).

Paul LaRocque, Chief of Minutes and Journals (French).

R. J. Dallaire, Acting Postmaster.

Miss P. M. Garrow, Supervisor of Stenographic Service.

R. E. C. Lay, Chief of Stationery Branch.

W. R. Gray, Chief of Joint Distribution Office.

W. D. Foran, Chief of Protective Service.

W. Pentecost, Manager of Parliamentary Restaurant.

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### PARLIAMENTARY REPORTERS (SENATE)

(English) Graydon Hagen, P. H. Shelton, T. S. Hubbard, Jr., F. C. K. Crockett, F. S. Lawrence.

(French) Victor Lemire, M.B.E.

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### BUREAU FOR TRANSLATIONS

Henriot Mayer, Chief of Debates Division.

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### LIBRARY OF PARLIAMENT

F. A. Hardy, LL. D., Parliamentary Librarian.

Guy Sylvestre, Associate Parliamentary Librarian.

## CANADA

# Debates of the Senate

OFFICIAL REPORT

### THE SENATE

Monday, October 14, 1957

#### OPENING OF FIRST SESSION TWENTY-THIRD PARLIAMENT

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

The Senate met at 10 a.m.

#### NEW SENATOR INTRODUCED

**The Clerk of the Senate:** Honourable senators, I have the honour to inform the Senate that I have received a certificate from the Secretary of State of Canada showing that the Honourable Mark Robert Drouin has been summoned to the Senate.

**Hon. Mark Robert Drouin,** of Quebec, Quebec, was introduced between Hon. Mr. Haig and Hon. Mr. Aseltine, and presented Her Majesty's writ of summons, which was read by the Clerk Assistant, and took the legally prescribed oath, which was administered by the Clerk.

**The Clerk of the Senate:** Honourable senators, I have the honour to inform the Senate that the Honourable Mark Robert Drouin has made and subscribed the declaration of qualification required of him by the British North America Act, 1867, in my presence.

#### SPEAKER OF THE SENATE

READING OF COMMISSION APPOINTING  
HON. MR. DROUIN

**Hon. Mark Robert Drouin,** having taken the Clerk's chair, rose and said: Honourable senators, I have the honour to inform you that a Commission has been issued under the Great Seal, appointing me Speaker of the Senate.

The said Commission was then read by the Clerk.

**The Hon. the Speaker** then took the Chair at the foot of the Throne, to which he was conducted by Hon. Mr. Haig and Hon. Mr. Macdonald, the Gentleman Usher of the Black Rod preceding.

Prayers.

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### COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

**The Hon. the Speaker:** Honourable senators, I have received the following communication:

GOVERNMENT HOUSE  
Ottawa

October 14, 1957

Sir,

I am commanded to inform you that the Honourable Patrick Kerwin, in his capacity as Deputy Governor General, will proceed to the Senate Chamber to open the First Session of the Twenty-Third Parliament of Canada on this day, Monday the 14th October, 1957, at 11.00 a.m.

I have the honour to be,  
Sir,

Your obedient servant,  
J. F. Delaute,

Secretary to the Governor General,  
(Administrative)

The Honourable  
The Speaker of the Senate,  
The Senate,  
Ottawa.

#### NEW SENATORS

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

Hon. J. Eugène Lefrançois,  
Hon. George Stanley White,  
Hon. Clarence V. Emerson,  
Hon. Joseph A. Sullivan,  
Hon. William Ralph Brunt,  
Hon. Arthur M. Pearson,  
Hon. Leon Methot,  
Hon. Gustave Monette.

#### NEW SENATORS INTRODUCED

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

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

**Hon. J. Eugène Lefrançois**, of Montreal, Quebec, (Electoral division, Repentigny), introduced between Hon. Mr. Macdonald and Hon. Mr. Dupuis.

**Hon. George Stanley White**, of Madoc, Ontario, introduced between Hon. Mr. Haig and Hon. Mr. Quinn.

**Hon. Clarence V. Emerson**, of Saint John, New Brunswick, introduced between Hon. Mr. Haig and Hon. Mr. Horner.

**Hon. Joseph A. Sullivan**, of Toronto, Ontario, introduced between Hon. Mr. Haig and Hon. Mr. Quinn.

**Hon. William Ralph Brunt**, of Hanover, Ontario, introduced between Hon. Mr. Haig and Hon. Mr. Aseltine.

**Hon. Arthur M. Pearson**, of Lumsden, Saskatchewan, introduced between Hon. Mr. Haig and Hon. Mr. Horner.

**Hon. Léon Méthot**, of Three Rivers, Quebec, (Electoral division, Shawinigan), introduced between Hon. Mr. Haig and Hon. Mr. Aseltine.

**Hon. Gustave Monette**, of Montreal, Quebec, (Electoral division, Mille Isles), introduced between Hon. Mr. Haig and Hon. Mr. Aseltine.

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

The Senate adjourned during pleasure.

**Hon. Patrick Kerwin**, Deputy of His Excellency the Governor General, having come and being seated,

**The Hon. The Speaker** commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that: "It is the Honourable the Deputy of the Governor General's desire that they attend him immediately in the Senate Chamber."

Who being come,

**The Hon. The Speaker** said:

Honourable Members of the Senate:

Members of the House of Commons:

I have it in command to let you know that Her Majesty the Queen does not see fit to declare the causes of her summoning the present Parliament of Canada until a Speaker of the House of Commons shall have been chosen, according to law; but this afternoon, at the hour of three o'clock, Her Majesty will declare the causes of her calling this Parliament

The House of Commons withdrew.

The Honourable the Deputy of the Governor General was pleased to retire.

The sitting of the Senate was resumed.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

**The Hon. The Speaker:** Honourable senators, I have received the following communication:

GOVERNMENT HOUSE  
Ottawa

October 14, 1957

Sir,

I have the honour to inform you that Her Majesty the Queen will arrive at the Main Entrance of the Houses of Parliament at 3.00 p.m., on this day, Monday the 14th October, 1957, and when it has been signified that all is in readiness, will proceed to the Senate Chamber to open formally the First Session of the Twenty-Third Parliament of Canada.

I have the honour to be,  
Sir,

Your obedient servant,  
Lionel Massey,  
Secretary to the Governor General.

The Honourable  
The Speaker of the Senate,  
The Senate,  
Ottawa.

The Senate adjourned until 2.45 p.m.

SECOND SITTING

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

The Senate adjourned during pleasure.

At three o'clock **Her Majesty the Queen** having come and being seated upon the Throne,

**The Hon. The Speaker** commanded the Gentleman Usher of the Black Rod to proceed to the House of Commons and acquaint that House that it is Her Majesty the Queen's pleasure that they attend her immediately in the Senate Chamber.

The House of Commons being come,

**Their Speaker, the Hon. Roland Michener**, said:

May it please Your Majesty,

The House of Commons has elected me their Speaker, though I am but little able to fulfil the important duties thus assigned to me.

If, in the performance of those duties, I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates,

access to Your Majesty's person at all reasonable times, and that their proceedings may receive from Your Majesty the most favourable interpretation.

**The Hon. the Speaker of the Senate** answered:

Mr. Speaker, I am commanded by Her Majesty the Queen to declare to you that she freely confides in the duty and attachment of the House of Commons to Her Majesty's person and Government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, she grants, and upon all occasions will recognize and allow their constitutional privileges. I am commanded also to assure you that the Commons shall have ready access to Her Majesty upon all reasonable occasions and that their proceedings, as well as your words and actions, will constantly receive from her the most favourable consideration.

### SPEECH FROM THE THRONE

**Her Majesty the Queen** was then pleased to open the First Session of the Twenty-Third Parliament with the following speech:

Honourable Members of the Senate,

Members of the House of Commons,

I greet you as your Queen. Together we constitute the Parliament of Canada. For the first time the representatives of the people of Canada and their sovereign are here assembled on the occasion of the opening of Parliament. This is for all of us a moment to remember.

Parliamentary government has been fashioned by the wisdom of many centuries. Its justice, authority and dignity are cherished by men of good will. It will be the high purpose of my ministers not only to preserve these qualities but to take steps to make both Houses of this Parliament more effective in the discharge of their responsibilities to the people of Canada.

You have come here to form this new Parliament from across a great land, a land far wider than either of those older countries that first gave it birth. I am proud to contemplate the great heritage of this nation—the minerals, the forests, the lands, the waters, the sources of power and energy which fire your ever-growing industries. But I am more proud to contemplate the spirit and ideas which brought this country to nationhood, and now, drawing reinforcement and enrichment from many lands and peoples, have given Canada a national character peculiarly her own.

Yet in this age no nation can live unto itself. Through the overcast of international affairs the bright constellation of the Commonwealth illumines our times. The continuing admission of nations newly guided to self-government both broadens and strengthens our diverse Commonwealth as more of us come to share the great inheritance of those

institutions and ideals which make our association a quiet but pervasive force for good in an unquiet world. This was manifest when the Prime Ministers of the Commonwealth met in London last June to talk of great affairs; and again, only a few days ago when, on Canada's invitation, the Finance Ministers met at Mont Tremblant and in a comradely spirit laid plans for a Commonwealth Trade and Economic Conference to take place next year.

A similar spirit has been evident in the Colombo Plan, which is a part of the high venture of the peoples of South and South-East Asia as they move along the path of national development, and which my Government will continue to support.

My ministers believe that Canada's active participation in the North Atlantic Treaty Organization is essential for the preservation of peace. You will accordingly be asked to maintain modern defence forces in being which, together with those of our allies, will continue to act as a deterrent to attack upon any part of that alliance.

While Canada plays a full part in these particular associations, my ministers remain convinced that in the wider forum of the United Nations we must also continue to seek such agreements as will preserve security and bring about a wide measure of disarmament. Indeed we must continue to hope that through the United Nations the aspirations of men and women for peace and security will be fulfilled.

In domestic affairs my ministers look forward to meeting next month with the leaders of the provincial Governments in order to discuss fiscal relations and to seek better understanding and arrangement of many aspects of our public finances.

In the legislative program to be laid before you, it is fitting that mention should first be made of measures to improve the lot of the senior members of our society. Accordingly you will be asked to increase old age security pensions and to shorten the period of residence required to qualify for them. Changes will be proposed in the terms of assistance offered to provincial Governments to enable them to increase the payments to be made under the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act to a corresponding level.

You will also be asked to increase the scale of war veterans allowances and to enlarge the groups to whom they are paid. Changes will also be proposed in several sections of the Pension Act.

In order to assure to the farmers of Canada a fair share of the national income, you will be asked to enact a measure to provide

greater stability in the prices of their products. Every possible effort is now being made, and will continue to be made to seek new markets for agricultural products as well as to regain those that have been lost.

Due to inability to market their grain, prairie farmers have for some time been faced with a serious shortage of funds to meet their immediate needs. In order to permit them to receive an advance payment for the grain they can expect to deliver this year you will be asked to authorize a system of cash advances for grain stored on farms.

My Government will strive to secure additional markets for the products of our fisheries and to promote the development of international rules to safeguard the living resources of the sea.

My ministers believe that a national development policy carried out in co-operation with the provinces, and in the territories, is needed to enable all regions of Canada to share in the benefits to be realized in developing the resources of this great nation. It is their intention to propose to you from time to time programs and projects to implement this policy.

As an immediate start upon a program of more extensive development in the Atlantic provinces, you will be asked to authorize, in joint action with the provincial Governments, the creation of facilities for the production and transmission of cheaper electric power in those provinces. You will also be asked to provide assistance in financing the Beechwood project which has been under construction in New Brunswick.

My ministers will advance this national development policy further by initiating new discussions with the Government of Saskatchewan in order to make possible the early commencement of construction of the dam on the South Saskatchewan River.

My ministers are pressing for a favourable settlement of international problems in connection with the Columbia River to clear the way for a joint program with the Province of British Columbia to develop the immense power in the waters of this River.

My ministers will place before you a measure to ensure that those working in industries under federal jurisdiction will receive annual vacations with pay.

You will be asked to approve bills relating to certain railway branch lines, amendments to the Canadian and British Insurance Companies Act, and, in so far as the other business before you permits, to several other statutes. Members of the House of Commons,

You will be asked to appropriate the sums required for carrying on the Government of Canada during the remainder of the current fiscal year.

Changes in certain of the taxing statutes will be submitted for your approval.

Honourable Members of the Senate,

Members of the Commons,

I wish to express to you and to the people of Canada my gratitude and that of my husband for the warmth of the loyalty and affection with which we have been welcomed here in Canada.

As I now address you here for the first time, I will call to your minds the words of the earlier Elizabeth when, more than three centuries ago, she spoke from her heart to the Speaker and members of her last Parliament and said "Though God hath raised me high, yet this I count the glory of my crown, that I have reigned with your loves". Now here in the new world I say to you that it is my wish that in the years before me I may so reign in Canada and be so remembered.

On this happy day when we give thanks to God for all that He has bestowed on us, I ask that He may bless and guide you.

The House of Commons withdrew.

Her Majesty the Queen was pleased to retire.

The sitting of the Senate was resumed.

## RAILWAYS BILL

### FIRST READING

**Hon. Mr. Aseltine** (for Hon. Mr. Haig) presented Bill A, relating to railways.

The bill was read the first time.

## SPEECH FROM THE THRONE

### CONSIDERATION ON OCTOBER 22

On motion of Hon. Mr. Aseltine (for Hon. Mr. Haig), it was ordered that the Speech of Her Majesty the Queen be taken into consideration on Tuesday, October 22.

## ADDRESS TO HER MAJESTY

**Hon. Mr. Aseltine:** Honourable senators, on behalf of the Honourable Mr. Haig, I move, seconded by the Honourable Mr. Macdonald:

That a humble address be presented to Her Majesty conveying the loyalty and love of this House and of all her Canadian subjects, their joy in welcoming the presence in Canada of Her Majesty and His Royal Highness The Prince Philip, and their profound gratitude to Her Majesty for graciously opening Parliament and making of this day an historic occasion for all Canadians.

The motion was agreed to.

**COMMITTEE ON ORDERS AND PRIVILEGES**  
**APPOINTMENT**

**Hon. Mr. Aseltine** (for Hon. Mr. Haig), with leave of the Senate, moved:

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

The motion was agreed to.

**COMMITTEE OF SELECTION**  
**APPOINTMENT**

**Hon. Mr. Aseltine** (for Hon. Mr. Haig), with leave of the Senate, moved:

That pursuant to Rule 77, the following Senators, to wit: the Honourable Senators Aseltine, Beau-bien, Haig, Macdonald, Monette, Quinn, Taylor

(Norfolk), Vaillancourt and White be appointed a Committee of Selection to nominate senators to serve on the several Standing Committees during the present session; and to report with all convenient speed the names of the senators so nominated.

**Hon. Mr. Pouliot:** Honourable senators, when will the report of this committee be brought in to the Senate?

**Hon. Mr. Aseltine:** Honourable senators, I understand that the Committee of Selection will meet tomorrow morning, at approximately 11 o'clock, and that their report will be submitted to the Senate when it meets at 3 o'clock in the afternoon.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

## APPENDIX

## HER MAJESTY'S BROADCAST TO THE NATION

SUNDAY, OCTOBER 13, 1957

*(Ordered to be printed in Hansard on motion of Hon. Mr. Pouliot. See p. 329)*

When my husband and I were leaving Canada last time—in the teeth of a gale, as you may remember—we heard the kindly people at Portugal Cove singing “Will Ye No Come Back Again?” We could not tell them then that we had every hope and intention of returning as soon as possible. Now after six years I want you to know how happy I am to be in Canada once again, particularly at Thanksgiving.

Tomorrow afternoon I shall open the 23rd Parliament here in the nation's capital. As you may know, it will be the first time that the Canadian Parliament has been opened by the Sovereign in person and I am very much looking forward to performing this duty. At this ancient ceremony I shall preside at a formal assembly of the men and women chosen to guide the destinies of Canada. Tomorrow I shall address your representatives . . . Tonight I want to talk to you more personally.

Next week I have another important and pleasant duty to perform. When I go to the United States I shall be going as the Head of the Canadian nation to pay a State visit to the Head of our great neighbouring country. I shall be going in other capacities as well, but when you hear or read about the events in Washington, and other places, I want you to reflect that it is the Queen of Canada and her husband who are concerned in them.

I am afraid my visit to Canada this time is going to be very short, but travelling is becoming so quick and easy that I hope to be able to pay more visits in the future. In the meantime I have vivid memories of my journey across the country in 1951. All the varied scenes of that tour have been crowding back into my mind since I arrived and I have been going over the great events of those days with old friends.

I remember particularly the welcome of the children . . . How you all shouted with one voice. I remember thinking that it augured well for Canada that the rising generation, whether English- or French-speaking, whether born here or abroad, could show so clearly that you belonged to one great Canadian family. This is a wonderful and exhilarating country worthy of your very best service when you grow up. We hope that one day we shall be able to bring our children here to see it.

Different language is no bar to unity of outlook, so I want to say a few words to the French-speaking children who may be listening.

*(Translation):*

Whether you be English- or French-speaking, whether you were born in this splendid country or abroad, you all belong to one great family. You live in a wonderful and exhilarating country. So many other children would love to share your happiness! When you grow up, you will be proud to serve your country and better able to realize all it has done for you. I hope that one day I shall be able to bring my own children here to see it.

*(Text):*

Great things have happened here in the last six years. For one thing there are more Canadians, the cities are larger, industry has expanded and the last frontier is being pushed northwards. The strength of the Canadian currency is the admiration of other nations and it reflects the unceasing and sensible development of the natural resources, and your own hard work.

In 1959 I am hoping to be present when the St. Lawrence Seaway is opened and then I hope to take that chance to travel more widely across the country. All these developments and adventurous undertakings are making a contribution to Canada's prosperity, but I am also pleased to see the way Canada's stature has grown in the councils of the world.

*(Translation):*

Industry and commerce may bring wealth to a country, but the character of a nation is formed by other factors. Race, language, religion, culture and tradition all have some contribution to make, and when I think of the diversity of these factors in Canada today and the achievements that have grown from their union I feel proud and happy to be Queen of such a nation.

My stay in Canada will be so short and my duties in the capital so many that I shall be unable to stop elsewhere. But the memories of my visit in the province of Quebec, some years ago, are such that I do feel I have to say along with you: “I remember”.

I remember not only the warmth of your greeting and the beauty of your ancient

heritage, but also other things of abiding worth, for I know how much you love this land of yours where your ancestors lie buried. I know too of your passionate devotion to your ancient faith and to your mother tongue. Loyal united with your fellow citizens, you have helped Canada to play an ever increasing part in world affairs.

(Text):

In this wonderful land of yours, men and women of various racial origins live and work together on terms of equality. That is a splendid lesson for everyone. As Queen of Canada I am proud of it. In saying "au revoir", may I say too how grateful I am for

all you have done for my husband and myself. To you and your children I wish peace and happiness.

There are long periods when life seems a small dull round, a petty business with no point, and then suddenly we are caught up in some great event which gives us a glimpse of the solid and durable foundations of our existence. I hope that tomorrow will be such an occasion. I hope that all of you will feel that you are taking part in a piece of Canada's history. I wish more of you could be here to witness the ceremony, but at least tonight I have been able to speak to you directly in your homes.

And now it's time for me to say Good night. Good luck and God bless you all.

## THE SENATE

Tuesday, October 15, 1957

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

Prayers.

Routine proceedings.

### LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN

**The Hon. the Speaker:** Honourable senators, I have the honour to present the report of the Parliamentary Librarian.

The report was read by the Clerk Assistant as follows:

To the Honourable the Speaker of the Senate:

The Parliamentary Librarian has the honour to submit his report for the first nine months of the year 1957.

We now have in the library building some 200,000 volumes, of which 89,385 had been re-catalogued at the end of September last. Since the last report our enlarged cataloguing staff have re-catalogued 17,259 volumes. During the same period our staff have answered 2,512 reference questions, and have circulated 10,613 books.

We have brought back to the Supreme Court building all the boxes of books which were in dead storage in the Dominion Bureau of Statistics building except those intended for the National Library. Those still in the Supreme Court building are being arranged on shelves and will be gone over soon with a view to deciding which should be kept and which sent to the National Library. This is a long operation which is not likely to be completed until two or three years hence.

In accordance with a recommendation of the Joint Committee on the Library of Parliament at its meeting in March 19, 1957, the Department of Public Works have studied ways of improving the general illumination of the main reading room and steps are now being taken to implement the recommendation of the Joint Committee.

Respectfully submitted,

FRANCIS A. HARDY  
Parliamentary Librarian

Library of Parliament,  
Ottawa, October 14, 1957.

**The Hon. the Speaker:** Honourable senators, shall this report be tabled?

**Hon. Senators:** Agreed.

### DIVORCE COMMITTEE

REPORT OF COMMITTEE OF SELECTION  
ADOPTED

**Hon. W. M. Aseltine** presented the report of the Committee of Selection.

The report was read by the Clerk Assistant as follows:

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

Your committee have the honour to submit herewith the list of senators selected by them to serve on the Standing Committee on Divorce, namely:

The Honourable Senators Baird, Barbour, Burchill, Cameron, Croll, Euler, Farquhar, Farris, Fergusson,

Gershaw, Golding, \*Haig, Hawkins, Hodges, Horner, Howard, Howden, Isnor, Kinley, \*Macdonald, Roebuck, Smith (Queens-Shelburne) and Taylor (Westmorland).—(21)

\**Ex officio* member.

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

**Hon. Jean-François Pouliot:** Honourable senators, I am quite surprised that the first motion we have is one for appointment of the Divorce Committee. It comes as the most important appointment, although it is the one which should pass last. As a member of the Senate, and being rather assiduous, I have considered that many of my gifted colleagues have spent much of their valuable time in the Divorce Committee, where they served with efficiency, and it was a most unpleasant task for them; they did it conscientiously and admirably, and they deserve to be praised for the excellent although painstaking work which they have done. But naturally there is a certain deformation of the mind due to application to the work, and some members of the Divorce Committee may be under the false impression that because they sit on that committee and perform their duties as well as they can, they do their utmost to serve this country. My opinion is that they are greatly mistaken. For this reason: if we go back to the time of Confederation we will see that at that time the number of divorces were very few; in fact, in some years there were none. It is very easy to check and verify the record by perusing the Votes and Proceedings of each session at the time of Confederation. The number of divorces were nothing—one or two per year. Therefore, the Fathers of Confederation decided that the matter should come under the jurisdiction of Parliament. Well and good. But if we consider the most interesting and most important report that was tabled during last session by the honourable senator from Huron-Perth (Hon. Mr. Golding), on behalf of the Chairman of the Divorce Committee, we will see that conditions are entirely different now from what they were at the time of Confederation. I have the highest opinion of my colleagues of the Senate; I consider that they are able, conscientious, broad-minded, well-informed Canadian citizens. And this is not flattering. I express with great sincerity my personal feelings, after two years of assiduous work in the Senate.

Now, there are many committees that never sit. It is unfortunate. But the Divorce Committee is sitting too much, and we take for granted that Mr. and Mrs. So-and-so, who cannot manage to live together, make a case. It is made by Mr. So-and-so, or Mrs. Such-

and-such. They hire an investigator of minor repute, with good eyesight, who from a distance of several hundred yards can see through the keyhole of a door and tell what is happening inside. Perhaps there is some substance in the evidence that is given, because if we take report after report we find the story is always the same. It reminds me of the story of a general storekeeper who had bought 50 barrels of good black molasses to sell to the lumberjacks of his district.

**Hon. Mr. Haig:** Honourable senators, I am sorry, but I feel I must interrupt my honourable friend to point out that there is no motion before the house. We will give him every opportunity to speak at the proper time.

**Hon. Mr. Farris:** What about the story?

**Hon. Mr. Haig:** I think we should get on with the business.

**Hon. Mr. Beaubien:** It is a little sticky, but it is all right.

**Hon. Mr. Haig:** My friend may tell his story if he wishes, but I point out there is no motion before the house. We are anxious to have the motion for the appointment of the committee approved.

**Hon. Mr. Macdonald:** We have not got to the motion yet. Should we not decide whether we will allow the honourable senator to conclude his remarks? It seems to me that he is about finished. If we shut him off now he can start all over again when the motion is before the house. As I say, I think he is about through.

**Hon. Mr. Haig:** Will my honourable friend guarantee that?

**Hon. Mr. Aseltine:** Honourable senators, if I may be allowed to move that the report be taken into consideration now, it will then be in order for my honourable friend to say what he has to say. In my opinion, he is out of order at present.

**Hon. Mr. Macdonald:** I would agree to that, but I think that what the honourable senator from De la Durantaye (Hon. Mr. Pouliot) has said should be taken as having been said after the motion is put.

**Hon. Mr. Aseltine:** Honourable senators, with leave I move, seconded by Hon. Mr. Monette, that this report be taken into consideration now.

**Hon. M. Pouliot:** Honourable senators, I do not want to be accused of obstruction. As a rule, I try to make short speeches, and I think the house for being so indulgent today.

As I was saying, there was a fellow who bought 50 barrels of molasses to serve to the lumberjacks of his district. His customers

came, and they were served in pints, quarts or gallons. Soon afterward they returned to the store and complained that the molasses, instead of being sweet, turned sour and was very acid. The storekeeper tasted some from the barrel and found that it was not very palatable. So he asked the wholesaler to cancel the deal and take the molasses back, which request was refused. The storekeeper then took action. The court appointed referees, all good men, and each one had to drink a large soup-spoonful of that sour molasses. Imagine anyone drinking 50 large spoonfuls of sour molasses. It must have been very unpleasant. And so it is that when I think of an unpleasant task like sitting on our Divorce Committee I am reminded of the sour molasses case that was decided by the experts. Naturally, all comparisons are odious. I do not want to infringe on the rules, I just want to bring to the attention of my honourable colleagues of the Senate a few facts, which I will summarize.

In the first place, one should have a sense of proportion and agree that the Divorce Committee—and I am not discussing the kind of work that is done by members of that committee at all—is the least important of all the committees set up in the Senate.

In the second place, it will be agreed that a large number of our colleagues spend their valuable time in listening to those sordid stories, wasting their time which they could occupy much more beneficially for the good of the country. That being submitted to the wisdom of all my colleagues, I thank them for the good hearing they have given me.

**Hon. Mr. Roebuck:** Will the honourable gentleman tell us if he has any suggestions to make?

**Hon. Mr. Pouliot:** Yes, surely. I make the same suggestion that I made to the house at the time the honourable gentleman was ill last session. I am glad to see that he has completely recuperated.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Roebuck:** Thank you.

**Hon. Mr. Pouliot:** And this suggestion is now made by special request. I am very thankful to have the opportunity to answer my honourable friend who has spent a lot of time serving on the Divorce Committee.

Going back to what took place at the time of Confederation, we must put ourselves in the minds of the Fathers of Confederation and see the divorce question as they saw it in 1867, when there were none or very few divorces. The suggestion that I made last session, and

which was as clear as crystal—and I hope that it will be accepted—is this: putting ourselves in the place of the Fathers of Confederation, let us go back the ninety years to the time when there were just a few divorces. Some years there were none, in other years there were two and in other years, one. Let us put the average at five a year at the time of Confederation.

Coming back to the present, to 1957, we must take into consideration another point, the increase of population, a fourfold increase since 1867. Now looking at the question as it was seen in the minds of the Fathers of Confederation, my idea is to multiply the average number of divorces at the time of Confederation by four, the number of times the population has increased, and that would mean that each year the Senate Divorce Committee would hear twenty petitions for divorce. That is my suggestion. And if my honourable friend who has been doing so much as Chairman of the Divorce Committee (Hon. Mr. Roebuck) asks, "What can we do, seeing we have 400 petitions a year?", I reply: "Well, the thing is simple. If you consider 20 divorce petitions a year, and if 400 petitions are filed, then there will remain 380 on the waiting list for next session."

**Hon. Mr. Horner:** Would the honourable member tell us how he would select the 20 out of the 400?

**Hon. Mr. Pouliot:** In numerical order. And that would be fair—first to come, first to be judged. That would discourage applicants, and the whole question would be solved.

There was another suggestion, which was made by no less a jurist than the present Leader of the Opposition in the House of Commons. He suggested that as most divorce petitions come from the province of Quebec, all the applicants from that province should in the first place be required to obtain a judicial separation from bed and board from the Superior Court of the province of Quebec, which requirement would reduce considerably the number of divorce petitions. And not only that, but each applicant would have to file with his petition for a divorce a certified copy of the judgment of the Superior Court.

Well, those are two suggestions, honourable senators. If my honourable friend insists, I will give him some more in due course.

**Hon. Mr. Roebuck:** That will do for the moment.

**Hon. Mr. Macdonald:** Honourable senators, before the question is put may I ask the mover of the motion (Hon. Mr. Aseltine) if this committee is composed of the same number and the same members as last session.

**Hon. Mr. Aseltine:** Yes, exactly.

**Hon. Mr. Macdonald:** Are there some vacancies still on the committee?

**Hon. Mr. Aseltine:** There are quite a number.

**Hon. Mr. Macdonald:** I am glad to hear that. I am rather disappointed that there have not been some names added. When I realized that there were a number of new senators joining us this session, I hoped that at least some of them would see their way clear to consent to sit on the Divorce Committee. I can only express the hope that, when other honourable senators are appointed, some of them will serve on this committee.

**Hon. Mr. Aseltine:** The object of having these vacancies is that other members can be appointed when the senatorial vacancies are filled.

The motion for consideration of the report was agreed to, and on motion of Hon. Mr. Aseltine the report was adopted.

#### APPOINTMENT

**Hon. John T. Haig,** with leave of the Senate, moved:

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

He said: The purpose of the motion is simply to enable the Divorce Committee to get together and organize. The Senate does not appoint its chairman; the committee appoints its own. Also the committee will have an opportunity to arrange dates for hearings of divorce cases. Hearings cannot be held before the 28th of this month, but the persons concerned can be notified that hearings will take place on and after that date. Quite a little work is involved in making these arrangements. As a former chairman, I understand that very clearly. I do not think there can be any objection to the adoption of an arrangement which worked very well last session and will, I am sure, be useful this session.

**Hon. Mr. Macdonald:** I agree with what the honourable Leader of the Government (Hon. Mr. Haig) has said, but am I to understand the latter part of the motion to mean that matters other than divorce can be referred to the committee?

**Hon. Mr. Haig:** No, just matters which relate to the Divorce Committee. I am dealing only with the Divorce Committee, because it is desired to give that committee a chance to get organized.

**Hon. Mr. Roebuck:** I am not very clear about the purport of the motion. So far as organizing the committee and giving it the necessary powers is concerned, that is good. If this or whatever other resolution may be required is passed today we can meet tomorrow and organize for the present session. That is necessary because, as the honourable the Government Leader has said, there is a great deal to be done in bringing these cases to trial. Due notice must be given to the parties involved. I am not passing on the phraseology of the motion, but the general purpose of it is right.

The motion was agreed to.

## STANDING COMMITTEES

### REPORT OF COMMITTEE OF SELECTION

**Hon. Mr. Aseltine** presented the second report of the Committee of Selection.

He said: Honourable senators, the Committee of Selection appointed to nominate senators to standing committees for the present session, make their second report.

**The Clerk Assistant** (reading):

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

**Hon. Senators:** Dispense.

*For text of report see Appendix to today's Hansard, pp. 11-12.*

**Hon. Mr. Aseltine:** I may say that the former members of each committee remain as they were, and there are certain vacancies left to be filled at a later date, when we have a full house. I move that the report be taken into consideration at the next sitting.

**Hon. Mr. Haig:** Honourable senators, if an honourable senator decides that he would prefer to be on some committee other than the one to which he or she is nominated, it is the intention of the Selection Committee, as they agreed this morning, that an attempt will be made to switch members around so as to put them on committees on which they want to work. This cannot be done, of course, if a committee is already filled and there are no resignations, but on a number of committees there are one or more vacancies and readjustments may be made. The arrangement worked very well last session, and we hope to continue the same policy.

The motion was agreed to.

96702—2½

## BUSINESS OF THE SENATE

**Hon. Mr. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

Before the question is put may I explain why I am asking for this adjournment? In the first place, I have been informed by members of the Senate staff that it will take until Thursday or Friday of this week to restore the Senate chamber to its normal state. In the second place, many honourable senators had anticipated that we would adjourn today until next Tuesday night.

I have not consulted with anyone on the matter but I want to say quite candidly that I am hopeful the Senate will be able to sit four days a week during this session. The question arises as to whether we should sit Monday nights or Friday afternoons. This is something on which I want guidance from both sides of the house, for it is of interest to all of us. I will not try to reach any decision now but I would ask honourable members to think this over and give me their ideas on it by next Tuesday night. I freely admit that if I lived in Montreal or Toronto I would be hopeful the Senate could keep up to its work by sitting three days a week. However, I do not think a three-day week would give us enough time during this session. Legislation will go forward fast enough in the other house and we shall be required to sit four days a week to keep up. I would not like to delay the other house for any reason, and I want the Senate to be right up to date with its work. Two or three pieces of legislation forecast in the Speech from the Throne will require the best consideration of honourable members, both in this house and in committee. Our experience in life has equipped us to deal capably with these problems, and we owe it to the people of Canada to make this contribution to the affairs of the country.

**Hon. Mr. Macdonald:** Honourable senators, with regard to the number of sitting days in the Senate, it has been my experience that honourable members have always been prepared to sit whenever there has been business for them to consider, and I have never heard them object when they have been required to be here even five days a week. I can assure the honourable Leader of the Government (Hon. Mr. Haig) that the members on this side of the house will be ready to sit even on Saturdays in order to dispose of the business of the Senate.

The motion was agreed to.

## STANDING COMMITTEES

## NOTICE OF INQUIRY

**Hon. Mr. Pouliot:** Honourable senators, I wish to give notice of the following inquiry for Wednesday, October 23:

1. What is the membership, the quorum, the purpose and the jurisdiction of each one of the sixteen standing committees of the Senate?

2. Besides the yearly routine meetings to set a quorum and elect a chairman, how many meetings of each standing committee were held during each one of the last ten sessions of Parliament?

3. For each standing committee how many subcommittees were there?

4. What is the membership, the quorum, the purpose and the jurisdiction of each said committee?

5. In what year were the said subcommittees appointed for the first time?

6. How many meetings of each one of the said subcommittees have been held during each one of the last ten sessions of Parliament?

I had intended to make this inquiry at the last session. I discovered it in my files and I have redrafted it and brought it up to date. The purpose of the inquiry is to ascertain how many committees we have and how often they have sat. Now, I have a list of the committees, but this list was made prior to presentation of the Selection Committee's report, which will be taken up at the next sitting.

**Hon. Mr. Macdonald:** May I ask the honourable senator whether he is asking for that information with respect to all the standing committees?

**Hon. Mr. Pouliot:** The standing committees that are not joint committees.

**Hon. Mr. Haig:** My honourable friend would assist me and the staff of the Senate if he were to put this in the form of an inquiry on the Order Paper. Then we would get the answer and give it to him.

**Hon. Mr. Pouliot:** That is what I am doing.

**Hon. Mr. Aseltine:** My honourable friend should give written notice of it. He cannot make a speech on it now.

**Hon. Mr. Pouliot:** I am giving a copy of it to the Clerk. I do not expect an answer today. That would be impossible.

**Hon. Mr. Quinn:** But you would like to make a speech on it.

## NOBEL PEACE PRIZE

## AWARD TO HON. LESTER B. PEARSON

On the Orders of the Day:

**Hon. W. Ross Macdonald:** Honourable senators, may I raise a matter in which I know all honourable senators are very interested? Yesterday I read a Canadian Press dispatch from Ottawa, as follows:

Following is the text of the cable received by Lester B. Pearson today, informing him he has won the 1957 Nobel Peace Prize:

"I have the honour to inform you that the Nobel Committee of the Norwegian Parliament today has awarded to you the Nobel Peace Prize for 1957."

Honourable senators, in my opinion this is a great honour which has come to a very deserving and distinguished Canadian who has served Canada well both at home and abroad. It is a distinction that has never before come to a Canadian citizen. In fact, this prize has been awarded to citizens of this continent on only three previous occasions. The Honourable Lester B. Pearson has made the name of Canada highly respected in the councils of the world. He has represented our country at international gatherings whose main purpose has been to preserve peace, and he has done his work so well that he has now been given this great honour. I am sure honourable senators will join with me in extending to the Honourable Mr. Pearson our hearty congratulations on the winning of this award, and our deep appreciation of the splendid work which he has done for Canada.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Haig:** Honourable senators, I join with the Leader of the Opposition (Hon. Mr. Macdonald) in conveying to Mr. Pearson our very kind regards and in expressing our pleasure at the great honour he has brought, not only to himself, but also to the Canadian people.

**Hon. Senators:** Hear, hear.

The Senate adjourned until Tuesday, October 22, at 8 p.m.

## APPENDIX

(See p. 9)

## REPORT OF COMMITTEE OF SELECTION

Tuesday, October 15, 1957.

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

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

## JOINT COMMITTEE ON THE LIBRARY

The Honourable the Speaker, the Honourable Senators Aseltine, Blais, Cameron, Fournier, Gershaw, Gouin, Lambert, McDonald, Reid, Vien, Wall and Wilson. (13)

## JOINT COMMITTEE ON PRINTING

The Honourable Senators Barbour, Blais, Bouffard, Bradette, Bradley, Comeau, Davies, Euler, Isnor, McGrand, Nicol, Pearson, Savoie, Smith (Kamloops), Stambaugh, Turgeon and Wood. (17)

## JOINT COMMITTEE ON THE RESTAURANT

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

## STANDING ORDERS

The Honourable Senators Beaubien, Bishop, \*Haig, Hayden, Horner, Howden, Inman, Kinley, Leger, \*Macdonald, McLean, Methot, Pratt, Tremblay and Wood. (13)

\**Ex-officio* member.

## BANKING AND COMMERCE

The Honourable Senators Aseltine, Baird, Beaubien, Bouffard, Burchill, Campbell, Connolly (Ottawa West), Crerar, Croll, Davies, Dessureault, Emerson, Euler, Farris, Farquhar, Gershaw, Golding, Gouin, \*Haig, Hardy, Hawkins, Hayden, Horner, Howard, Howden, Hugessen, Isnor, Kinley, Lambert, Leonard, \*Macdonald, MacKinnon, McDonald, McGuire, McKeen, McLean, Monette, Paterson, Pouliot, Power, Pratt, Quinn, Reid, Roebuck, Taylor (Norfolk), Turgeon, Vaillancourt, Vien, White, Wilson, Wood and Woodrow. (50)

\**Ex-officio* member.

## TRANSPORT AND COMMUNICATIONS

The Honourable Senators Aseltine, Baird, Beaubien, Bishop, Bouffard, Bradley, Brunt, Campbell, Connolly (Halifax North), Connolly (Ottawa West), Dessureault, Emerson, Euler, Farris, Gershaw, Gouin, Grant, \*Haig, Hardy, Hawkins, Hayden, Hodges, Horner, Hugessen, Isnor, Jodoin, Kinley, Lambert,

Lefrançois, \*Macdonald, MacKinnon, Marcotte, McGrand, McGuire, McKeen, McLean, Méthot, Molson, Nicol, Paterson, Power, Quinn, Raymond, Reid, Roebuck, Smith (Queens-Shelburne), Stambaugh, Veniot, Vien, Wood and Woodrow. (49)

\**Ex-officio* member.

## MISCELLANEOUS PRIVATE BILLS

The Honourable Senators Baird, Beaubien, Bois, Boucher, Bouffard, Bradette, Brunt, Connolly (Halifax North), Connolly (Ottawa West), Dupuis, Euler, Farris, Fergusson, \*Haig, Hayden, Horner, Howard, Howden, Hugessen, Inman, Lambert, Leger, \*Macdonald, McDonald, Monette, Nicol, Quinn, Reid, Roebuck, Stambaugh, Sullivan, Taylor (Norfolk), Taylor (Westmorland) and Tremblay. (32)

\**Ex-officio* member.

## INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

The Honourable Senators Aseltine, Basha, Beaubien, Bouffard, Campbell, Connolly (Ottawa West), Dessureault, Drouin (Speaker), Gouin, \*Haig, Hayden, Hodges, Horner, Howard, Isnor, \*Macdonald, Marcotte, McDonald, McLean, Paterson, Petten, Quinn, Robertson, Turgeon, Vaillancourt, Vien and Wilson. (25)

\**Ex-officio* member.

## EXTERNAL RELATIONS

The Honourable Senators Beaubien, Boucher, Bradette, Bradley, Crerar, Croll, Farquhar, Farris, Fergusson, Fournier, Gouin, \*Haig, Hardy, Hayden, Howard, Hugessen, Jodoin, Lambert, Lefrançois, \*Macdonald, Marcotte, McGuire, McLean, Nicol, Savoie, Taylor (Norfolk), Turgeon, Vaillancourt, Veniot, Vien, Wall, White and Wilson. (31)

\**Ex-officio* member.

## FINANCE

The Honourable Senators Aseltine, Baird, Campbell, Connolly (Halifax North), Connolly (Ottawa West), Crerar, Dupuis, Euler, Farris, Fraser, Gershaw, Golding, \*Haig, Hawkins, Hayden, Horner, Howden, Isnor, Lambert, Leonard, \*Macdonald, McKeen, Molson, Paterson, Pearson, Petten, Pratt, Quinn, Reid, Roebuck, Smith (Queens-Shelburne), Stambaugh, Taylor (Norfolk), Turgeon, Vaillancourt, Vien, White and Woodrow. (40)

\**Ex-officio* member.

## TOURIST TRAFFIC

The Honourable Senators Baird, Basha, Beaubien, Bishop, Bois, Bouffard, Cameron, Connolly (Halifax North), Crerar, Croll, Davies, Dupuis, Fergusson, Fraser, Gershaw, \*Haig, Horner, Inman, Isnor, Jodoin, \*Macdonald, McLean, Roebuck, Smith (Kamloops), and Tremblay. (23)

\**Ex-officio* member.

## DEBATES AND REPORTING

The Honourable Senators Aseltine, Bishop, Davies, Grant, \*Haig, \*Macdonald, McGrand, Savoie and Tremblay. (7)

\**Ex-officio* member.

## NATURAL RESOURCES

The Honourable Senators Aseltine, Barbour, Basha, Beaubien, Bois, Bouffard, Burchill, Cameron, Comeau, Crerar, Davies, Dessureault, Dupuis, Emerson, Farquhar, Fraser, \*Haig, Hawkins, Hayden, Horner, Kinley, \*Macdonald, MacKinnon, McDonald, McKeen, McLean, Méthot, Nicol, Paterson, Pearson, Petten, Power, Raymond, Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt and Wood. (37)

\**Ex-officio* member.

## IMMIGRATION AND LABOUR

The Honourable Senators Aseltine, Beaubien, Blais, Bouchard, Boucher, Burchill, Campbell, Crerar, Croll, Dupuis, Euler, Farquhar, Fournier, Gershaw, \*Haig, Hardy, Hawkins, Hodges, Horner, Hugessen, Lefrançois, \*Macdonald, MacKinnon, Monette, Reid, Roebuck, Taylor (Norfolk), Turgeon, Vaillancourt, Veniot, Wall, Wilson and Wood. (31)

\**Ex-officio* member.

## CANADIAN TRADE RELATIONS

The Honourable Senators Baird, Bishop, Blais, Brunt, Burchill, Campbell, Crerar, Davies, Dessureault, Euler, Fergusson, Fraser, Gouin, \*Haig, Hawkins, Howard, Kinley, Lambert, Leonard, \*Macdonald, MacKinnon, McKeen, McLean, Molson, Nicol, Paterson, Petten, Pouliot, Pratt, Smith (Kamloops), Turgeon and Vaillancourt. (30)

\**Ex-officio* member.

## PUBLIC HEALTH AND WELFARE

The Honourable Senators Blais, Burchill, Comeau, Connolly (Halifax North), Dupuis, Farris, Fergusson, Gershaw, Golding, Gouin, Grant, \*Haig, Hawkins, Howden, Inman, Jodoin, Kinley, \*Macdonald, McGrand, McGuire, Pratt, Roebuck, Smith (Queens-Shelburne), Stambaugh, Sullivan, Veniot, Wall and Wilson. (26)

\**Ex-officio* member.

## CIVIL SERVICE ADMINISTRATION

The Honourable Senators Aseltine, Bishop, Bouchard, Cameron, Davies, Dessureault, Dupuis, Gouin, \*Haig, Kinley, Leger, \*Macdonald, Marcotte, Quinn, Roebuck, Taylor (Norfolk), Turgeon and Wilson. (16)

\**Ex-officio* member.

## PUBLIC BUILDINGS AND GROUNDS

The Honourable Senators Aseltine, Barbour, Connolly (Ottawa West), Dessureault, \*Haig, Horner, Lambert, \*Macdonald, McGrand, McGuire, Paterson, Pouliot, Quinn, Wall and Wilson. (13)

\**Ex-officio* member.

All which is respectfully submitted.

W. M. ASELTINE,  
Chairman.

## THE SENATE

Tuesday, October 22, 1957

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

Prayers.

## APPROPRIATION BILL NO. 6

## FIRST READING

**The Hon. the Speaker:** Honourable senators, a message has been received from the House of Commons with Bill 11, for granting Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958, to which they desire the concurrence of the Senate.

The bill was read the first time.

## SECOND READING

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

**Hon. John T. Haig:** Honourable senators, I would like, with the consent of the house, to move second reading of this interim supply bill tonight, because of circumstances which have never arisen before and are not likely to arise again.

In the spring of 1957 the Government of the day brought down a budget which contained certain estimates. Then Parliament passed an interim supply bill to provide supply for a six-month period ending October 31. When the new Government came into power, on June 10, it found it could not call a session of Parliament in September, although apparently both parties had anticipated there would be such a session when they made this deal with respect to the supplementary estimates, and voted supply only to the end of October. Before the former Government went to the country it promised an increase in salaries to civil servants, members of the Royal Canadian Mounted Police, members of the armed forces and certain classes of that kind, but apparently there was not enough time to provide for these salary increases before the election came on.

When the new Government came into power it saw fit to fulfil the salary promises that had been made, but not enough money had been voted in the estimates, which will run out on October 31. If new estimates are not put through by that date, Thursday of next week, there will not be sufficient funds to pay the employees to whom I have referred.

Further supplementary bills will be introduced, because this one will take care of only the shortage in October and the requirements for November. Estimates will also have to be brought down and voted on for December of 1957 and January, February and March of 1958. The Government's expenditures for those items and any other items beyond the original estimates will have to be included in those supplementary estimates to come. I reserve to all honourable senators the right to discuss or examine all the general estimates for those four months. I would ask honourable senators to permit this bill to be put through tonight, so that the Governor General or his representative may come here on Thursday to give Royal Assent to the bill.

The bill is somewhat complicated, but fundamentally it is being introduced for the very reason I have stated. I am quite willing to give any explanation I am able to give. I may say, and I think this is something we ought to remember, that the House of Commons put this bill through in a very short time, by unanimous vote. They of course were very close to the estimates and understood the matter clearly, some of the members of the former Government and some of the members of the new Government having been in the other house at the last session. Apparently, it was not very difficult. They indulged in some high talk, but I do not think it had anything to do with the estimates at all. I read the report, and it looked to me as though the discussion of the estimates was very limited, if they were discussed at all, and therefore it does not seem to me to be necessary to delay passage of the bill.

**Hon. Mr. Macdonald:** Are we now on second reading?

**Hon. Mr. Haig:** Honourable senators, I move second reading of this bill.

**The Hon. the Speaker:** Has the motion a seconder?

**Hon. Mr. Haig:** I will hand in the motion in writing. This is mistake No. 1 for me—I should have handed it in earlier.

**The Hon. the Speaker:** It is moved by the Honourable Senator Haig, seconded by the Honourable Senator Aseltine, that the bill be read the second time.

**Hon. W. Ross Macdonald:** Honourable senators, I have no intention of holding up passage of this bill tonight. However, I should like certain information, and to know clearly just what we are discussing. I understand that this bill covers interim supply in respect to the main estimates which were tabled in the House of Commons in the last session of

the last Parliament, as well as two supplementary estimates which also were tabled in the House of Commons in that session, together with a further supplementary estimate that was tabled in this session.

**Hon. Mr. Haig:** Permit me to make a comment. When we get to the final estimates, which will come up later, we will include the total estimates.

**Hon. Mr. Macdonald:** That is, there will be further supplementary estimates?

**Hon. Mr. Haig:** Yes.

**Hon. Mr. Macdonald:** First, I would like to know if the main estimates which were tabled in the House of Commons during the past session are the same main estimates that were tabled this session in the House of Commons.

**Hon. Mr. Haig:** I understand they are.

**Hon. Mr. Macdonald:** And the supplementary estimates which were tabled in the previous session have again been tabled in this session. Am I right in that respect?

**Hon. Mr. Haig:** No, that is not correct, because they did not take these estimates into consideration.

**Hon. Mr. Macdonald:** I was under the impression that they were the same. But, in addition, there will be further supplementary estimates?

**Hon. Mr. Haig:** That is correct.

**Hon. Mr. Macdonald:** Now I think we know what we are discussing. We are discussing interim supply, which takes in the main estimates and all the supplementary estimates that have been tabled in the House of Commons and distributed to us in this chamber.

I observe, honourable senators, that this bill involves quite a large sum of money. If my addition is correct, it would grant supply to the extent of \$305,221,435.25. That is not supply for the whole year, but is interim supply.

**Hon. Mr. Hugessen:** For a month.

**Hon. Mr. Macdonald:** My friend says a month. That is another matter I would like to have cleared up.

Clause 2 makes provision for paying out of the Consolidated Revenue Fund a sum of \$260,912,255.50, being one-twelfth of the main estimates, with certain exceptions. Honourable senators will note by lines 25 and 26 a number of items are excepted. Perhaps the honourable Leader of the Government (Hon. Mr. Haig) can tell us why those items are

excepted. Is it because those items have not been spent in full, or is the money not needed?

**Hon. Mr. Haig:** The report from the House of Commons does not show that.

**Hon. Mr. Macdonald:** Apparently I cannot get much information on that point.

I do not intend to go over all these items, but I will refer to a few.

Clause 2 provides for an expenditure of one-twelfth of the main estimates, with certain exceptions. Clause 3 makes provision for one-sixth of certain sums set forth in Schedule A. Clause 4 provides one-twelfth of the total amounts set forth in Schedule B. Clause 5 provides one-twelfth of the total supplementary estimates. Clause 6 covers one-ninth of certain estimates. Clause 7 provides one-twelfth of a certain item. Clause 8 covers one-third of the total amount of several items. Clause 9 would provide seven-twelfths of the amount of the items in Schedule C. And clause 10 provides one-third of the amount set forth in Schedule D.

Now I understand from what my honourable friend has said that this bill, generally speaking, is asking for interim supply for one month only, which would be one-twelfth of the total amount. Can he inform us why in one case one-twelfth of the total amount is asked, in another case seven-twelfths, in another case one-third, and so on?

While my honourable friend is answering that question would he also be good enough to inform the house if it is the intention of the administration to spend during the next month all the money for which it is asking in the present bill? I have heard it said—I am not sure where I heard this—that there is going to be a reduction in governmental expenditures, that the present administration is not going to spend as much money as the former administration. Well, honourable senators, if that is so, I should think they would not need all this money. Are we going to tell them they can spend it, while they say they do not want it all? In one breath they ask for it, and in another breath say, "We do not need it, we are not going to spend it all". I think my honourable friend should clear up that point; let him take us into his confidence and tell us if the administration actually does want all this money and, if so, whether or not it intends to spend it.

I am not going to ask for any additional information at this time. I realize that the main estimates and at least two of the supplementary estimates were presented by the former Government and naturally I cannot criticize the items in those. As my

honourable friend said, we will have an opportunity of discussing more recent supplementary estimates fully at a later time. But I would like to know from him why the required proportions of certain items are different from those of other items.

I would also like to know something as to the intention of the Government with regard to the expenditure of this money we are voting tonight.

**Hon. Mr. Haig:** Honourable senators, the Government will spend the money asked for in this interim supply bill. That is why they are asking for it. Honourable senators must remember that only the money contained in each estimate can be spent; the Government cannot go outside the vote. That is what makes it difficult.

Referring to the difference between the proportions required for different items, I would repeat the answer my honourable friend often gave me, and which I thought was very effective, that at some periods of the year, because of the nature of the work to be provided for, more money is needed than at other times. I assume that is the case here. The big expenditures of the Government have not come up yet. I see in the press, for example, that legislation is to be introduced to increase the old age pension. This item, and a provision, also mentioned in the press, for the financing of the wheat crop, will require considerable sums. But at the present time we are asked to provide money which is needed at once. The bill takes care of the difference between what has been supplied, say, for certain months, and what is needed in addition. These estimates cover requirements to the end of November. There was no interference with the estimates in October. The case I mentioned is where the interference occurred: one-sixth, or whatever the proportion is, was put in to cover special items, but not others, in October. I think my honourable friend can rest assured that the money included in this supplementary estimate will be spent.

**Hon. Mr. Macdonald:** In the main estimates also?

**Hon. Mr. Haig:** I cannot tell my honourable friend that. I do not know how much the main estimates will be or what they will contain but any increases of that order will be included, of course, in the main estimates when they come down. These are supplementaries, because a certain amount of money is needed to carry on. Some of the main estimates were not included in the money voted in April, because nobody anticipated that there would be any delay beyond September, but events made a difference to the

financial situation. I read carefully what was said by the Minister of Finance, and although there was criticism, I did not observe that any was directed to what he was doing. Nobody suggested that he should have taken any other course than he has taken, which is the course I am taking here. I do not see how the current shortages could be met except by doing what we are doing; and any questions which honourable senators wish to raise can be put forward when the main estimates are brought in,—probably in November, because they must be dealt with before prorogation.

**Hon. T. A. Crerar:** Honourable senators, some aspects of this bill are a little puzzling to me. All I am asking now is that the situation should be clarified. It really appears to me that it should be. Last session, but earlier in the session, the main estimates were presented. We found it necessary from time to time to vote interim bills to carry on the affairs of the country; and before dissolution there were supplementary estimates and, as I recall, a second group of supplementary estimates. Speaking the other day, the Minister of Finance described the estimates as main estimates, supplementary estimates, and supplementary estimates No. 1. Now we have supplementary estimates No. 2: all these, I understand, are included in the bill now before us. It appears to me—I am asking for information on this point because, quite frankly, I am not clear about it—and I would draw the attention of the house to the fact that the amount of these supplementary estimates No. 2 exceeds eighty million dollars. I am not saying they are not necessary—not at all—although on a few items I believe further explanation should be available to the house at a later time. I understand that the honourable Leader of the Government (Hon. Mr. Haig) is desirous of proceeding with the debate on the address tonight. Certainly we are all looking forward with a great deal of pleasure to the initial speeches of the mover and seconder of the motion for adoption of the address. So I merely wish to ask my honourable friend if these supplementary estimates No. 2 which were received the other day are new estimates, apart from the main estimates, supplementary estimates, and supplementary estimates No. 1 that were placed before Parliament prior to dissolution.

**Hon. Mr. Haig:** I cannot answer that question. However, I know that the present estimates are not duplications, and there was no suggestion to that effect in the other house.

**Hon. Mr. Crerar:** I understand that.

**Hon. Mr. Haig:** Not a single member of the Opposition there raised any question about duplication, and when it came to a vote, not a vote was cast against it. Surely, if these estimates constituted a duplication, there would have been some opposition to them in the other house. As I read the speech of the Minister of Finance, what he tried to do was to set out as nearly as he could the cost of various items, and I think he accomplished it pretty well. As I have said, the complete picture will come in the main estimates; or if it is the wish of the honourable senator from Churchill (Hon. Mr. Crerar) or the honourable Leader of the Opposition (Hon. Mr. Macdonald), there is no reason why a full examination of the estimates cannot be undertaken here. The only problem I face is to get action soon enough. There is no reason why the Government would try to conceal any items in the supplementary estimates: certainly, had they attempted to do so, the other house would never have allowed the estimates to go through in that form. I believe that when the final estimates are before us they will disclose clearly what the Government expenditures are for, and I have no doubt they will be accompanied by a clear explanation. In talking of eighty or one hundred million dollars, one must realize that these are small amounts in relation to a budget of five and a half thousand million dollars.

**Hon. Mr. Macdonald:** Somebody once said, "What is a million?"

**Hon. Mr. Haig:** I know, but that man isn't here any more.

**Hon. Mr. Macdonald:** I did not want my honourable friend to repeat the statement.

**Hon. Mr. Haig:** To me, a million dollars is quite a lot of money.

I cannot give the house any further information but I can say that my confidence in the Minister of Finance is such that I do not think he would try to cover up. And even if he did try, I feel confident that certain members of the Opposition in that house would not let him cover up. Not one member raised any question about covering-up in those estimates. That is all I can say about it.

**Hon. Mr. Crerar:** Honourable senators, what they do or did in the other house with respect to these estimates is a matter of complete indifference to me so far as our duty in this house is concerned. I am not going to oppose these estimates, but I would make a suggestion to my old friend who is the Leader of the Government (Hon. Mr. Haig). Perhaps it would be possible before the next supplementary vote comes along, in

November, to have the status of No. 2 supplementary estimates, as they are called, clarified. I think a reasonable request might be made for an explanation of a few of the items, but I do not propose to make that request tonight. Quite frankly, I myself am uncertain about them, although all the evidence leads me to believe that the supplementary estimates No. 2 were prepared by the present administration and not by the former administration. If that is so I think we should know it. But I am not asking my honourable friend to elucidate that point tonight. We certainly must pass these estimates and I have no objection to them going through. The honourable Leader of the Government has given us his assurance that passage of this bill will not impair in any way our right to ask questions later on, and with that assurance I am content to let the estimates go through.

**Hon. Mr. Macdonald:** May I have another word?

**Hon. Mr. Haig:** Go ahead.

**Hon. Mr. Macdonald:** The Leader of the Government has stated that Royal Assent will probably be given to this bill on Thursday of this week. With respect to the question raised by my honourable friend from Churchill (Hon. Mr. Crerar) concerning further supplementary estimates No. 2, I am definitely of the same opinion as he is; that is, I am reasonably sure that these supplementary estimates were prepared by the present Government and tabled in the House of Commons by the present Government and not by the former Government.

I should like to make a proposal. As Royal Assent is not to be given until Thursday, could we not give this bill second reading now and third reading tomorrow, and perhaps in the meantime my honourable friend could get the information we want and give it to us before the bill is read the third time? Would there be any objection to that?

**Hon. Mr. Haig:** I can assure honourable senators that I have learned something tonight. The next time I introduce an appropriation bill I will have a statement from the Minister of Finance explaining exactly what the estimates cover. That would be much better than any statement I could give the house.

**Hon. Mr. Macdonald:** We would accept your statement.

**Hon. Mr. Haig:** I would be able to get a statement of exactly what the estimates cover. I will assure the house that I will get that. I read the speech of the Minister of Finance and the speeches made by other members and I could not find anything to indicate that

everything was not all right. I do not want to pass the estimates if there is any question about them. I will hold them over. It may mean that we will have to sit on Friday and Monday in order to get the estimates through, but I will have to ask the house to do that because I do not want honourable members to pass anything they do not want to pass. The only thing I can do is to ask the house to sit on Friday and perhaps on Monday in order to get the bill through. I will tell the Minister of Finance that I am held up, that objection has been taken and that I feel the objection is so serious that I would not dare to ask the members of the Senate to pass the estimates now. I will have to get whatever information I can, and in the meantime I would ask that the debate be adjourned until Thursday. If we did not get through by that time we would have to sit on Friday and perhaps on Monday. We could certainly clear them up by Monday.

**Hon. W. M. Aseltine:** Honourable senators, I would like to say a word on this very important question. I think the honourable senator from Churchill (Hon. Mr. Crerar) is quite correct in stating that supplementary estimates No. 2 are estimates filed by the new Government for the first time on October 15. They consist of several very large items. For instance, there is \$31.2 million to cover civil service salaries which were authorized after Parliament was dissolved last spring. Then there is an amount of \$8.1 million to take care of the deficit of the Canadian Broadcasting Corporation. Also there is \$8.8 million to take care of expenses in connection with maintenance of new immigrants, and so on. These are new supplementary estimates entirely.

**Hon. Mr. Crerar:** I am not quarreling with these items at all. There are a few items of interest here. I see one for the Canadian Broadcasting Corporation of over \$8 million in addition to what they had before. I think that requires a little explanation.

**Hon. Mr. Macdonald:** Honourable senators, as far as I am concerned, the information that I was seeking has been given, namely, that further supplementary estimates No. 2 were prepared by the present Government and tabled in the other house. Therefore, I am withdrawing any objection to this bill going through tonight.

**Hon. Mr. Haig:** Thank you very much.

The motion was agreed to, and the bill was read the second time.

#### THIRD READING NEXT SITTING

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

**Hon. Mr. Haig:** I move that the bill be placed on the Order Paper for third reading tomorrow.

**Hon. Thomas Vien:** Honourable senators, would it not be possible to refer this bill to committee for discussion tomorrow morning? It could be sent to either the Standing Committee on Banking and Commerce or the Standing Committee on Finance, where the Minister of Finance or others might come and give us more detailed and clearer information about the items involved, which come to a substantial amount. I would suggest that the bill be referred to the Standing Committee on Banking and Commerce for consideration tomorrow.

**Hon. Mr. Haig:** Honourable senators, if I may speak again I think I had better move that the bill be given third reading on Friday or next Monday, whichever suits the house. Let the civil servants wait. Apparently, the house does not want to support me. Honourable senators, I move that third reading be given to this bill on Friday next.

**Hon. Mr. Macdonald:** Honourable senators, that does not dispose of the suggestion that the bill be referred to the Banking and Commerce Committee. I think that should be decided first. Although I should like to have further information on a number of these items, I might say that during the four years I have been in this house an interim supply bill has never yet been referred to any committee. One of the reasons for that is that to examine a bill like this one adequately clause by clause would take much more than one or two days of the time at our disposal. In that limited time we could scarcely deal fully with one item of one department. I do not think it is feasible for us to examine these estimates in that way. I feel it would be better if the estimates were considered—and I refer to all the estimates—by a committee of this house at its leisure, rather than that one committee should devote a morning to this bill. We could not get very much information in so short a time. Therefore, I think it would be preferable to follow the suggestion of the Leader of the Government and give the bill third reading tomorrow. We would then have an opportunity to peruse these estimates in the meantime, and to ask for any further particulars tomorrow.

May I also mention that I believe the main estimates were considered by our Standing Committee on Finance last session.

**Hon. Mr. Golding:** Not last session.

**Hon. Mr. Macdonald:** At any rate, they have been considered from time to time. The Committee on Finance is qualified to examine the main estimates. I repeat that I think it would be more practical to have this bill placed on the Order Paper for third reading tomorrow.

**Hon. Mr. Vien:** Honourable senators, I am quite willing to have the bill come up for third reading tomorrow, as suggested by the Leader of the Opposition (Hon. Mr. Macdonald). We can peruse the estimates in the meantime.

**Hon. Mr. Lambert:** May I ask the honourable leader (Hon. Mr. Haig) if he would identify this bill as being the one referred to by the Minister of Finance in the other house, as reported on page 11 of the House of Commons *Hansard* for October 15? Am I right in supposing that the bill now under discussion deals with supplementary estimates No. 2, and covers the item included in that definition? If the honourable leader could identify this bill clearly as the one covering supplementary estimates No. 2, we would be in a better position tomorrow to discuss the bill. At present I am completely at a loss to know which one of these estimates it is.

**Hon. Mr. Reid:** May I ask the Leader of the Government (Hon. Mr. Haig) if when the bill comes up for third reading tomorrow he will furnish information regarding item 759? This is something new, and we are asked to pass a measure which apparently no one knows anything about. I am particularly interested in item 759.

**Hon. Mr. Macdonald:** May I add one more word? The honourable senator from Ottawa (Hon. Mr. Lambert) has raised the question as to what this bill includes. I understand that this is the interim supply bill with respect to all the estimates that have been brought down up to the present time, that it includes the main estimates, the supplementary estimates, the supplementary estimates No. 1, and the supplementary estimates No. 2. If honourable senators will look at the bill, I think they will see that in clause 2—

**Hon. Mr. Horner:** Honourable senators, I rise on a point of order. Just what is being discussed now? I understand that the bill has received second reading, and therefore this discussion is out of order.

**Hon. Mr. Macdonald:** It would be if it were not for the fact that I asked the house for permission to speak for another minute, and I understood that I had the unanimous consent of the house.

**The Hon. the Speaker:** I understood that, too.

**Hon. Mr. Macdonald:** It will be seen that in clause 2 there is a reference to the main estimates. In clause 5 there is a reference to the supplementary estimates. In clause 6 there is a reference to supplementary estimates No. 1. In clause 8 there is a reference to supplementary estimates No. 2. I think it is clear, therefore, that this is an interim supply bill with respect to all the estimates that have been brought down in the house.

The motion of Hon. Mr. Haig was agreed to, and it was ordered that the bill be placed on the Order Paper for third reading tomorrow.

## DIVORCE PETITIONS

**Hon. F. W. Gershaw:** Honourable senators, on behalf of the Chairman of the Committee on Divorce (Hon. Mr. Roebuck) I wish to present some 270 petitions for divorce. Some of these petitions may be withdrawn. However, divorce petitions can be filed during the first six weeks of the session.

### REPORT OF COMMITTEE

**Hon. Mr. Gershaw,** for Hon. Mr. Roebuck, presented the first report of the Standing Committee on Divorce, as follows:

1. Your committee recommend that their quorum be reduced to three members for all purposes, including the taking of evidence upon oath by the committee or any subcommittee as to the matters set forth in petitions for bills of divorce.

2. Your committee also recommend that leave be given them to sit during all adjournments of the Senate, and also during sittings of the Senate.

3. Your committee further recommend that authority be granted for the appointment of as many subcommittees as deemed necessary by the committee for the purpose of hearing and inquiring into such petitions for divorce as may be referred to them by the Committee on Divorce, the subcommittee in each case to report their findings to the Main Committee.

Honourable senators, I should perhaps explain that it is necessary for the committee to sit during the sittings of the Senate so that witnesses who come from other provinces will not be detained unnecessarily in Ottawa. It is also necessary for the committee to sit on days when the Senate is not in session because of the shortage of shorthand reporters.

**The Hon. the Speaker:** Honourable senators, when shall this report be concurred in?

**Hon. Mr. Gershaw:** Honourable senators, I move, seconded by the Honourable Senator Howden, with leave of the Senate, that the report be concurred in now.

The motion was agreed to.

## PRIVATE BILLS

BRITISH COLUMBIA TELEPHONE COMPANY—  
FIRST READING

**Hon. J. W. deB. Farris** presented bill B, respecting British Columbia Telephone Company.

The bill was read the first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill receive second reading?

**Hon. Mr. Farris:** Thursday next.

BELL TELEPHONE COMPANY OF CANADA—  
FIRST READING

**Hon. William H. Golding**, for Hon. Paul H. Bouffard, presented Bill C, respecting The Bell Telephone Company of Canada.

The bill was read the first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill receive second reading?

**Hon. Mr. Golding:** Thursday next.

## SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—  
DEBATE ADJOURNED

The Senate proceeded to consideration of Her Majesty the Queen's Speech at the opening of the First Session of the Twenty-third Parliament.

**Hon. George S. White** moved:

That the following Address be presented to Her Majesty the Queen to offer the humble thanks of this house to Her Majesty for the gracious Speech which She has been pleased to make to both Houses of Parliament namely:

To the Queen's Most Excellent Majesty:  
Most Gracious Sovereign:

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

**Hon. George S. White:** Honourable senators, on this the first occasion that I rise to speak in this chamber I have the great honour to move the Address in Reply to the Speech from the Throne by Her Gracious Majesty. A week ago yesterday will be a day long to be remembered as a memorable day for Canada. As the Prime Minister has said, it was the Queen's day. I think it was also Canada's day, for history was made in this chamber. And those of us who were privileged to witness the ceremony would indeed be hard-hearted not to be moved in witnessing the centuries-old tradition of the sovereign opening parliament. Her Majesty, as Queen of Canada, for the first time in history, opened our Parliament. Outside there was brilliant autumn sunshine, the unforgettable

touch of our flaming coloured trees, the Royal Canadian Mounted Police, the cheering thousands, and inside this chamber pageantry, colour and history.

On the Sunday evening when Her Majesty spoke to the nation over television she used these words:

There are long periods when life seems a small, dull round, a petty business with no point, and then suddenly we are caught up in some great event which gives us a glimpse of the solid and durable foundation of our existence. I hope that tomorrow will be such an occasion.

It was such an occasion, for Canada in its loyalty to the Crown was serving a broad tradition that is beyond boundaries and barriers. It is the tradition of things rich and needful for human life—the rights of Parliament, the reign of law, the liberty of the person from tyranny, the spirit of fairness, the wisdom of compromise, the distrust of excess, the willingness to abide by the people's choice, the acceptance of duty that calls for service beyond the advantages of self. These are the precious things we value and which are vested in the Crown, as a symbol beyond change of party. That loyalty is not merely national but, more deeply, loyalty to values that have endured, and which only loyalty can uphold.

While this chamber awaited the arrival of the members of the House of Commons, I am sure that there passed through many honourable senators' minds a little bit or perhaps a great deal of history. Perhaps they thought of King John at Runnymede, of the first parliament, of the pioneers who left the old land, crossed the seas and brought their beliefs with them, or of some of the warriors who fought so hard for parliamentary rights and self-government, of the growth of this nation, the Fathers of Confederation, the First World War, the significance of Canada signing the Treaty of Versailles, the Statute of Westminster and many other incidents in the history of our nation.

I am sure, honourable senators, that no one who was here will ever forget the beauty, charm and quiet dignity of Her Majesty as she played her part in observing and carrying out of these ancient rituals.

**Hon. Senators:** Hear, hear.

**Hon. Mr. White:** I felt the two opening paragraphs of the Speech from the Throne most significantly. They read as follows:

I greet you as your Queen. Together we constitute the Parliament of Canada. For the first time the representatives of the people of Canada and their sovereign are here assembled on the occasion of the opening of Parliament. This is for all of us a moment to remember.

Parliamentary government has been fashioned by the wisdom of many centuries. Its justice, authority and dignity are cherished by men of good will.

When Her Majesty said, "This is for all of us a moment to remember", I think, indeed, honourable senators, it was a moment to remember, which each one of us will cherish as a very precious moment.

Honourable senators, I would like to thank you for the very kind and gracious welcome you have given me on my appointment to the Senate. Your welcome has been most sincere and heart warming. Here I am together again with many old friends from the House of Commons. It is one of the most cherished and nicest things about our parliamentary life that while we may have different political faiths, we may have views and opinions which are strongly opposed and be divided on many issues, yet underneath it all, no matter what differences may divide us, we can still be very good friends. I say again, honourable senators, how much I have appreciated your very kindly, courteous and friendly welcome to this chamber. I am indeed looking forward to my association with you, and I hope that in the days that lie ahead that I may be able to make some small contribution to the welfare of Canada. It matters little our race, colour, creed or political faith, or where we live in this great country, or the nature of our occupation, or for that matter our financial status, for above all we are Canadians first, and Canada is our first great love; and while, as I said a moment ago, we may differ on many matters, yet we are really only concerned with one great objective—what can we do that is in the best interest of Canada and all Canadians from coast to coast.

I was much impressed when I took the oath of allegiance in this chamber in observing the procedure centuries old, and, in particular, the old-world language used on occasions. Our Speaker, our judges, and counsel when appearing in court all wear gowns, which always add much to the dignity of the occasion. But there are some in this country who are always seeking something new and strange; they wish to discard old customs and traditions. We are a young nation, and I think we should cherish and maintain the customs and traditions we have inherited from the old world. I have often observed in other countries the intense pride and affection the people of those countries have for their own country, their customs, traditions, dress, music, language, special holidays, culture, their national achievements and their heroes, and all those things that go to unite, and build up a strong national fibre in, the love of their country. Let us

retain what we have inherited from the countries of our racial origin, but also let us build up and maintain our own Canadian traditions and culture.

To you, Mr. Speaker, I pay my respects, and congratulate you, sir, on your appointment as Speaker of this house. You have already given evidence, sir, that you will be a good Speaker, that you will add to the dignity of your office, and that you will more than live up to the very high traditions set by past Speakers. If I may say so, sir, your very charming and gracious manners, which are always associated with your race, your perfect English—and I am told by my colleagues that your French is equally good—your long training in the law, your great interest in our national sports, your interest in the theatre and the cultural side of Canadian life, all provide an excellent background for your high office. I am sure that I speak for all honourable senators when I say that we are delighted and happy to have you as our Speaker.

**Hon. Senators:** Hear, hear.

**Hon. Mr. White:** I feel that the Prime Minister has paid a great honour to my native village of Madoc, where I was born and have always resided, and to the riding of Hastings-Frontenac, which I had the honour to represent in the House of Commons for eighteen years, in my appointment to the Senate. My many Liberal friends at home were just as pleased and happy as my Conservative friends. In this huge country many have never heard of my little village of Madoc, which is half way between Ottawa and Toronto. It is a land of paradise for the fisherman and hunter. It is also a great agricultural country, where the really good cheese is made, and where a large share of your good roast beef is grown. My little village, like so many other small hamlets across this country, has produced men and women who have become famous throughout Canada, perhaps throughout the world. One distinguished gentleman, well known to many honourable senators, is William Mackintosh, the Principal of Queen's University, who during the war made a valuable contribution in the work he did in the Finance Department here in Ottawa. Dr. Roy Allan Dafeo, who achieved world-wide fame at the birth of the quintuplets, came from my small village; and in the recent war a Madoc boy, Major Jack Foote, won the Victoria Cross. This gallant padre took part in the raid on Dieppe, and was fortunate enough to get back to the ship, and could have returned to England, but when he looked towards the shore and saw the many Canadian boys who were taken prisoners, he jumped in the

water, swam to shore, and stayed with the Canadian prisoners for the duration of the war.

Hastings county, where I reside, is, like many other parts of Canada, becoming very conscious of its hidden mineral wealth. At Madoc there is the largest talc mine in the world. We have fluorspar and feldspar marble and marble chips, roofing granules, four producing uranium mines in the Bancroft area, and a huge iron ore development at Marmora, the Bethlehem mine, where over 20 million tons of limestone had to be removed to reach the ore body. The mine is now in production with enough ore in sight for open-pit mining for at least twenty-five years—a most valuable asset in time of war.

I would like to offer my congratulations to the Prime Minister of Canada, a great Canadian. Canada has indeed been most fortunate in the calibre of men who have filled this high office since Confederation. His sincerity and his most earnest desire to serve the people of Canada have endeared him to tens of thousands of Canadians.

I notice in the Speech from the Throne that it is indicated there will be increased assistance to our senior citizens. How fortunate we are that we live in a country with resources which enable us to make such financial assistance to our older citizens. Those of us who live in small villages or in the country are, perhaps, more conscious of the struggles and the hardships that the elderly people have to endure, in many cases through no fault of their own, perhaps through age and physical disabilities. They find that the old age security payments provide just the difference between poverty and some small share in the better things of life to which we all feel they are entitled. With the decrease in the value of our dollar, and the increased cost of living, I doubt if there will be objection from any part of Canada to the proposed increases in these pensions. The same applies to the pensions for the blind, payments to the group in the 65-70 year age group, and payments under the Disabled Persons Act. Any honourable senators who have had anything to do with that act will agree that the definition it contains, "totally and permanently disabled", is most rigid. To me it sounds like an almost impossible requirement. Many times I have heard in the other place requests from all parties to the Minister of National Health to modify this most restrictive definition.

As you are aware, the present scale under the War Veterans Allowance Act is \$60 for a single veteran and \$120 for a married veteran. This amount certainly is not excessive, especially when you consider that the applicant for the allowance is subject to the means

test. An increase in the allowance will be most welcome to the thousands of veterans who receive payments under the act. While there is no reference in the Speech from the Throne to any change in the ceiling on permissible income, I sincerely hope that the ceiling will be raised, for as the act stands at the present time, if the veteran earns income in addition to his allowance, which puts him over the ceiling, his allowance is reduced until the overpayment is recovered. I have always felt that this was wrong and that, on the contrary, the veteran should be encouraged in every way to work and supplement his income without any fear of having his allowance reduced.

Mention is made in the Speech from the Throne that the groups to whom allowances are paid will be enlarged. I presume this refers to the veterans who served in the United Kingdom in World War I, which under the act is not classed as a theatre of war. If this is what this reference means, I think it is a most worthy effort, because everyone knows that the soldier—and we are dealing entirely with private soldiers and N.C.O's under this act—is subject to army discipline and has no control over where he is sent. He goes wherever he is ordered, and in many cases veterans had to stay in the United Kingdom through no fault of their own. Now that most of the veterans of World War I are getting close to sixty or over sixty it seems to me that the veterans who served in the United Kingdom are entitled to come under the War Veterans Allowance Act. As the allowance is subject to the means test, the number of veterans who will qualify will not be very large and will decrease each year.

Mention is also made in the Speech from the Throne of certain sections of the Pension Act. It is to be hoped that some of the minor wrinkles will be ironed out of this act. We are indeed fortunate that we have at the head of our Pension Board two officials who are capable and are doing a fine job. The chairman of the board is a veteran with a distinguished war record, and he is most efficient and sympathetic. The vice-chairman, a former member of the House of Commons, tries in every case to do the very best possible for the veteran; but, after all, these officials can only proceed under the terms of the act. It has often occurred to me with respect to cases that have passed through my hands that the medical officers who examined the veterans might have adopted a more sympathetic attitude. In World War II the soldier was given a most complete and thorough medical examination on enlistment, including X-ray examination. In all cases where

the soldier was placed in category "A" it always appeared to me to be only logical that if he was placed in a lower category during service or on discharge, such lower category should be accepted without question as being due to war service. But that is not always the case. So often you read the words on pension documents, "pre-enlistment condition not aggravated by service". I say to you honourable senators that they are the most hateful and distasteful words I know of to the veteran.

A brief reference is made in the Speech from the Throne to taxing statutes. I am sure that any reduction in the rates of income tax or any increase in the amount of the exemption will be most welcome to all Canadians.

**Hon. Mr. Haig:** Hear, hear.

**Hon. Mr. White:** I doubt if any honourable senator will agree that the present exemption is sufficient, especially in the case of children and more particularly with reference to children attending university. While no mention is made as to revising the Dominion Succession Duty Act, I for one hope that something will be done in this session to revise it. Revision of this act has been mentioned in the Speech from the Throne in previous sessions, but no action has been taken. In my opinion the present act should be revised in the light of economic conditions which have changed considerably since the act was introduced early in the war.

At the present time an estate up to \$50,000 is exempt from succession duty tax, but if the estate exceeds \$50,000 it is taxable in its entirety. I think that would appear to everyone to be most unfair. I feel that the exemption should be increased to at least \$75,000 and that this amount should be exempt in any event.

Every honourable senator who is a member of the legal profession knows from his own knowledge and has seen from his personal experience in his law office many instances of the effect of income tax and succession duties on incomes under wills, trusts, pensions, lump sum payments and other similar payments received by a surviving dependant. Honourable senators who are lawyers are quite aware of the hardships created. One other matter in connection with succession duties is that of charitable bequests and charitable donations made within three years of the date of death, as well as unpaid subscriptions to charitable organizations. Many people feel that these should not be included in arriving at the value of an estate for the purpose of determining the initial rate of duty. In Ontario we used to have up to

eighteen months to pay succession duties, but the period has now been reduced to six months. It is the same with respect to dominion succession duties. With the difficulties that arise today in the administration of an estate, I know that all honourable senators who are members of my profession will agree when I say that six months is a very short period. For instance, take an estate at the present time which might be holding large blocks of certain stock. What a loss it would be to such an estate if this stock had to be sold at the depressed market rate of stock today.

As one who comes from a farming community I was interested in the reference to farmers in the Speech from the Throne:

In order to assure to the farmers of Canada a fair share of the national income, you will be asked to enact a measure to provide stability in the prices of their products. Every possible effort is now being made, and will continue to be made to seek new markets for agricultural products as well as to regain those that have been lost.

Farming is such an important industry in so many parts of Canada that any announcement or plan which will benefit the farming community will be of great interest throughout Canada. Everyone who is familiar with the farm picture will readily admit that for a long time the average Canadian farmer has not been receiving his fair share of the national income. All of us who were here during the war years can recall very easily the great contributions the farmers of Canada made to our war effort, when the production of food was greatly increased to meet the needs of the armed forces. The farmers of Canada increased production at a time when labour was very scarce and new machinery was almost impossible to obtain, and the prices of their products were frozen. Certainly, during the war years the farmers of Canada did not have a price tag on their loyalty. As I said earlier, their prices were set, while in industry the manufacturer always had a profit, often on a cost-plus basis. Since the war, the method of farming has changed on the average small Canadian farm. With new mechanized machinery the farmer has had to expend a large sum of money for new equipment. With the great expansion in industry labour has been attracted to the city, with higher pay, shorter working hours and all the other benefits that are not available to the agricultural worker. Today many farmers find themselves in the position that they must operate farms by themselves, with only the help available of their own family. Everything in connection with the operation of the farm has greatly increased in cost. The cost of machinery has increased, municipal taxes are much higher,

labour costs are almost prohibitive—gas, machine repairs, upkeep of buildings, feed, combine and threshing costs, and interest rates,—everything in connection within the operation of the farm has increased in cost, yet the price of farm produce has not increased in proportion to these rising costs. We have seen that over the years large quantities of cheese have been imported from other Commonwealth countries, and until recently turkeys and fowl were imported at prices against which our Canadian producers could not compete. Enormous quantities of canned vegetables, especially tomatoes and tomato pulp, are carried across the Atlantic and sold in Canada at prices against which we cannot compete. The same applies to eggs from Hong Kong. Action has already been taken by the Government in reference to the import of dry skim milk. Vegetable oils enter Canada, in many cases, duty free, and compete against our dairy products. We are always ready to admit that when the farmer is prosperous, when he receives a fair price for his products, the country is also prosperous. Today the farmer has to reduce his purchases in many fields for the very simple reason that the price he receives for his produce does not permit him to make these purchases. So I think honourable senators will agree that any effort to introduce legislation to lay the foundation for the stabilization of agricultural prices at reasonable levels, taking into consideration market conditions and also the cost of production—and I emphasize “the cost of production”—would be most welcome to the Canadian farmer.

In the Speech from the Throne is a reference to the Beechwood project in New Brunswick, the South Saskatchewan dam, and the Columbia River, all having to do with power. We who reside in Ontario have had cheap hydro for so long that we naturally take it for granted. I am sure that so far as the Beechwood power plant is concerned, cheaper power will do much to attract industry and be of great assistance to the economy of the Atlantic provinces.

Another item in the Speech from the Throne which very much interested me was the reference to a meeting between the Dominion Government and the provinces regarding financial arrangements. The allocation of the tax dollar has been the subject of many debates in the House of Commons, and no doubt in this chamber, yet today in Ontario we find the municipalities hard put to find the necessary funds to finance the services which the local municipalities must supply, for after all the municipality has only two sources of income—direct levy on real estate, and whatever grants or sums are

received from the provincial Government—and we find in practically every municipality a greater demand every year for water, sewage and garbage services, hospitals, schools, roads, sidewalks, bridges, and all other services which come under a municipal council's jurisdiction. But in practically every Ontario community today either a new school is being built or plans are being made for erection or enlargement of a school, as well as for construction of new hospitals and new roads, but the stumbling block is where is the money to come from. Certainly, I do not think anyone would advocate that the present tax level or the present tax rate on real estate in Ontario should be increased beyond its present burden. Therefore, the municipality can only look to the province for extra funds, and many feel that the provinces should have a larger share of the tax dollar. I think we will all agree that the division of the tax dollar is most complex, for the federal Government has heavy responsibilities and commitments.

The Speech from the Throne also referred to a national development policy to be carried out in cooperation with the provinces. I mentioned earlier the huge development of iron ore in Hastings county of the Bethlehem Steel Corporation. This huge deposit of iron ore, discovered as a result of a geological survey by the province of Ontario, has resulted in an expenditure of well over \$40 million to date, and the company employs over 300 men. The Canadian National Railways, the Ontario Hydro-Electric Power Commission, and the federal Government, through taxation, have all benefited greatly through this one new mine, which has, in addition, done much for the whole economy of the county of Hastings. The same applies at Bancroft, in the county of Hastings, with its four new uranium mines. In this one district expenditures of from \$40 million to \$50 million have been made, creating hundreds of new jobs, and involving new housing, schools, shops, and everything else that goes into the making of a new community. These are just two incidents that have occurred in my own county. What has happened in Hastings county can also happen in many other counties, as far as the discovery of minerals is concerned. That is why I think that anything in the nature of a national development policy, in conjunction with the provinces, will certainly result in the discovery of much new hidden wealth in our country.

Honourable senators, the majority of Canadians belong to two races, but in this country we have Canadians from many other races. Sometimes I feel that too often we speak of the French race, the British race, the Italian race, the Ukrainian race. Surely,

after all, there is only one race in Canada—the Canadian race. We are all Canadians, irrespective of our national origin. No matter where we live in this large nation, we all have the same problems, hopes and ambitions, and may we always show our pride in being just Canadian.

**Hon. Senators:** Hear, hear.

(Translation):

**Hon. Léon Méthot:** Honourable senators, as a newcomer to the Senate and in order to make myself better known, I feel bound to remind you that I represent the city of Three Rivers, my native town, and the adjoining ridings of St. Maurice and Champlain.

Three Rivers, everyone in this chamber may not be aware, has its St. Maurice and its Maurice. The St. Maurice, this magnificent river which falls tumultuously over the Shawinigan Falls,—after which my division is named,—produces the power for the largest paper mills in the world, as the Consolidated Paper, the Canadian International Paper and the St. Lawrence Paper are all located in Three Rivers. It also supplies the power for one of Canada's largest cotton companies, the Wabasso Company, which is celebrating its fiftieth anniversary, this year, and for many other industries which are too numerous to be listed here. I would, however, like to mention the Canadian Westinghouse Company, which settled in our locality some months ago, barely two years ago, I believe, and which has already doubled the number of its employees.

The St. Maurice supplies power not only to the city of Three Rivers and to the whole surrounding district, but also to nearly all the province of Quebec. Indeed, it is the envy of several of our sister provinces which are not endowed to the same extent with such a precious resource.

Maurice, on the other hand, is the power which, through his courage and hard work, has already for many years managed to guide the province of Quebec in the tremendous strides it has made toward its economic development.

Maurice and the St. Maurice also have many other attributes and qualities of which the people of Quebec are aware. But the main qualification of the two is that they have both succeeded in bringing light not only to the larger centers but even to the remotest rural parishes, to such an extent that our farmers and our farmers' sons are now in a position to see the true road, to find the right direction, and they proved it not so long ago.

Three Rivers, which had been silent in this chamber since the death of the Honourable Charles Bourgeois in 1940, may now, through

my feeble voice, make itself heard, thanks to the trust that the Right Honourable John Diefenbaker, our Prime Minister, has placed in me.

Honourable senators, without further preamble, I will take on the role which was entrusted to me and which, I shall not attempt to hide from you, moves me deeply.

May I first congratulate the honourable senator from Hastings-Frontenac (Hon. Mr. White) upon the splendid summary he has given us of the Speech from the Throne.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Méthot:** Clearly and eloquently, he explained to us the subject-matter of the Speech from the Throne which touches on the most important aspects of our national position and even of the international situation.

The voters of the riding which had chosen him to speak on their behalf in the House of Commons will immediately realize that he will now play just as effective a part for the welfare of their district and of Canada as a whole.

I should also like to take this occasion, Mr. Speaker, to congratulate you most heartily upon your appointment to the high and honourable position you occupy and which, during the impressive and important events which have just taken place, you have filled with such distinction.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Méthot:** I have, for quite some time, been in a position to appreciate your talents, but I think you are unaware of a detail which I will take the liberty of revealing to this chamber.

At the very beginning of my legal studies in Three Rivers, one of the judges of our district, Hon. F. X. Drouin, did me the great honour of inviting me to become his private secretary. For two years, I had the advantage of knowing him intimately, I benefited from his advice and lessons, and I was given the opportunity of appreciating his deep knowledge and his nobility of character. That is why, Mr. Speaker, I was not surprised last week to see his grandson represent us before the Queen with such dignity.

May I now express to the Prime Minister my deepest gratitude for having invited me to sit in this house and to contribute as best I can to the work which he proposes to accomplish.

In 1859, nearly a century ago, the man who later became one of the greatest leaders of the Conservative party, Sir George Etienne Cartier, suggested that Queen Victoria be invited to the opening of our Parliament. The invitation was approved by the Legislative Council and the Legislative Assembly of Upper and Lower Canada but, for reasons unknown to me, the Queen had to decline it and was represented by the Prince of Wales, who subsequently became our Sovereign under the name of Edward VII.

After almost one hundred years, Providence decreed that one of his worthiest successors should have the great honour of implementing the proposal, and we who admired him are very proud of it.

All those who were fortunate enough to be present at the awe-inspiring ceremonies of last week, all the citizens who had the pleasure of seeing the Queen of Canada on television, all those who heard her speak over the radio to all her subjects of the Kingdom of Canada, are still under the spell of the emotion which they felt and are anxious to honour her.

The Right Honourable the Prime Minister silenced all who might have been tempted to claim that royalty would put an end to our political liberty. He rendered great service to the Crown and surely contributed to enhance the prestige and the stature of our Queen.

Notwithstanding those who claim to be the only saviours of our national unity and who, even now, accuse the Conservative party of endangering it, the Right Honourable John Diefenbaker has proved that he is the true champion and defender of that unity.

What he did upon the opening of this session would be reason enough to justify his presence at the head of our Government.

But this is not all, honourable senators. As was indicated in the Speech from the Throne, the Right Honourable the Prime Minister had barely taken over his duties when he met with the other Commonwealth Prime Ministers in London; a short while later he himself represented our country at the United Nations and on two occasions showed that he was a true statesman.

In the national field, the Speech from the Throne proposed legislation which, when applied, will greatly contribute to the security and happiness of all our fellow citizens and largely remove certain inequities which our predecessors had too long allowed to remain.

The farmers of my province have already benefited by his advent to power and, since August 24, 1957, those of my district have obtained a better price for their chief product.

It is said that the life of a nation, just as the life of an individual, is made up of details, habits, even prejudices, and of unimportant incidents accumulated over a period of years and that, in politics, all of them must be taken into consideration.

The Prime Minister masters anything that can be learned with the help of memory or understood through reasoning. He immediately grasps everything and remembers it all; that is probably the true explanation of everything he has been able to accomplish since coming into power.

Although this is the first time I have had the advantage, not only of participating in, but even of attending, a meeting of the Senate, politics has for a number of years been one of my chief concerns.

What I have read in various newspapers and periodicals concerning the speeches delivered by you who represented, and still represent, a majority in this house, has taught me to appreciate your disinterestedness, your wisdom and even your impartiality.

I therefore trust that you will join with us in supporting without hesitation the Government bills that come before us.

Evidently, we are only a small minority here. As far as I am concerned, I am without experience or any special qualifications. Our strength, however, lies in the fact that we have a leader like the honourable senator from Winnipeg (Hon. Mr. Haig), whose ability and eloquence were already known to me. Such a chief, such a general...

**Hon. Senators:** Hear, hear.

**Hon. Mr. Méthot:** . . . is worth a whole regiment, and I am confident that under his leadership we will overcome many difficulties.

(Text):

If you were tempted to minimize the capacity of our leader, may I remind you that he has a deputy leader (Hon. Mr. Aseltine) who is a sharpshooter, a first-rate marksman. I had the privilege of learning, at the beginning of this session, of his ability to shoot ten to fifteen ducks in a row. May I add that these two leaders are, first of all, men of mark.

(Translation):

Convinced of the real value of the legislation we will be called upon to judge, and sustained by two such leaders, it is with confidence that I second the Address in reply to the Speech from the Throne.

(Text):

On motion of Hon. Mr. Macdonald, the debate was adjourned.

### STANDING COMMITTEES

#### REPORT OF COMMITTEE OF SELECTION ADOPTED

The Senate proceeded to consideration of the report of the Committee of Selection, which was presented on October 15.

**Hon. Mr. Aseltine** moved that the report be adopted.

**Hon. Jean-Francois Pouliot:** Honourable senators, before this report is adopted I must express regret that membership of the committees is the same as it was previously. I say that in the hope that some day the membership of many committees will be reduced.

Now that there are more members on this side of the house I do not agree that in the first place the Leader of the Opposition should be *ex-officio* a member of all the committees. He cannot give enough time to that duty. That procedure dates back to the time when the Leader of the Government and the Leader of the Opposition in the Senate were two gladiators. I refer to the Right Honourable Senator Dandurand and the Right Honourable Senator Meighen. The former thought that he embodied the Liberal party, and I say that with all due respect to his memory because I had great admiration for him. The other gentleman thought that he embodied the whole Conservative party. I know that Senator Dandurand rose at 5 o'clock in the morning, and Senator Meighen was a hard worker too. Those two gentlemen did all the work of the Senate and gave no opportunity to their colleagues to share in that work—I say that in the friendliest manner. So the procedure in the Senate was changed by those gentlemen, the memory of whom still lives. I am very glad to see that in the Senate there is a bust of the late Senator Dandurand, and I hope that in the future we will have also a bust of the Right Honourable Mr. Meighen.

Now, honourable senators, last year I and other members of the Senate asked for some improvement in the Senate. The changes were made by one of these committees. I

appreciate the interest that all the honourable senators have taken in improving the physical appearance of the Senate and in the first place I say that to the honourable gentlemen who are welcome here and say that they are an asset to this chamber. We will have another opportunity to say something good of them. I must tell them that when we older senators were appointed to this group it seemed to us that there was no light in this chamber. The light was so poor that it was impossible to read *Hansard*. It has now been discovered that, by using stronger bulbs, we can have more light, and conditions for reading are better than they were.

In the second place, it was almost impossible to hear anyone speaking in this chamber, because the acoustics were bad. I hope that in the near future some gadgets will be installed that will give us the opportunity of not missing a word of our colleagues who tell us secrets when they deliver speeches here.

Also I remember very well that the honourable Leader of the Government (Hon. Mr. Haig) suggested, when he was Leader of the Opposition, that the house needed better ventilation. In this connection one of my friends in the press gallery came to see me for an interview, and put in my mouth something I never said, namely, that honourable senators were asleep during debates. I never said that in my life: on the contrary, I told him that the air was so thick and so heavy that each senator had to make a super-human effort to stay awake, not because of the dullness of the speeches, for the speeches were very interesting, but because there was next to no ventilation. I congratulate the honourable Leader of the Government upon his suggestion of a better ventilating system.

Further, I recall that a certain honourable senator complained of the dirty condition of the Senate walls. It is to the credit of the committee which was headed by the honourable Leader of the Opposition (Hon. Mr. Macdonald) and so ably seconded by the honourable senator from Ottawa West (Hon. Mr. Connolly) that so great an improvement has been made.

Honourable senators who were appointed this year will have noticed the appearance of this chamber when Her Majesty read the Speech from the Throne. These honourable junior senators, if I may so term our newer colleagues, would have been shocked had they seen the rug which has now been replaced. It was 35 years old and full of holes. It would seem that what finally decided some honourable senators to consent to the purchase of a new rug was the possibility that some members of Her Majesty's

entourage might trip and fall over the holes in the old rug. So we got a new and splendid one, the one we now have.

It required foresight to ask for the cleaning of the walls and the panels, better light, improved acoustics, and a new carpet. These things came just in time; for every honourable senator would have been ashamed to have had Her Majesty attend the opening of the Senate in its former condition.

Some of our colleagues have suggested the building of new galleries, and a subcommittee has been set up to consider this matter. With respect to the repairs which have been made I must pay a special tribute to the late Government, and especially to the former Minister of Public Works, the Honourable Robert Winters, who considered favourably all the suggestions which were made to him by the subcommittee which dealt with this subject.

I have spoken of suggestions made by several members to improve the physical appearance of the Senate, but there is something else which is very important, and which I draw to the attention of new senators whose support in this matter I hope to have in due course. It is directed to the spiritual reform of the Senate. I am not now commenting on the Speech from the Throne: that may come later. What I am now going to say is that no government in the world can reform the Senate; that is something which must be done by honourable senators themselves, and it can be done in only one way, namely by amending our rules. Those rules were made thirty years ago, which means they are nearly as antiquated as the worn-out rug. They must be reformed. We have to distribute the work of the Senate in such a manner that each honourable senator is given an opportunity to share in the work of this body and to give to it the full measure of his capacities. It is a very simple problem, and one way to deal with it is to make good use of a rule which concerns the Committee of the Whole. Although I have not been a member of this honourable body for very long, I have deeply lamented that, in spite of the provision in the standing orders, all legislation is not brought before the Committee of the Whole. My reason for insisting that this course should be followed is that each honourable senator is a member of the Committee of the Whole, and the Leader of the Government has the opportunity of inviting any member of the cabinet who sponsors a piece of legislation in the other house to come here and explain it, thus giving an opportunity to all honourable senators to ask questions of the Leader of the Government and his cabinet colleague who introduced the bill in the other

chamber. Another advantage is that all the discussions between honourable senators and any cabinet minister who, by special privilege, sits with us are recorded in *Hansard*.

Now, why was the Narcotic Control Bill referred to the Standing Committee on Banking and Commerce at the last session? Was it because those who indulge in the traffic of those drugs make so much money that they have big bank accounts? I object to such bills being sent to that committee. It was agreed between the leaders thirty years ago that we should have as few meetings as possible of the Committee of the Whole, and that nearly every bill should be sent to the Banking and Commerce Committee.

I have an inquiry on the Order Paper which I hope will be answered in the near future. I want to know how many meetings our various committees have held during each of the last ten sessions. I will draw the attention of honourable senators to the answer that will come in due course and they will see that several committees have not sat at all. I remember when I was in the House of Commons I was chairman of a special Parliamentary Committee on Civil Service. That committee had some very well-informed members on it. One of them later became Minister of Public Works and is now serving on the Bench of the Exchequer Court. I think there should be a permanent Committee on Civil Service in the House of Commons. Why? To prevent favouritism and to give an opportunity to each civil servant to place his grievances before Parliament and under the protection of Parliament. This would give all the rank and file of civil servants protection against the despotism of some bureaucratic chiefs or assistant chiefs. This idea has never been accepted.

In any event the Senate Committee on Civil Service Administration has not been sitting for many years, even though there have been changes in the Civil Service Commission. It is an internal committee that deals with civil service positions. That is an absurdity. I hope that the Senate Committee on Civil Service Administration will be raised from its ashes and used for the protection of civil servants. This is my hope. I have nothing to say about the new board of the civil service because I do not know its members, but having been a member of the House of Commons for a very long time I do know that one of the most helpful gentlemen in the civil service was Mr. Stanley G. Nelson, former Chairman of the Civil Service Commission. Why do I say that? It is because he was endowed with that quality

which is admired even in judges. He was fair. He was just. He had good judgment. And he can be held up as a model administrator to all those who come after him in that high office.

I could say much about the memberships of the various committees to be established, but I will only say one thing now. There are eight vacancies to be filled in the Senate. But there are really other vacancies, and honourable senators know about them. I refer to vacancies created by the absence from the Senate of honourable members who come here for the opening or for prorogation of Parliament. When Her Majesty opened Parliament last week I noticed one of our colleagues, a man whom I meet very often on the street, who was in this chamber for the first time in two years. He came to save his seat. There are others who come for short visits. They may have good reasons. I do not ask for any sanction against them but I do not see why their names are kept on the membership lists of active committees.

I do not make these comments to be hard or unpleasant, but it seems to me there are members of this house who have not got a proper sense of proportion. Some people are sentimental enough to say of them: "Well, they are unfortunate. They came here once but they could not come again for some reason." They should try to follow the good example set by the honourable senator from St. Albert (Hon. Mr. Blais), who comes here on crutches and is very assiduous in his Senate duties. Others could do the same, and if some cannot come the thing to do is to strike their names from the committee lists. It would not hurt them and it would relieve their consciences. I presume that when they are away from the Senate they are still interested in our proceedings. They cannot forget us and they may say, "I wonder how such and such a committee is doing today?" Well, if their names were stricken from the lists of the committees in a gentle manner they would not have that worry.

Honourable senators, I hope you will consider these remarks in the same spirit that I have made them, not to cause trouble to anyone but to improve the efficiency of the Senate. I said last week that I had the highest regard for all honourable senators, including our unseen colleagues. I do have the highest regard for you, but I want the Senate to give the full measure of its efficiency, and that is why I hope you will give favourable consideration to my suggestion to improve the standard of the Senate by distributing the work as evenly as possible between all our honourable colleagues.

**Hon. Mr. Aseltine:** Question!

**The Hon. the Speaker:** Honourable senators, is it your pleasure that this motion be now adopted?

**Hon. Mr. Pouliot:** On division!

The motion was agreed to, and the second report of the Committee of Selection was agreed to, on division.

#### NOTICES OF MOTION

**Hon. Mr. Haig:** Honourable senators, with leave I move, seconded by the Honourable Senator Aseltine, that the Senate revert to notices of motions.

The motion was agreed to, on division.

#### APPOINTMENT

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

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

**Hon. Mr. Macdonald:** May I ask the mover of the motion if that is the usual motion made at this time?

**Hon. Mr. Aseltine:** It is the same motion that has been introduced at this time during the 24 years I have been here, and it is necessary for the purpose of carrying on the work of the Senate.

The motion was agreed to, on division.

#### JOINT COMMITTEE ON PRINTING

##### SENATE MEMBERS

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

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

The motion was agreed to.

## JOINT COMMITTEE ON RESTAURANT

## SENATE MEMBERS

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

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

The motion was agreed to.

## JOINT COMMITTEE ON LIBRARY

## SENATE MEMBERS

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

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that the Honourable the Speaker, the Honourable Senators Aseltine, Blais, Cameron, Fournier, Gershaw, Gouin, Lambert, McDonald, Reid, Vien, Wall and Wilson, have been appointed a committee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a Joint Committee of both Houses on the said Library.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

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## THE SENATE

Wednesday, October 23, 1957

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

Prayers.

Routine proceedings.

## STANDING COMMITTEES

## QUORUM REDUCED

The first report of each of the following standing committees, presented by or on behalf of its Chairman, recommended that its quorum be reduced as follows:

The Committee on Miscellaneous Private Bills, (Chairman, Hon. Mr. Bouffard), quorum seven members.

The Committee on Internal Economy and Contingent Accounts, (Chairman, Hon. Mr. Asepline), quorum seven members.

The Committee on Civil Service Administration, (Chairman, Hon. Mr. Cameron), quorum seven members.

The Committee on Public Buildings and Grounds, (Chairman, Hon. Mr. Dessureault), quorum five members.

The Committee on Public Health and Welfare, (Chairman, Hon. Mr. Veniot), quorum seven members.

The Committee on Transport and Communications, (Chairman, Hon. Mr. Hugessen), quorum nine members.

The Committee on Debates and Reporting, (Chairman, Hon. Mr. Davies), quorum three members.

The Committee on Finance, (Chairman, Hon. Mr. Hawkins), quorum nine members.

The Committee on Banking and Commerce, (Chairman, Hon. Mr. Hayden), nine members.

The Committee on Standing Orders, (Chairman, Hon. Mr. Bishop), quorum three members.

The Committee on Natural Resources, (Chairman, Hon. Mr. Vaillancourt), quorum nine members.

The Committee on Immigration and Labour, (Chairman, Hon. Mrs. Wilson), quorum seven members.

The Committee on Canadian Trade Relations, (Chairman, Hon. Mr. McLean), quorum seven members.

## STANDING COMMITTEES

## INQUIRY AND ANSWER

Hon. Jean-Francois Pouliot inquired of the Government, pursuant to notice:

1. What is the membership, the quorum, the purpose and the jurisdiction of each one of the sixteen standing committees of the Senate?

2. Besides the yearly routine meetings to set a quorum and elect a chairman, how many meetings of each standing committee were held during each one of the last ten sessions of Parliament?

3. For each standing committee how many subcommittees were there?

4. What is the membership, the quorum, the purpose and the jurisdiction of each said committee?

5. In what year were the said subcommittees appointed for the first time?

6. How many meetings of each one of the said subcommittees have been held during each one of the last ten sessions of Parliament?

Hon. John T. Haig: Honourable senators, I have the answer to the honourable gentleman's inquiry.

*For text of answer see appendix to today's Hansard, pp. 38-43.*

## NARCOTIC CONTROL BILL

## INQUIRY

Hon. Thomas Reid: Honourable senators, I would like to direct a question to the honourable Leader of the Government (Hon. Mr. Haig). Would he be good enough to find out and report later, if he has not the information now, what is the intention of the Government with regard to the Narcotic Control Bill which passed this house after a report by a Senate committee?

Hon. Mr. Haig: I shall make inquiries.

## APPROPRIATION BILL NO. 6

## THIRD READING

Hon. John T. Haig moved the third reading of Bill 11, for granting Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958.

Hon. Thomas Vien: Honourable senators, I have read with much attention what the Minister of Finance said in the other place, and I think it is quite clear that this bill is simply an interim bill, leaving open one-twelfth of all the items of the estimates—the main estimates, supplementary estimates, and further supplementary estimates which have been filed since the opening of the session. Therefore every department of state remains open to inspection and discussion for one-twelfth of the budget and estimates and supplementary estimates for the year ending the 31st March, 1958. Of course this procedure is somewhat unusual, but under the circumstances it is quite satisfactory to me.

**Hon. T. A. Crerar:** Honourable senators, it is not my intention to ask any further questions of the honourable Leader of the Government (Hon. Mr. Haig), but I wish to make a few observations of a somewhat general character, and to suggest to him that the new administration should take under serious consideration these matters of supplementary estimates. When I first came to Parliament the traditional practice year by year was that in the main estimates the Government laid before Parliament its requirements for the coming year, and supplementary estimates were confined wholly to some new circumstance that might arise which could not have been foreseen when the regular estimates were prepared and submitted to Parliament. In the present year we have had three groups of supplementary estimates. The first lot was submitted by the old administration, and then before Parliament prorogued a further lot of supplementary estimates were submitted. Now we are meeting in a new session under a new administration and we find further supplementary estimates submitted for our consideration. The total of these various supplementary estimates submitted to Parliament is almost \$200 million. It is worth recalling that in 1939, before the war, the total supply asked of Parliament was around \$550 million. So that already we are coming near the point where we are asking for supplementaries equal to almost half of that sum.

I would suggest that when the estimates for 1959 are under consideration by the Government, as they will be very shortly if indeed they are not now, the Minister of Finance should make a new departure. I am quite free to say that this habit of asking for supplementaries after supplementaries was, in a measure, a product of the methods that developed during the war. But we should get back to more solid ground. The Leader of the Government is a member of the administration, and I warmly congratulate him on that fact. I hope he will take under consideration, and possibly pass on to his colleague the Minister of Finance, this suggestion. Let the Minister of Finance serve notice on the departments that they must present in the main estimates the estimates of their total requirements for the next fiscal year, and that the supplementary estimates—and in each session there should not be more than one bill for supplementary estimates—should be confined to those unforeseeable things which arise subsequently to the presentation of the main estimates. I offer this suggestion because we are growing into a very loose habit in connection with the handling of the taxpayers' money.

As the honourable senator from Rosetown (Hon. Mr. Aseltine) suggested last night, some of the items in the supplementaries submitted to Parliament by the new Government are consequent upon new developments; but more than half of the eighty-odd million dollars comes from various departments. If you look over these series of supplementary estimates you will find some of the departments asking for more money in each of the supplementaries. Well, that to me is a very slipshod habit to fall into. I can understand the new administration's position, and I am willing to make very large allowances for it. After all, the ministers are new to their jobs and it is the most natural thing in the world—and I think my honourable colleague from Gulf (Hon. Mr. Power) would agree with me in this—that the officials in the departments will press for more money if they think there is a chance of getting it. I can understand how under these circumstances departmental officials will go to their new minister and say, "Well, now, here are things we must do and we want you to ask for a supplementary estimate." I can give you a few illustrations. Take the Canadian Broadcasting Corporation, for which the honourable senator from New Westminster (Hon. Mr. Reid) has a great affection.

**Hon. Mr. Reid:** You can say that again.

**Hon. Senators:** Oh, oh.

**Hon. Mr. Crerar:** Their request in the main estimates, of which we are voting a portion in this supply bill, was for a total of \$34,250,000. That was for the C.B.C. radio and television services. Then the international services asked for over \$1,800,000, or a total in the main estimates, as can be seen if you examine them, of over \$36 million. Well, honourable senators, \$36 million is a substantial sum of money. At least it used to be considered so. We find in these supplementaries brought down by the new administration that they are asking for another \$8,155,000, or a total for this fiscal year for the Canadian Broadcasting Corporation of over \$44½ million. Now, where is this going to end? I am not asking questions about it today but I am drawing to the attention of honourable senators that this practice surely must find some limit.

The only other item I wish to refer to—and I could cite a score of other items if I wished to do so—is that of National Health and Welfare benefits, under the heading of Indian and Eskimo Health. In Vote 261, which was in the main estimates, the total asked for was over \$17 million; and in the supplementary estimates, in Vote 709, we are asked to supply an additional \$1,600,000, or a total for Indian and Eskimo health services of

over \$18½ million. I draw to the attention of honourable senators the fact that this does not include other services like educational services, assistance in farming operations, and that sort of thing, for our Indian population.

I am uncertain at the moment just what the exact Indian and Eskimo population of Canada is, but I think I am within the margin of safety by saying that it does not exceed 170,000. So what we are in effect doing in these votes is to provide for Indian and Eskimo health services over \$100 for every Indian and Eskimo man, woman and child in Canada. That is a very high average. At present I am merely drawing attention to these things, and I may have something further to say upon them if I should launch into a speech on the Address. The growth of our expenditures should be given sober thought by every member of Parliament, whether of this house or the other house; because there is not only a growth of expenditure by our federal Government, but also ever mounting expenditure by provincial and municipal Governments, and the combined total sum is very large indeed. I know there are economists who say: "Oh, we can handle this. We are for ever going to be on the up and up; we are for ever going to have an expanding gross national product and an expanding national net income." Well, honourable senators, the present time affords some evidence that our expectation in that respect may be built upon a rather shadowy foundation.

I will close by simply saying that there is no greater responsible duty on members of Parliament than to see that the taxpayers' money is wisely spent and none of it wasted. There can be no dispute about that. In the great surge forward, in the new conception of the welfare state, and in other directions, we go on spending, spending, spending, without serious thought as to what the consequences to the taxpayer may be.

**Some Hon. Senators:** Hear, hear.

**The Hon. the Speaker:** Honourable senators, the question is on the motion for the third reading of Bill 11. Is it your pleasure to pass this motion?

**Hon. Mr. Reid:** On division. I was supposed to get some information.

The motion was agreed to, and the bill was read the third time, and passed, on division.

### SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—  
DEBATE CONTINUED

The Senate resumed from yesterday consideration of Her Majesty the Queen's speech at the opening of the session and the motion

of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. W. Ross Macdonald:** Honourable senators,—

**Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** I cannot let this occasion pass without stating at the very outset how happy we all were to welcome to Canada our Queen, Elizabeth the Second, and His Royal Highness the Prince Philip, the Duke of Edinburgh. It was not possible for Her Majesty to visit any other city in Canada than our national capital, but I am sure that all Canadians from coast to coast felt they were having some part in expressing to their Queen the deep loyalty, respect and affection which we all have for her.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** Honourable senators, those of us who were in this chamber will never forget the colourful scene when for the first time a reigning sovereign was present in person to open our Parliament. It was a circumstance of deep significance and an historic occasion for all Canadians. It had been my intention to speak at length in connection with this great historical event, but last night I felt that the two honourable senators who moved and seconded the Address expressed our feelings adequately and exceptionally well. Therefore, I shall only add that I concur in all that they said in that respect.

Honourable senators, as the honourable senator from De la Durantaye (Hon. Mr. Pouliot) mentioned last night, I am sure that we were all pleased with the physical appearance of the Senate chamber on the day of the opening. It will be recalled that prior to the close of the last session we appointed a subcommittee to supervise alterations and additions to the Senate chamber, and the Senate agreed on what alterations and additions could be made. Perhaps I could not do better at this time than give an account of the stewardship of that committee. The subcommittee consisted of myself, as chairman, the Honourable Senator Connolly (Ottawa West) and the Honourable Senator Dessureault. We commenced our duties even before Parliament was dissolved, and the work was well in process by June 10. Notwithstanding the change in the administration that took place after that date, the subcommittee felt it should continue to function. I was at that time chairman of the Internal Economy Committee, and I continued to act in that capacity until Parliament reassembled. I could not do otherwise because, as you know, the new Leader of the Government was not appointed until a short time before the session opened.

The subcommittee held meetings from time to time. The work did not go on by itself. The Honourable Senator Connolly (Ottawa West), who was in this city most of the time, kept his eye on the work from week to week, and we consulted with the Honourable Senator Dessureault. We were fortunate in having the assistance of Mr. MacNeill, the Clerk of this House, who was here almost every day, and when the work lagged he urged the representatives of the Department of Public Works who were responsible for the work to press on toward its completion. The result was that when Parliament reconvened on October 14 most of the work had been completed.

This work could perhaps be divided into three categories: in the first category I would put the cleaning of the walls and woodwork. As the honourable senator from De la Durantaye said last evening, prior to this session both walls and woodwork were very dark, and in some places black. One can readily see the improvement that has taken place.

I now come to the second category. Honourable senators will recall that the carpeting in the chamber had been in service for many years and had become badly worn. I am sure all honourable senators were pleased, as I was, with the appearance of the new carpet on the opening day of Parliament.

It will also be recalled that the windows in the upper part of the chamber were of a not too pleasing colour, and did not provide the proper amount of illumination. The windows have all been changed. Whether the change is satisfactory, honourable senators will have to decide. When the windows were first put in, your subcommittee felt that too much direct light was allowed to enter the chamber, and that it would be uncomfortable for honourable senators sitting on the east side of the house to have the sunlight shining down on them. Various proposals were made as to how to keep the direct rays of the sun out and yet allow more light in. Time will tell whether the change is satisfactory. I am sure the new Internal Economy Committee which has been set up will make observations and determine whether or not the windows can be further improved.

I come now to the question of ventilation of the chamber. Again, as the honourable gentleman said last evening, it was most uncomfortable to sit in this chamber on hot summer days; the air became so stuffy and stagnant when the chamber was occupied for any length of time that it prevented us from doing our work properly. A completely new system of ventilation has now been installed. During the last session some

honourable senators could not remain in the chamber because of the direct drafts on them. We hope that condition has been overcome. The present system has been so devised that there will be fresh air in the Senate at all times, warm air in the winter and cool air in the summer, but with no direct drafts being felt by honourable senators.

The subcommittee was requested to inquire into the possibility of installing what I call a voice amplification system in the chamber. The system that is in use today is the one which was approved by honourable senators at the last session, and the installation was supervised by your subcommittee. It will be recalled that we met in the chamber last spring and had a demonstration of the voice amplification system. We all agreed that the system tried out then appeared to be satisfactory and that it should be installed. The subcommittee carried out the wishes of the house in that respect. The system was tried out during an actual sitting for the first time last evening. A number of the senators who spoke to me about it were somewhat disappointed with its operation. Some senators sitting at the south end of the chamber complained that they could not hear the honourable senator from De la Durantaye speaking from his seat at the north end of the chamber. We have an operator on hand in the southeast corner of the south gallery and he is endeavouring to manipulate the mechanism so that speakers can be heard at any point in the chamber. So, before we criticize the system too severely, I think we should give the operator a chance to demonstrate the functioning of the equipment that has been installed.

While there have been, as I have said, complaints from honourable senators about the amplification system, I have heard no criticism of it by people sitting in the gallery. I recall that previous to this session when representatives of the press wanted to hear a senator who was speaking from the east side of the chamber they had to move to the east side of the gallery; and if a senator rose to speak on the west side of the chamber they had to rush back to that side. Also, at times when I have remarked to people who have been sitting in the gallery about the excellence of an address made in the house the previous day they have replied that they had not heard a word of it. Well, even if the system is not yet entirely satisfactory in the chamber—and this is the important place—it is quite satisfactory in the galleries.

Honourable senators, your subcommittee also took up the question of lighting in the chamber. This I put in the third category of our work. I do not think in this respect

our efforts have been entirely successful. The Honourable Senators Connolly (Ottawa West) and Dessureault took a great interest in procuring lighting equipment suitable to the Senate. Unfortunately, some of the officials did not entirely approve of the equipment which was suggested for installation. Our lighting has been improved somewhat, but I am sure honourable senators feel that there can be further improvement in it.

Honourable senators, two other questions were left, not for the subcommittee but, I think, for senators generally—two questions which have been raised in the Senate. One of these, raised by the honourable senator from De la Durantaye, has to do with the paintings hanging on the walls. Some honourable senators feel that the paintings are quite appropriate; others feel that there should be a change. Some think we should have Canadian murals on the walls. Well, honourable senators, the making of that change would present a difficult problem. Those walls have been prepared in such a way that they assist favourably the acoustical properties of this chamber, and we would need to have expert advice as to what effect the change would have on the acoustics. That is something for honourable members to consider in the future.

The question of an additional gallery was also mentioned. It was said during the royal visit that it would have been much more satisfactory if it had been possible for many more Canadians to be in the Senate chamber on that occasion. But more people could have been seated here only if we had had an additional gallery. Well, an additional gallery would involve a structural change which would be very costly, and one which would have to be undertaken, I am sure, by the Government, as the appropriations of the Senate itself do not provide sufficient funds to make so extensive an improvement.

Honourable senators, that is the report of your committee. We feel that we did look after the task that was given to us, and, generally speaking, I think the Senate chamber is a much more attractive place today than it was several years ago.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** Now, honourable senators, while I am speaking about this chamber on the opening day I want to refer to one official of the chamber who had a very important part to play. I have in mind the Gentleman Usher of the Black Rod. It was his responsibility to arrange the seating in this chamber and to send out the invitations. What a task he had! There were thousands of applications for seats. Many people asked me if I could arrange for their accommodation in this chamber and invariably I referred them to the Black Rod; and some of them

later showed me the letter they received from him, saying, as politely as any one could say it, that it was impossible to arrange places for them. I never heard a complaint from a single applicant after the receipt of that courteous reply from the Black Rod. And I am sure that at the opening of Parliament we were all pleased by the way in which he performed his very important function as the personal messenger of Her Majesty from this chamber to the other chamber. No one could fail to observe the fine impression he created by his gracious manner and his stately bearing.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** Honourable senators, I would also like to refer to another official of the Senate. I have in my hand an excellent booklet, entitled *How Parliament Works*. A number of prominent, well-informed members of all the parties represented in this Parliament have spoken to me about this booklet and that is why I mention it. In every instance they say it is the best publication of its kind in Canada. It was written by E. Russell Hopkins, Law Clerk and Parliamentary Counsel of the Senate. I take pride in the fact that it was prepared by one of our officials, and I heartily recommend it to all honourable senators. I feel certain that when you read it you will be pleased with it and will want to obtain a number of copies to send to your friends.

Honourable senators, I have spoken of the opening of Parliament on October 14, and I would like to refer briefly to another event which took place prior to that date. I mean the General Election of June 10. Many changes have resulted from what took place on that day. One, which is very noticeable, is that those of us who formerly were sitting on the right of the Speaker are now sitting on his left, and those who are sitting on his right were previously on his left. Probably that is the most notable change which has taken place since we last met.

I want to take this opportunity of saying that, if there had to be a change in the person who was to occupy the position of Leader of the Government in the Senate, no more appropriate appointment could have been made than that of the present Leader of the Government in this chamber (Hon. Mr. Haig).

**Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** He is a man of wide experience in business, learned in the laws of our land, and with a broad knowledge of legislative affairs. For sixteen years before he came to Ottawa he was a member of the Manitoba Legislature, and he has been in the Senate twenty-two years. While in opposition he was a good Leader of the Opposition,

and I am sure he will make a good Leader of the Government. I want to thank him for the co-operation he gave me during the time that I was honoured to hold the position he now occupies. No one could have co-operated with any leader more wholeheartedly than did Senator Haig. I would like to wish him a long term in the office he now holds, but if I did so I would be wishing for myself a long term as Leader of the Opposition, and I cannot say that I desire that role for myself. So I will content myself by saying that I hope his term will be a happy and profitable one for himself, for this house, and for the country.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** With a new Parliament a change has also been brought about in the Speakership of this house.

*(Translation):*

Honourable senators, I would like to welcome our new Speaker, the Honourable Mark Robert Drouin. You have become, sir, the successor of a long list of distinguished Canadians who have occupied the Chair, three of whom are with us today: Hon. Arthur Hardy, who was Speaker in 1930; Hon. Thomas Vien, who was Speaker from 1943 to 1945, and your immediate predecessor, Hon. Wishart McLea Robertson, who was Speaker from 1953 to 1957. I congratulate you upon your appointment. As were those who came before you, you are particularly well qualified to fulfil the difficult duties of Speaker of the Senate, and I can assure you that you may count upon the full co-operation of all the members of this house. And when your term of office expires I hope Providence will keep you in good health so that you may remain among us, as a senator, for many years to come.

*(Text):*

I wish also at this time to express my personal warm welcome to the new senators, most of whom, though not all, were unknown to me. I know I speak on behalf of all honourable senators when I say to them: "We are glad to have you in our midst. We look forward to years of association with you. We are sure you will enjoy the years during which you serve in this chamber, and we know that you will be of service to Parliament and to your country. I am pleased to welcome you here."

Also I would express my congratulations and appreciation to the mover and seconder of the Address in reply to the Speech from the Throne. The honourable senator from Hastings-Frontenac (Hon. Mr. White), who moved the Address, is one of my very good friends. We sat together in the House of Commons from 1940 to 1953. I got there a little earlier than the honourable senator

did, but he stayed there longer; now he has caught up with me again. I have heard his utterances on many occasions in the House of Commons. I know of his great interest in the welfare and wellbeing of the veterans of our country. His speech last evening made it evident that his interest in their welfare has not slackened over the years. As an old parliamentarian he followed the Speech from the Throne with great care, and in his first address he dealt with it thoroughly and proved to us that he has a good knowledge of the legislation which will come before us. I congratulate him heartily on his speech.

**Hon. Senators:** Hear, hear.

*(Translation):*

**Hon. Mr. Macdonald:** I wish to congratulate the honourable senator from Shawinigan (Hon. Mr. Méthot) upon his maiden speech before this honourable house. He was already known to several of the senators and recognized as a distinguished lawyer. He spoke to us of the great St. Maurice river which flows through an important area of the province of Quebec. He will no doubt address us again over the many years we hope he will spend among us.

*(Text):*

Honourable senators, an event took place in this house last night which went by unnoticed by many honourable members. A reporter sat at the desk beside our regular and very capable French shorthand reporter, Mr. Victor Lemire, and if honourable senators were looking at that desk during the speech of the honourable senator from Shawinigan (Hon. Mr. Méthot) they would have observed that the speech was being taken down on a stenotype machine. The machine could not be heard, it was completely silent. The use of this machine was something new in the Parliament of Canada, it having never before been used in either house at Ottawa. I think this incident provides a further answer to anyone who says that the Senate is old-fashioned.

Honourable senators, I am gradually approaching a very important portion of my address, and I assure you my remarks will not be long. I do not think I should let the reference which I made to the change which took place on June 10 go by without further word. There is a new government and I hope it will be a good one. I am satisfied that the former Government was a very good one. It had been in power for twenty-two years, and I can say they were twenty-two glorious years.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** They will be described as golden years in the history of our country.

Let me recall just two of the changes which took place during that period. In 1935 Canada had a population of 10,845,000 people. In 1957, after that Government had been in power for twenty-two years, Canada had a population of 16,589,000 persons. During that period while our population was growing we enjoyed great prosperity and our standard of living and general well-being was raised. Our total trade also experienced a terrific increase. On March 31, 1934, our imports totalled \$522,431,153 and our exports \$764,284,888, and our total imports and exports for the fiscal year ending March 31, 1934, amounted to \$1,286,716,041. By March 31, 1957, our imports had increased to \$5,792,549,000, and our exports to \$4,930,787,000, a total of \$10,723,336,000. Putting it in round figures I would say that from the time the old administration came into power, in 1935, our total trade had increased from \$1,286,000,000 to \$10,700,000,000, a staggering increase.

Honourable senators, we had great problems during those times, the most serious arising from World War II and its aftermath. During all that time the Government had the support and the co-operation of the people of Canada and we came through all right. We came through the war well and we came through its aftermath well. I am sure no one would deny that in the person of the Right Honourable W. L. Mackenzie King and in the person of the Right Honourable Louis S. St. Laurent we had two great leaders. I think, honourable senators, that the millions of people who supported the Government that went out of office can feel proud of the accomplishments which came about during the years in which that Government was in power, and of the leadership given to Canada during that time. We can only hope that the future of this country will be in as good hands, and that we shall continue to go forward in the future as we have in the past.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** Honourable senators, may I now proceed to the conclusion of my remarks? I should like to make a statement which I feel is a very important one. I am sure that this house and the country would wish me to indicate at this time the attitude which I, as the Leader of Her Majesty's loyal Opposition in the Senate, propose to take with respect to public legislation, particularly Government legislation, during this Parliament.

The circumstances in which those of us who are in opposition find ourselves are unusual but far from unique. I am confident that in approaching our parliamentary duties we shall have greater regard for the wisdom and experience of the past, and for the effect which our actions may have on future gene-

rations of Canadians, than for any exigencies, political or otherwise, of the present. We shall take the long view, backward as well as forward. Some may say that we can well afford to do so. I would prefer to say that this is our historic duty and that we shall do our best to discharge it.

May I be permitted to add, as an aside and in a somewhat lighter vein, that most things must grow into perfection. That is as true of this young and virile country and its system of government as it is of anything else. Mr. Borglum, the celebrated sculptor who fashioned the famous Mount Rushmore Memorial in the United States, was once asked if his work was perfect in every detail. He replied: "Not today. The nose of George Washington is one inch too long. But it's better that way. By the process of erosion it will be exactly right in 10,000 years."

To return to my main theme: Honourable senators, in view of our numbers, it will be immediately apparent that we could, under the Constitution, resist and, indeed, prevent, the adoption of every piece of legislation initiated by the new Government. On the other hand, we could allow that legislation to proceed through this house without comment or criticism. I feel sure that we will follow neither of these extreme courses. There are historic considerations which would dissuade us from adopting either alternative, and which I devoutly hope would similarly dissuade others who, in the future, might find themselves in a comparable position.

In the first place, the Senate was not conceived of by the authors of Confederation—who "builed better than they knew"—as a competitor of the House of Commons in the field of public legislation. On the contrary, one of its prime functions, in the words of Sir John A. Macdonald, is to take a "sober second look" at legislation which has passed the House of Commons. It is therefore a solemn trust, which all senators share alike, to examine with the utmost care all legislation which has passed the House of Commons. This we must do to ensure that those basic principles which all Canadians hold dear are not lightly or carelessly cast aside for any reason, whether through haste or impulse on the part of the House of Commons, or as a result of political expediency or compromise, or otherwise.

On the other hand, we recognize with Sir Robert Borden that any system of government based upon the British system could not function long if the executive and each of the houses of Parliament were to exercise their powers constantly and "to the legal limit". There should be, of course, common sense in all things, and certainly in respect

of the functioning of the Parliament of Canada, which stands at the apex of our governmental system.

Honourable senators, if I read Her Majesty's Speech from the Throne correctly, it seems to me that most of the Government bills to be introduced during this session will have financial implications which would prevent their introduction, in the first instance, in this chamber. So far as public legislation is concerned we will therefore be primarily concerned with so-called "money bills" which will have already passed the House of Commons. With regard to all such legislation, whether financial or otherwise, I have two principal comments. In the first place, I think that we would all do well to remember that the Senate has not, traditionally, resisted the adoption of any piece of Government legislation for which a government has received a clear popular mandate, whether as the result of a general election or otherwise. Nor would it, in my view, be inclined to do so in future, in the absence of the most compelling reasons for believing that the issue should be referred once again to the electorate.

So far as I am concerned, I propose to have full regard to these important precepts and principles. However, in so doing may I add this: there will be room for argument as to whether or not there has been a popular mandate for any particular bill. All Government bills will be examined in an honest endeavour to determine whether there has been such a mandate, but this examination will not be conducted in any unfair or hypercritical way.

In taking this stand, I am in good company and in step with history. Eminent statesmen in this house and in the other house have also been of this opinion. The Right Honourable Arthur Meighen has had something to say on this subject. Here are his words:

Where there is a mandate for legislation which comes before the Senate; where such legislation was clearly discussed and placed on the platform of the successful party in an election, then only in most exceptional circumstances should there be any attempt or desire on the part of the Upper House to refuse to implement a mandate by its concurring imprimatur. No one, however, who has thought the subject out can say that under no circumstances should legislation coming to the Senate from the Commons, though clearly supported by a popular mandate in an election, fail of support in the Second Chamber. It has been plainly and tersely enunciated by Sir John Macdonald, by George Brown and by Maritime statesmen, as well as by Taché of Quebec, that the Senate's duty, or one of its duties, is to see not only that wise legislation, having for its purpose nothing but the public good, is allowed, irrespective of mandate, to become law, but in certain conceivable events to see to it as well that the public of Canada, which may at one election have endorsed extraordinary proposals, has opportunity, if such proposals are of a particularly dangerous or revolutionary character,

to think the subject over again; in a word, that the Senate may, under certain circumstances, be allowed to appeal from the "electorate of yesterday" to the "electorate of tomorrow".

In the second place, as I have said before in this house, the Senate has often asserted, and on many occasions exercised, the right to amend money bills wherever the amendment would not increase the appropriation or any charge upon the people. On the other hand, I have also expressed the view that the Senate should not lightly, or without the most mature reflection, seek to alter the terms of a money bill in such a way as to affect materially the balance of ways and means. While reserving to the Senate its constitutional prerogatives I will, for my part, while in opposition continue to respect this important principle.

Finally, honourable senators, may I remark that this chamber, in accordance with my understanding of the intention of the Fathers of Confederation, is organized along party lines. However, party lines are not severely drawn in this chamber. There is an important judicial or quasi-judicial element in our principal transactions and deliberations, which we all recognize, and which I hope and pray will continue. A very great senator, the Honourable Raoul Dandurand, found himself during his tenure successively Leader of the Opposition and Leader of the Government in the Senate just as, somewhat surprisingly, my honourable friend Senator Haig finds himself. At the same time I, equally surprising, find myself in the opposite position. May I quote the words of our distinguished predecessor in both offices, Senator Dandurand, in the Senate Debates of February 12, 1936:

The framers of the Confederation intended this chamber not to be a duplicate of the Commons . . . if we felt and acted as though we were, our usefulness as a second chamber would be gone. The Senate is not a duplicate of the House of Commons. We stand above the sharp divisions of party that exist in the other chamber, and we approach all questions with a desire to do our best for the general interest of the country.

Honourable senators, I do not feel that I could say more without weakening the effect of my earlier observations. May I simply repeat that throughout my whole term as Leader of the Government in the Senate I received the utmost courtesy and co-operation from the honourable senator who now holds that position, and I can assure this house that my endeavour will be to extend to the Leader of the Government at all times the same courtesy and co-operation.

**Hon. Senators:** Hear, hear.

On motion of Hon. Mr. Haig, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

(See p. 30)

## APPENDIX

## STANDING COMMITTEES

## ANSWER TO INQUIRY BY HON. MR. POULIOT

Question: 1. What is the membership, the quorum, the purpose and the jurisdiction of each one of the sixteen standing committees of the Senate?

Answer: Rule 78 of the Rules of the Senate provides that the standing committees shall be as follows:—

Library	1. The Joint Committee on the Library of Parliament, whereto there shall be appointed seventeen senators.
Printing	2. The Joint Committee on the Printing of Parliament, whereto there shall be appointed twenty-one senators.
Standing Orders	3. The Committee on Standing Orders, composed of fifteen senators.
Banking	4. The Committee on Banking and Commerce composed of fifty senators.
Transport	5. The Committee on Transport and Communications, composed of fifty senators.
Private Bills	6. The Committee on Miscellaneous Private Bills, composed of thirty-five senators.
Internal Economy	7. The Committee on Internal Economy and Contingent Accounts, composed of twenty-five senators.
Debates	8. The Committee on Debates and Reporting, composed of nine senators.
Divorce	9. The Committee on Divorce, composed of not less than nine senators and not more than twenty-five senators.
Restaurant	10. The Committee on the Restaurant, composed of the Speaker and six other senators.
Resources	11. The Committee on Natural Resources, composed of forty senators.
Immigration	12. The Committee on Immigration and Labour, composed of thirty-five senators.
Trade Relations	13. The Committee on Canadian Trade Relations, composed of thirty-five senators.
Civil Service	14. The Committee on Civil Service Administration, composed of twenty-five senators.
Welfare	15. The Committee on Public Health and Welfare, composed of thirty-five senators.
Public Bldgs.	16. The Committee on Public Buildings and Grounds, composed of fifteen senators.
Finance	17. The Committee on Finance, composed of fifty senators.
Tourist Traffic	18. The Committee on Tourist Traffic, composed of twenty-five senators.
External Relations	19. The Committee on External Relations, composed of thirty-five senators.

78a. The senators occupying the positions of Leader of the Government and Leader of the Opposition in the Senate shall be *ex officio* members of all standing committees of the Senate.

The quorum is fixed and the Chairman elected by the committee at the first meeting held each session.

The purpose and the jurisdiction of each one of the standing committees is to inquire into and report upon such matters as may be referred to them from time to time by the Senate.

Question: 2. Besides the yearly routine meetings to set a quorum and elect a chairman, how many

meetings of each standing committee were held during each one of the last ten sessions of Parliament?

Answer:

## THE COMMITTEE ON STANDING ORDERS

Session	No. of Meetings
29th Aug. 1950 to 29th Jan. 1951..	No standing committees appointed.
30th Jan. 1951 to 9th Oct. 1951...	0
2nd Session	
9th Oct. 1951 to 29th Dec. 1951..	1
28th Feb. 1952 to 20th Nov. 1952..	0
20th Nov. 1952 to 14th May 1953..	2
12th Nov. 1953 to 26th June 1954..	2
7th Jan. 1955 to 28th July 1955..	2
10th Jan. 1956 to 14th Aug. 1956..	2
26th Nov. 1956 to 8th Jan. 1957...	No standing committees appointed.
8th Jan. 1957 to 12th April 1957..	0
No Subcommittees appointed.	

## THE COMMITTEE ON BANKING AND COMMERCE

Session	No. of Meetings
29th Aug. 1950 to 29th Jan. 1951..	No standing committees appointed.
30th Jan. 1951 to 9th Oct. 1951 ..	16
2nd Session	
9th Oct. 1951 to 29th Dec. 1951 ..	6
28th Feb. 1952 to 20th Nov. 1952 ..	23
*20th Nov. 1952 to 14th May 1953 ..	26
	(15 subcommittees)
12th Nov. 1953 to 26th June 1954 ..	26
7th Jan. 1955 to 28th July 1955 ..	17
10th Jan. 1956 to 14th Aug. 1956 ..	14
26th Nov. 1956 to 8th Jan. 1957 ....	No standing committees appointed.
8th Jan. 1957 to 12th April 1957 ..	9

\*On November 26, 1952 the Standing Committee on Banking and Commerce appointed a Subcommittee of not less than seven members and having a quorum of three to consider Bill O, An Act respecting the Criminal Law. The personnel to be selected from time to time.

The Subcommittee held a total of 15 meetings.

## THE COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Session	No. of Meetings
29th Aug. 1950 to 29th Jan. 1951 ...	No standing committees appointed.
30th Jan. 1951 to 9th Oct. 1951 ..	6
2nd Session	
9th Oct. 1951 to 29th Dec. 1951 ..	15
28th Feb. 1952 to 20th Nov. 1952 ..	5
20th Nov. 1952 to 14th May 1953 .	5
12th Nov. 1953 to 26th June 1954 ..	9
7th Jan. 1955 to 28th July 1955 ..	13
10th Jan. 1956 to 14th Aug. 1956 ..	14

Sessions	No. of Meetings	Sessions	No. of Meetings
26th Nov. 1956 to 8th Jan. 1957 ..	No standing committees appointed.	2nd Session	
8th Jan. 1957 to 12th April 1957 ..	5	9th Oct. 1951 to 29th Dec. 1951 ..	1
No Subcommittees appointed.		23rd Feb. 1952 to 20th Nov. 1952 ..	8
		20th Nov. 1952 to 14th May 1953 ..	2
		12th Nov. 1953 to 26th June 1954 ..	4
		7th Jan. 1955 to 28th July 1955 ..	3
		10th Jan. 1956 to 14th Aug. 1956 ..	5
		26th Nov. 1956 to 8th Jan. 1957 ..	No standing committees appointed.
		8th Jan. 1957 to April 12th 1957 ..	4
		No Subcommittees appointed.	

THE COMMITTEE ON MISCELLANEOUS PRIVATE BILLS

Session	No. of Meetings
29th Aug. 1950 to 29th Jan. 1951 ..	No standing committees appointed.
30th Jan. 1951 to 9th Oct. 1951 ....	9

THE COMMITTEE ON INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

Session	No. of Meetings
29th Aug. 1950 to 29th Jan. 1951 .....	No standing committee appointed
30th Jan. 1951 to 9th Oct. 1951 .....	3 (4 Subcommittees appointed)
Second Session	
9th Oct. 1951 to 29th Dec. 1951 .....	1 (1 Subcommittee appointed)
23rd Feb. 1952 to 20th Nov. 1952 .....	1 (2 Subcommittees appointed)
20th Nov. 1952 to 14th May 1953 .....	2 (2 Subcommittees appointed)
12th Nov. 1953 to 26th June 1954 .....	5 (6 Subcommittees appointed)
7th Jan. 1955 to 28th July 1955 .....	3 (3 Subcommittees appointed)
10th Jan. 1956 to 14th Aug. 1956 .....	3 (4 Subcommittees appointed)
26th Nov. 1956 to 8th Jan. 1957 .....	No standing committee appointed
8th Jan. 1957 to 12th April 1957 .....	1 (4 Subcommittees appointed)

SUBCOMMITTEES APPOINTED

Session 30th Jan. 1951 to 9th Oct. 1951. 1st Session. Tuesday, March 20th, 1951.

The Honourable Senators Fafard, Haig, Horner, MacLennan and Vien were appointed a Subcommittee on stationery.

The Honourable Senators Beaubien, McLean, Marcotte and Quinn were appointed a Subcommittee on the Audit of the Clerk's Accounts.

The Honourable Senators Beaubien, Beauregard, Haig, Quinn and Robertson were appointed a Subcommittee on room accommodation and stenographic help.

The Honourable Senators Beaubien, McLean and Quinn were appointed a Subcommittee to consider the matter of press relations of the Senate.

Session 9th Oct. 1951 to 29th Dec. 1951. 2nd Session. December 11th, 1951.

A Subcommittee composed of the Honourable the Speaker, and the Honourable Senators Lambert and Wilson were appointed to confer, if necessary, with the Civil Service Commission with respect to the classification and salary of Mr. Gilman.

Session Feb. 28th, 1952 to Nov. 20th, 1952. June 4th, 1952.

The Honourable Senators Beaubien, McLean, Marcotte and Quinn were appointed a Subcommittee on the Audit of the Clerk accounts.

The Honourable Senators Fafard, Haig, Horner, MacLennan and Vien were appointed a Subcommittee on stationery.

20th Nov. 1952 to 14th May 1953. Dec. 9th, 1952.

The Honourable Senators Fafard, Haig, Horner, MacLennan and Vien were appointed a Subcommittee on stationery.

The Honourable Senators Beaubien, McLean, Marcotte and Quinn were appointed a Subcommittee on the audit of the Clerk's accounts.

12th Nov. 1953 to 26th June 1954.

June 9th, 1954.

The Honourable Senators Macdonald, Lambert, and Wilson were appointed a Subcommittee on plans for the Senate and House of Commons post offices.

February 17th, 1954.

The Honourable Senators Beaubien, Haig, Macdonald, Paterson and Quinn were appointed a Subcommittee to deal with the question of room space in the Senate.

The Honourable Senators Beaubien, Haig, Hodges, Macdonald, Paterson, Quinn and Wilson were appointed a Subcommittee to consider obtaining a new carpet for the Senate Chamber.

December 2nd, 1953.

The Honourable Senators Fafard, Haig, Horner, Lambert and Vien were appointed a Subcommittee on stationery.

December 2nd, 1953.

The Honourable Senators Beaubien, McLean, Marcotte and Quinn were appointed a Subcommittee on the audit of the Clerk's accounts.

December 2nd, 1953.

The Honourable Senators Asetline, Hayden, Howard and Quinn were appointed a Subcommittee to report on the full-time employment of Miss Gladys Dudley.

7th Jan. 1955 to 28th July 1955.

July 7th, 1955.

The Honourable Senator Macdonald and two Senators to be named by him from time to time, were authorized to act for and on behalf of the Senate in all matters relating to the internal economy of the Senate.

March 3rd, 1955.

The Honourable Senators Fafard, Haig, Horner, Lambert and Vien were appointed a Subcommittee on Stationery.

March 3rd, 1955.

The Honourable Senators Beaubien, McLean, Marcotte and Quinn were appointed a Subcommittee on the audit of the Clerk's accounts.

10th January 1956 to 14th August 1956.

August 1st, 1956.

The Honourable Senator Macdonald and two other Senators were appointed to act during recess of Parliament in all matters relating to the internal economy of the Senate.

May 9th, 1956.

The Internal Economy Committee appointed a Subcommittee to be known as the Subcommittee on the Senate Precincts, the Honourable Senator Dessureault to act as Chairman. Additional members would be determined by agreement between its Chairman and the Leaders of the Government and Opposition. It was resolved that the said Subcommittee would inquire into all matters pertaining to the decoration of the Senate Chamber, with power to obtain expert advice and assistance where required. The Subcommittee that subsequently reported was composed of the Honourable Senators Dessureault (Chairman), Aseltine, Beaubien, Haig, McDonald and Turgeon.

March 14th, 1956.

The Honourable Senators Connolly (Ottawa West), Dessureault, Haig, Horner and Vien were appointed a Subcommittee on stationery.

The Honourable Senators Beaubien, Horner, Isnor and McLean were appointed a Subcommittee on the audit of the Clerk's accounts.

8th Jan. 1957 to 12th April 1957.

March 20th, 1957.

A Subcommittee on Senate Precincts, composed of the Honourable Senators Connolly (Ottawa West), Dessureault and Macdonald, were authorized to deal with all matters relating to the Senate Precincts during the forthcoming recess of Parliament.

The Honourable Senator Macdonald and two other Senators were appointed to act in all matters relating to the internal economy of the Senate.

The Honourable Senators Beaubien, Horner, Isnor and McLean were appointed a Subcommittee on the audit of the Clerk's accounts.

The Honourable Senators Connolly (Ottawa West), Dessureault, Haig, Horner and Vien were appointed a Subcommittee on stationery.

1st Session, 1951.

Subcommittee on Stationery held a meeting on June 13th, 1951.

Subcommittee on Stenographic Service and Room Accommodation reported to the main Committee on June 21st, 1951.

Subcommittee on Press Relations reported to the Main Committee on June 21st, 1951.

Subcommittee on the Audit of the Clerk's Accounts reported to the Main Committee on June 21st, 1951.

Session of 1952.

Subcommittee on Stationery held a meeting on June 12th, 1952.

Session of 1952-53.

Subcommittee on Stationery held a meeting on April 28th, 1953.

Subcommittee on the Audit of the Clerk's Accounts reported to the Main Committee on April 29th, 1953.

Subcommittee on Remuneration of Chief Treasury Officer and Assistant to the Clerk of the Parliaments held a meeting on December 5th, 1952.

Session of 1953-54.

Subcommittee on Stationery held a meeting on June 2nd, 1954.

Subcommittee appointed to consider the full time employment of Miss Gladys Dudley reported to the Main Committee on June 9th, 1954.

Subcommittee on Rooms reported with respect to a joint meeting held with the House of Commons Internal Economy Commissioners.

Session of 1955.

Subcommittee on Stationery held a meeting on June 2nd, 1955.

Subcommittee on Stenographic Service and Room Accommodation reported to the Main Committee on June 21st, 1955.

Subcommittee on the audit of the Clerk's Accounts reported to the Main Committee on July 7th, 1955.

Session of 1956.

Subcommittee on Stationery held a meeting on June 7th, 1956.

Subcommittee on the Senate Precincts reported to the Main Committee on August 1st, 1956.

Subcommittee on the Audit of the Clerk's Accounts reported to the Main Committee on August 1st, 1956.

Subcommittee appointed to consider the matter of a new carpet and underpads for the Senate Chamber held a meeting on June 21st, 1956.

Session of 1957.

Subcommittee on Stationery held a meeting on March 27th, 1957.

Subcommittee authorized to deal with all matters relating to the Senate Chamber reported that they held meetings on September 27th, and October 18th, 1956.

A Subcommittee is appointed to audit the Clerk's Accounts, examine and verify the expenditures of the Senate and report to the Committee on Internal Economy and Contingent Accounts once each year.

The Subcommittee on Stationery is appointed each Session to deal with the question of the necessary supplies of stationery for use of Honourable Senators in their rooms and desks in the Senate Chamber, and for the Senate in general, and report to the Main Committee each year.

#### THE COMMITTEE ON DEBATES AND REPORTING

From the 29th of August, 1950, to the 12th of April, 1957, there were no meetings held.

THE COMMITTEE ON DIVORCE

Sessions	No. of Meetings
29th Aug. 1950 to 29th Jan. 1951 .....	No standing committees appointed.
30th Jan. 1951 to 9th Oct. 1951 .....	The committee held 44 meetings. On 19 days the committee functioned in two sections.
2nd Session	
9th Oct. 1951 to 29th Dec. 1951 .....	The committee was not appointed.
28th Feb. 1952 to 20th Nov. 1952 .....	The committee held 41 meetings. On 29 days the committee functioned in two sections.
20th Nov. 1952 to 14th May, 1953 .....	The committee held 49 meetings. On 21 days the committee functioned in two sections.
12th Nov. 1953 to 26th Jan. 1954 .....	The committee held 43 meetings. On 6 days the committee functioned in 4 sections. On 17 days the committee functioned in 2 sections. On 5 days the committee functioned in 1 section.
7th Jan. 1955 to 28th July 1955 .....	The committee met on 52 days and held a total of 190 meetings of which 138 were meetings of subcommittees. On 10 days the committee functioned in 4 sections. On 23 days the committee functioned in 3 sections. On 10 days the committee functioned in 2 sections. On 9 days the committee functioned in 1 section.
10th Jan. 1956 to 14th Aug. 1956 .....	The committee met on 41 days and held a total of 138 meetings of subcommittees. On 29 days the committee functioned in 3 sections. On 8 days the committee functioned in 2 sections. On 4 days the committee functioned in 1 section.
26th Nov. 1956 to 8th Jan. 1957 .....	No standing committees appointed.
8th Jan. 1957 to 12th April 1957 .....	The committee met on 38 days and held a total of 96 meetings of subcommittees. On 1 day the committee functioned in 4 sections. On 27 days the committee functioned in 3 sections. On 5 days the committee functioned in 2 sections. On 5 days the committee functioned in 1 section.

NOTE:

The quorum of each section of the committee is fixed at three (3) Members for all purposes including the taking of evidence upon oath as to the matters set forth in petitions for divorce. Also, at the organization of the committee each session a subcommittee of the Chairman and one member is appointed to deal with all routine matters.

THE COMMITTEE ON NATURAL RESOURCES

Sessions	No. of Meetings
29th Aug. 1950 to 29th Jan. 1951 ..	No standing committees appointed.
30th Jan. 1951 to 9th Oct. 1951 ....	4
2nd Session	
9th Oct. 1951 to 29th Dec. 1951 ..	1
28th Feb. 1952 to 20th Nov. 1952 ..	3
20th Nov. 1952 to 14th May 1953 ..	1
12th Nov. 1953 to 26th June 1954 ..	4
7th Jan. 1955 to 28th July 1955 ..	6
10th Jan. 1956 to 14th Aug. 1956 ..	2
26th Nov. 1956 to 8th Jan. 1957 ..	No standing committees appointed.
8th Jan. 1957 to 12th April 1957 ..	2
No subcommittees appointed.	

THE COMMITTEE ON IMMIGRATION AND LABOUR

Sessions	No. of Meetings
29th Aug. 1950 to 29th Jan. 1951 ..	No standing committees appointed.
30th Jan. 1951 to 9th Oct. 1951 ..	6
Second Session	
9th Oct. 1951 to 29th Dec. 1951 ..	0
28th Feb. 1952 to 20th Nov. 1952 ..	2
20th Nov. 1952 to 14th May 1953 ..	4
12th Nov. 1953 to 26th June 1954 ..	1
7th Jan. 1955 to 28th July 1955 ..	2

Sessions

10th Jan. 1956 to 14th Aug. 1956 ..	1
26th Nov. 1956 to 8th Jan. 1957 ..	No standing committees appointed.
8th Jan. 1957 to 12th April 1957 ..	0
No subcommittees appointed.	

THE COMMITTEE ON CANADIAN TRADE RELATIONS

29th Aug. 1950 to 29th Jan. 1951 ..	No standing committees appointed.
30th Jan. 1951 to 9th Oct. 1951 ..	0
Second Session	
9th Oct. 1951 to 29th Dec. 1951 ..	0
28th Feb. 1952 to 20th Nov. 1952 ..	0
20th Nov. 1952 to 14th May 1953 ..	10
12th Nov. 1953 to 26th June 1954 ..	5
7th Jan. 1955 to 28th July 1955 ..	1
10th Jan. 1956 to 14th Aug. 1956 ..	0
26th Nov. 1956 to 8th Jan. 1957 ..	No standing committees appointed.
8th Jan. 1957 to April 12th, 1957 ..	0
No subcommittees appointed.	

THE COMMITTEE ON CIVIL SERVICE ADMINISTRATION

From 29th Aug. 1950, to 12th April, 1957, No meetings.

THE COMMITTEE ON PUBLIC HEALTH AND WELFARE		Subcommittee No. 2,	
Sessions	No. of Meetings	The Honourable Senators	Departments:—
29th Aug. 1950 to 29th Jan. 1951 ..	No standing committees appointed.	Reid Paterson Veniot	C.B.C. Civil Service Comm. Public Printing & Stationery Secretary of State National Film Board
30th Jan. 1951 to 9th Oct. 1951 ..	0	Taylor	
2nd Session		McIntyre	
9th Oct. 1951 to 29th Dec. 1951 ..	0	Burchill	
28th Feb. 1952 to 20th Nov. 1952 ..	0	Moraud	
20th Nov. 1952 to 14th May 1953 ..	6		
12th Nov. 1953 to 26th June 1954 ..	2		
7th Jan. 1955 to 28th July 1955 ..	0		
10th Jan. 1956 to 14th Aug. 1956 ..	0		
26th Nov. 1956 to 8th Jan. 1957 ..	No standing committees appointed.		
8th Jan. 1957 to 12th April 1957 ..	0		
No subcommittees appointed.			

THE COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS		Subcommittee No. 3.	
Sessions	No. of Meetings	The Honourable Senators	External Affairs Trade & Commerce National Health & Welfare National Defence Finance
29th Aug. 1950 to 29th Jan. 1951 ..	No standing committees appointed.	Crerar Haig Gouin	
30th Jan. 1951 to 9th Oct. 1951 ..	1	Lambert Turgeon Howden Aseltine	
2nd Session			
9th Oct. 1951 to 29th Dec. 1951 ..	1		
28th Feb. 1952 to 20th Nov. 1952 ..	1		
20th Nov. 1952 to 14th May 1953 ..	0		
12th Nov. 1953 to 26th June 1954 ..	2		
7th Jan. 1955 to 28th July 1955 ..	0		
10th Jan. 1956 to 14th Aug. 1956 ..	5		
26th Nov. 1956 to 8th Jan. 1957 ..	No standing committees appointed.		
8th Jan. 1957 to 12th April 1957 ..	0		
No subcommittees appointed.			

THE COMMITTEE ON FINANCE		Subcommittee No. 4.	
Sessions	No. of Meetings	The Honourable Senators	Transport Public Works Veterans' Affairs Post Office National Research Council
29th Aug. 1950 to 29th Jan. 1951 ..	No standing committees appointed.	Haig Bouffard Euler McKeen Pirie	
30th Jan. 1951 to 9th Oct. 1951 ..	16	Hayden Campbell	
Second Session			
9th Oct. 1951 to 29th Dec. 1951 ..	1		
28th Feb. 1952 to 20th Nov. 1952 ..	17		
20th Nov. 1952 to 14th May 1953 ..	0		
12th Nov. 1953 to 26th June 1954 ..	0		
7th Jan. 1955 to 28th July 1955 ..	9		
10th Jan. 1956 to 14th Aug. 1956 ..	9		
26th Nov. 1956 to 8th Jan. 1957 ..	No standing committees Appointed.		
8th Jan. 1957 to 12th April 1957 ..	0		

## SUBCOMMITTEES

Session of Jan. 30th, 1951 to Oct. 9th, 1951.

The following subcommittees were appointed to study the Estimates of the Government Departments allotted to them as follows:

## Subcommittee No. 1

The Honourable Senators	Departments:—
Horner	Agriculture
Vaillancourt	Citizenship & Immigration
Roebuck	Resources & Development
Farquhar	Labour
Wilson	Mines & Technical
Baird	Surveys
McDonald	

Each subcommittee met collectively and severally for the purpose of studying the Estimates allotted to them in order that they would be in a better position to examine witnesses appearing before the committee.

Another subcommittee composed of the Honourable Senators Crerar (Chairman), Haig, Bouffard and Moraud met for the purpose of appointing the foregoing five subcommittees.

Steering committee March 27th, 1952.

Membership:—The Honourable Senators Haig, Bouffard, Lambert, McDonald, Burchill and Crerar.

Purpose:—To determine the scope of the inquiry into the Estimates for the fiscal year ending March 31st, 1953, and the schedule of meetings and the calling of appropriate witnesses.

Steering committee March 23rd, 1955.

Membership:—The Honourable Senators Crerar, Haig, Hawkins, Lambert, Turgeon and Vien. (Quorum 3)

*Ex officio*:—Beaubien

Purpose:—To determine the scope of the inquiry into the Estimates for the fiscal year ending March 31st, 1956, and the schedule of meetings and the calling of appropriate witnesses.

Steering committee February 23rd, 1956.

Membership:—The Honourable Senators Burchill, Crerar, Haig, Hawkins, Turgeon and Vien.

*Ex officio*:—Beaubien

11 Meetings Held.

Purpose:—To determine the scope of the inquiry into the Estimates for the fiscal year ending March 31st, 1957, and the schedule of meetings and the calling of appropriate witnesses.

Sessions

No. of Meetings

2nd Session	
9th Oct. 1951 to 29th Dec. 1951..	2
28th Feb. 1952 to 20th Nov. 1952..	2
20th Nov. 1952 to 14th May 1953..	1
12th Nov. 1953 to 26th June 1954..	1
7th Jan. 1955 to 28th July 1955..	1
10th Jan. 1956 to 14th Aug. 1956..	0
26th Nov. 1956 to 8th Jan. 1957..	No standing committees appointed.
8th Jan. 1957 to 12th April 1957..	0

THE COMMITTEE ON TOURIST TRAFFIC

Session	No. of Meetings
29th Aug. 1950 to 29th Jan. 1951..	No standing committees appointed.
30th Jan. 1951 to 9th Oct. 1951..	1
2nd Session	
9th Oct. 1951 to 29th Dec. 1951..	0
28th Feb. 1952 to 20th Nov. 1952..	1
20th Nov. 1952 to 14th May 1953..	3
12th Nov. 1953 to 26th June 1954..	5
7th Jan. 1955 to 28th July 1955..	1
10th Jan. 1956 to 14th Aug. 1956..	1
26th Nov. 1956 to 8th Jan. 1957..	No standing committees appointed.
8th Jan. 1957 to 12th April 1957..	1
No subcommittees appointed.	

No subcommittees appointed.

Question: 3. For each standing committee how many subcommittees were there?

Answer: See answer with respect to each committee as given in answer to question No. 2.

Question: 4. What is the membership, the quorum, the purpose and the jurisdiction of each subcommittee?

Answer: Subcommittees are appointed by the main committees from time to time to consider specific matters referred to them and report to the main committee.

The membership of a subcommittee is fixed by the main committee and the quorum of the subcommittee may be decided by the subcommittee in each case.

Question: 5. In what year were the said subcommittees appointed for the first time?

Answer: See answer with respect to each committee as given in answer to question No. 2.

Question: 6. How many meetings of each one of the said subcommittees have been held during each one of the last ten sessions of Parliament?

Answer: See answer with respect to each committee as given in answer to question No. 2.

THE COMMITTEE ON EXTERNAL RELATIONS

Session	No. of Meetings
29th Aug. 1950 to 29th Jan. 1951..	No standing committees appointed.
30th Jan. 1951 to 9th Oct. 1951..	0

## THE SENATE

Thursday, October 24, 1957

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

Prayers.

Routine proceedings.

## ROYAL ASSENT

## NOTICE

**The Hon. the Speaker:** Honourable senators, I have the honour to inform you that I have received the following message from the Secretary to the Governor General:

GOVERNMENT HOUSE  
Ottawa

October 24, 1957

Sir,

I have the honour to inform you that the Hon. Mr. Justice Robert Taschereau, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber on Thursday, the 24th October, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,  
Sir,

Your obedient servant,  
J. F. Delaute,  
Secretary to the Governor General  
(Administrative)

The Honourable  
The Speaker of the Senate,  
Ottawa.

## STANDING COMMITTEES

## QUORUMS REDUCED

The first report of each of the following standing committees, presented by its chairman, recommended that its quorum be reduced as follows:

The Committee on External Relations, (Chairman, Hon. Mr. Lambert) quorum seven members.

The Committee on Tourist Traffic, (Chairman, Hon. Mr. Isnor), quorum seven members.

TRANSPORT AND COMMUNICATIONS  
COMMITTEE

## CHANGE IN MEMBERSHIP

**Hon. W. M. Aseltine:** Honourable senators, with leave of the Senate, I move that the name of the Honourable Senator Robertson be substituted for that of the Honourable Senator Hodges on the list of senators serving on the Standing Committee on Transport and Communications.

The motion was agreed to.

## FINANCE COMMITTEE

## ADDITION TO MEMBERSHIP

**Hon. Mr. Aseltine:** Honourable senators, with leave of the Senate, I move that the name of the Honourable Senator Robertson be added to the list of senators serving on the Standing Committee on Finance.

The motion was agreed to.

## EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING  
ADJOURNMENT

**Hon. Mr. Haig** moved:

That for the duration of the present session of Parliament, should an emergency arise during any adjournment of the Senate, which would in the opinion of the Honourable the Speaker warrant that the Senate meet prior to the time set forth in the motion for such adjournment, the Honourable the Speaker be authorized to notify honourable senators at their addresses registered with the Clerk of the Senate, to meet at a time earlier than that set out in the motion for such adjournment, and non-receipt by any one or more honourable senators of such call shall not have any effect upon the sufficiency and validity thereof.

The motion was agreed to.

## ADJOURNMENT

**Hon. Mr. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

The motion was agreed to.

## PRIVATE BILLS

OTTAWA AND NEW YORK RAILWAY COMPANY  
—FIRST READING

**Hon. John J. Connolly** presented Bill D, respecting Ottawa and New York Railway Company.

The bill was read the first time.

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

**Hon. Mr. Connolly:** Wednesday next.

RIO DE JANEIRO TRAMWAY, LIGHT AND  
POWER COMPANY, LIMITED  
—FIRST READING

**Hon. John J. Connolly** presented Bill E, respecting the Rio de Janeiro Tramway, Light and Power Company, Limited.

The bill was read the first time.

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

**Hon. Mr. Connolly:** Wednesday next.

SAO PAULO ELECTRIC COMPANY, LIMITED—  
FIRST READING

**Hon. John J. Connolly** presented Bill F, respecting Sao Paulo Electric Company, Limited.

The bill was read the first time.

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

**Hon. Mr. Connolly:** Wednesday next.

BRAZILIAN HYDRO ELECTRIC COMPANY,  
LIMITED—FIRST READING

**Hon. John J. Connolly** presented Bill G, respecting Brazilian Hydro Electric Company, Limited.

The bill was read the first time.

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

**Hon. Mr. Connolly:** Wednesday next.

BRAZILIAN TRACTION, LIGHT AND POWER  
COMPANY, LIMITED—FIRST READING

**Hon. John J. Connolly** presented Bill H, respecting Brazilian Traction, Light and Power Company, Limited.

The bill was read the first time.

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

**Hon. Mr. Connolly:** Wednesday next.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—  
DEBATE CONTINUED

The Senate resumed from yesterday consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. John T. Haig:** Honourable senators,—

**Hon. Senators:** Hear, hear.

**Hon. Mr. Haig:**—I find myself in some little difficulty. On twelve different occasions I have risen in this house as the Leader of the Opposition in the Senate to make the first speech here for my party after the speeches of the mover and seconder in the debate on the Address in reply to the Speech from the Throne, and on those occasions I have always criticized the Government. Now as Leader of the Government in the Senate I am scared to death that before this speech is concluded I will slip up somewhere and start criticizing the present Government. If I do you will know it is entirely a slip.

**Hon. Mr. Farris:** Let your conscience be your guide.

**Hon. Mr. Haig:** I warn you that I have every intention of trying to praise the Government before I am through. I am very happy to record that every member of Parliament, every citizen of Ottawa and I am sure every person in the dominion of Canada was delighted that our Queen, Elizabeth the Second, and His Royal Highness the Prince Philip, Duke of Edinburgh, came to visit this country, and that Her Majesty opened her Parliament of Canada. It was the first time that a reigning sovereign came here to open Parliament, and it will probably be some time before this happens again. We in this chamber were doubly delighted. I do not want to boast about the Senate, but I think this body seems to stand closer to the Crown than any other parliamentary body in the dominion of Canada. We were all most pleased with Her Majesty's gracious conduct during her entire visit, and we were particularly pleased when she came to this house to read her Speech from the Throne in our two languages.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Haig:** I cannot help saying that originally I was not in favour of televising the opening of Parliament until I received letters from the mothers of my grandchildren and also from some of my friends in the United States. Two of my grandchildren, said to their father: "We wonder what the Queen said to granddad, and what he said to the Queen. We will judge whether he is a good actor or not by the language he employed on that occasion". When I return home I shall be expected to answer that question.

Honourable senators, we were delighted at the visit of royalty; it justified our long confidence in our system of government whereby we could have under our own jurisdiction a separate estate which would not be part of our politics at all, and yet which would enable us in the case of a crisis to use good judgment between the parties and to choose for ourselves a man or woman as leader, whether for a province or for the country. We in Canada are upholders of that system of government and of that system of freedom which no other nation can surpass and which many nations cannot equal. This is the system of government copied from the Mother Country, and also copied from some of the other parts of the Commonwealth of Nations. We are indeed very happy that Her Majesty, with her consort, the Prince, came and visited us on this occasion.

I wish now to say a word or two to you, sir, the Speaker of this house. We are delighted to have you with us as Speaker. I am reminded of a little story, which is personal, but I will tell it. A very close friend of mine was a pilot on a bomber flying over Germany. The

navigator became ill after fifteen trips, and the man who took his place was a young fellow from the north of Scotland, who spoke very broad Scotch. Most of the crew consisted of Canadian and English boys. A day or two after this young Scotsman joined them they said to the skipper, "How do you understand what he says?" His reply was, "Well, boys, I am bilingual; my father speaks English, and my mother speaks Scotch". Well, honourable senators, I think the Speaker is bilingual—I really believe he is. I think he can speak English and Scotch, and, of course, incidentally, a little French. As I say, sir, we are delighted to have you with us as our Speaker. We feel sure that in the course of time you will bring credit to Canada and rank highly with your predecessors in this important position.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Haig:** I want to say a word or two to the mover (Hon. Mr. White) and seconder (Hon. Mr. Méthot) of the Address in reply to the Speech from the Throne. I admit that I chose the two gentlemen for the task. I must have had a good sleep the night before, because I was so successful in my choice.

**Hon. Mr. Macdonald:** Hear, hear.

**Hon. Mr. Haig:** I am highly pleased, and I am sure I speak for all of us, that these honourable gentlemen have been added to our membership in this house. Honourable senators, the mover and seconder of the Address have done credit to this chamber.

If I might say so as an aside, it may be that the former Prime Minister of this country, the Right Honourable Mr. St. Laurent, made some mistakes, but from the standpoint of the party to which I have the honour to belong he made no mistake when he left sixteen vacancies for us to fill, because we are filling them to the best of our ability.

Honourable senators, I feel that I cannot say enough to the Leader of the Opposition (Hon. Mr. Macdonald) for the very kind words he used yesterday about myself. I had the honour, and I deemed it a very great honour, to serve as Leader of the Opposition first under the honourable senator from Shelburne (Hon. Mr. Robertson) as Leader of this house, and then under the present Leader of the Opposition. In all my experience in the Legislature in Manitoba, as well as in this chamber for over 22 years, I cannot imagine two men who could give the Opposition a fairer chance, a fairer deal, or a fairer opportunity to carry on reasonable opposition, to make reasonable explanation of the Opposition's stand on the subjects under debate, than they. On this occasion—and this is the first real opportunity I have had

—I want personally to thank these two honourable gentlemen for the very great kindness they showed not only to me, but to all members of the Opposition, and for helping to facilitate the work of this chamber. My hope is that when my period as Leader of the Government in the Senate expires and someone else takes my place, they will be able to say that in a small way I have repaid in some degree the kindness they showed to me, and that I did not let the banner go down, that I was as helpful and courteous to the Leader of the Opposition as these two honourable members were to me during the years I occupied that position.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Haig:** Honourable senators, may I say one word about the officials and the other staff of this house? I speak not only of those who work inside the chamber, whom we see almost every day, but of all the staff. The Honourable Senators Horner, Aseltine, Marcotte and Quinn—who I am sorry to say is not well enough to be here today—and I have been here so long that we know the employees of this institution, in their various occupations, from the highest to the lowest. They have all done their best to serve the members of the Senate and to make our sojourn here happy and pleasant. We appreciate their loyalty and devotion to the work of this chamber, and I want to thank them one and all, including the page boys.

Honourable senators, one of the problems we face in Canada today is the present position of the farmer. I do not want to enter into what one might call politics, whether Liberal, Conservative, C.C.F. or Social Credit, but I think it is safe to say that despite scientific advancement in other fields the farmer in all parts of Canada is in some respects not nearly as well off as he was, say, 20 years ago.

The production, handling and sale of farmers' products have changed radically in the past 15 or 20 years, and we as members of a legislative body in Canada must recognize that fact. I can speak with considerable authority of the conditions in my own province of Manitoba, and as well with respect to the provinces of Saskatchewan and Alberta, because these three provinces face somewhat the same problems, but the situation is different in British Columbia, Ontario, Quebec and the Maritime provinces.

By and large, if one attends today a caucus of the Liberal party, the Conservative, the

C.C.F. party or any other party with a nationwide representation, one finds the first question raised is with respect to the farmers and the farming communities in the various parts of Canada.

This is one of the problems the new Parliament must face. No quick solution can be found: it may take a year, or ten years, or no solution may be found at all. But if there is a solution, or the possibility of one, we must find it. No body is better qualified to do that than is the Senate of Canada, for the reason that we here have nothing to gain politically one way or the other.

To a lesser extent, perhaps, a similar situation faces fishermen, miners, lumbermen and labour generally. By and large, the whole scheme of the distribution of the earnings of our country has got to be considered in the light of the position of the various parties in the community.

I do not pretend to tell the Senate that I have a solution to this general problem, because I have not. But I point to the existence of the problem and say that it is not too great for the Senate to attack. I do not claim that every one of us is qualified to say what is best for the farmer, the fisherman, the lumberman, the coal miner or the industrial worker. But I do say that with respect to each of these branches of activity there are in this chamber men and women from every part of Canada who can inform the house and thus help us to form a judgment that is in the best interest of the whole country.

I hope, therefore, that before this Parliament ends—and it may end sooner than one would expect, because it is a divided Parliament—some progress will have been made toward a solution of the problem to which I have referred.

I turn to another matter. I have been asked frequently in Winnipeg, and a few times here, about the prospects of an early general election. I say quite candidly I have no special knowledge or information in that respect. Certainly I have no political interest in it, and neither have my fellow senators. But I am interested to this extent, that an overall majority in the House of Commons is required to carry on effectively the government of this country. Some may accuse me of making an excuse to try to justify an appeal by the present Government to the people in a general election. That is not my intention, and I do not think it is the issue today. I recall in 1921 and 1922 in the Legislature of Manitoba the Government of the day had 26 members, and the combined Opposition parties had 29 members. That Opposition was of course divided, with 12

members in one party, eight or nine in another, and so on, making a total of 29 for four parties. But the day came when the Government was defeated on an issue that had nothing to do with the business of the province. That Government was never able to bring down a firm policy with a long-term view of three, four or five years ahead. It had to operate month by month and introduce what it could justify for the ensuing few months. But in the end, as I say, the Opposition defeated it. You may think that was wrong, but, human nature being what it is, that is what happened.

So I say if we are to have a government that can formulate strong and far-seeing policies in this country we must, inside of the next year, have a general election. What the results may be is in the lap of the gods. But whatever they are, I hope the party which forms a government will have a clear majority in the House of Commons, because that will mean better government for Canada in the meeting of the problems we will undoubtedly face in the years to come. We have a very close relationship with the United States, and we trade with Europe and other countries. Therefore, we in Canada need a stable government which can make agreements and long-term commitments. This can only be done by a government which is sure it has the backing of the majority in the House of Commons.

The other day the honourable senator from Churchill (Hon. Mr. Crerar) said he was not in favour of supplementary estimates. I am sure that opinion is generally shared by all honourable senators. Indeed, I do not think I am in favour of supplementary estimates. However, I do not know how, under our present financial arrangements, we can get away from supplementary estimates. For instance, the Government has on its Order Paper now a resolution dealing with cash advances to the farmers for grain stored on their farms. I do not know what it amounts to, but it is something in the order of \$100 million. That is not an expenditure in the true sense, because presumably it will be repaid. But that \$100 million-odd has to be provided for by way of supplementary estimates, because it was not anticipated when the estimates were brought down. The situation was not known and not expected to be as bad as it is now.

Furthermore, provision has to be made for increased pensions for the aged, blind, physically disabled and war veterans and for increased civil service salaries. Those obligations have to be taken care of now. They are part of the promises that the present Prime Minister made to the people of Canada, and he would be foolish indeed if he

did not attempt to have legislation covering them put through. That will mean more supplementary estimates to take care of those expenditures up until March 31 next, after which date they will be provided for in the budget. But I do not see how anyone could have anticipated last March that by October legislation would have to be introduced asking for \$100 million or more to cover advances to farmers, increased pensions, salaries and so forth. These are all part of a policy that was undoubtedly accepted by the people of this country.

These are some of the things I think my honourable friend from Churchill overlooked. However, I agree with him that there is a danger in passing supplementary estimates. There is always a great danger that the Government of the day can cut down on the preliminary estimates, and by supplementary estimates provide for total expenditure of a larger amount. But by and large a year like this is an exceptional period, with two Governments in one year and the present one not having an overall majority. I probably have said enough on that honourable senators.

There are just one or two other matters that I think should be touched on.

As the Prime Minister said the other day, we stand four-square behind the United Nations system of dealing with world affairs. I have always been in favour of the United Nations although I was not sure that it would ever accomplish what we anticipated it would. I agree with the Prime Minister, as I am sure all the people in Canada do, when he says that only through the United Nations can we have any hope for world peace today.

We do not want war. I asked a young fellow who came back from the war, after having made 52 trips over Germany in a Lancaster bomber, "What did you think about when your plane was taking off down the runway at eleven o'clock at night?" He replied: "Isn't it strange that you should ask me that question? Well, I will tell you. I thought 'Dad and mother are safe: let her go.'" I asked why he thought about it in that way, and he said: "My dad and mother were safe, but I knew that before I got back from the trip I would kill ten or twelve dads and mothers. Wouldn't you think about it too?" At the time that young man was 19 years of age.

On one occasion one of his plane's two engines was damaged while he was flying at 27,000 feet, and he had to bring the plane down quickly to 6,000 feet. He said to the rear gunner, "What about it?" The rear gunner knew what he meant: "Should we land

and become prisoners of war or try to make it back to England on one engine?" All members of the crew were asked the same question and every one gave the same answer, "It's up to you, skipper." When the rear gunner appeared before the commanding officer the next morning he was asked why he had made that reply to the skipper, and he gave this explanation: "We made fifteen trips with that same skipper and he was not hit once, so I knew that they did not have his number up, although they might have mine, and I took no chances."

Honourable senators, that is what war is. We do not want another war; that is one thing that we Canadians do not want. We feel and we know that our people are loyal to the institutions of freedom and democracy that we have in this country. We differ sometimes with the United States, and sometimes with Great Britain, but we know that they and we stand for freedom—freedom of the individual, freedom of the people to live their own lives under the law. Those of us who have had the very great honour of assisting at the deliberations of the United Nations know that one day the Russians will be on one side and the next day they will say they did not take that view at all the day before. I saw that myself. I was there. That is the situation we have in the world today.

We sometimes criticize the expenditures that the Government is making on defence equipment. I can remember when in 1939 we in this chamber voted to go to war against Hitler. Some other senators who were here then are here now. We knew at that time what we were doing, that we were sending our boys and other peoples' boys off to war. I knew that I was sending eight boys—one of them was my own son and the others were nephews. I knew they would not all come back, that you could not throw eight boys into a war and bring them all back. One of them did not come back. That is what war means, and I say that if the United Nations can give us any hope of avoiding a war nothing is too good for it.

I have only one suggestion to make about the United Nations. I think the Government was right in 1946 when it sent as a delegation from Parliament to the United Nations not only a number of supporters of the Government, but also a representative of the C.C.F. party, in the person of Mr. Coldwell, its leader, and two representatives of the Conservative party, Mr. Bracken and myself. I think that is a good system, and I hope the present Government will follow it instead of appointing Government supporters only as delegates. I think it is a mistake to follow

that policy. We must be united on our foreign policy if it is to succeed. This requires that all the people should know what we are doing, and nobody can tell them about it as well as those who are called upon to deal with it. In my city of Winnipeg, after returning from the meetings of the United Nations, I addressed quite a number of meetings. Now, I may be wrong, but I think that a good many people are still supporting the United Nations on the basis of the representations and facts that I gave them on those occasions. I think without those representations some events might have changed their minds in the meantime. I feel strongly that the United Nations meetings should be attended not only by Government supporters, but by representatives of the Opposition and of the other parties. That is very important indeed, honourable senators.

Now, I have come to the point where I want to say one or two things about the Senate. We are under quite a responsibility now, the greatest responsibility that the Senate has had since I entered this chamber in August 1935. My honourable friend from Rosetown (Hon. Mr. Aseltine) came here in December 1933, and my honourable friend from Ponteix (Hon. Mr. Marcotte) in 1931. Our great responsibility arises from the fact that the Government has not an overall majority in the House of Commons and we have to be very careful how we treat the business that comes from that chamber so that we will not mix up in any political struggle that may be going on there. I want to be very clear about that. I do not want this chamber ever to get mixed up in political affairs. To speak candidly, it has been charged against me by some of my friends that I have been too prone to help the Liberals. I do not believe that is so; but if I have ever given that impression let me tell my Liberal friends, to remove any possible impression that they "owe Haig something because he did something for them," that they do not owe me anything. What I have done I did because I believed, first, that it was best for Canada, and secondly, that it was best for the Senate. All I urge on the Opposition here is that, in reaching a decision upon any issue, if they cannot justify their proposed action as something which the Senate ought to do in the interests of Canada, and on that basis alone, they should not do it. If, however, they believe that some measure which is proposed by myself or my associates is in the interests of this country, their duty is plain. When I sat on the opposite benches I thought now and then that I should vote against this or that measure, but when the number in opposition becomes as small as ours—it fell to five—it is difficult to dispute the passage

of a Government measure in the way one might do with more support. If Government legislation is to pass this house it can be done only with the consent of the Opposition. But I do not want to be misunderstood. I am anxious that the men and women on the other side shall decide their course in the issues which will be before them. In that way they will perform the greatest service they can render to their country.

Let me say further that we on the Government side will do our best to promote efficiency in the work of the Senate. We hope to give fair consideration to everybody. We shall sit more regularly in the future than we have done in the past week or two. Last week we were handicapped because of the littered-up condition of the chamber. I expect that next week we shall receive seven bills from the other house. Bills relating to pensions and wheat will probably be here before the end of the week. From then on we shall be pretty busy, and I am not sure but that we shall have to sit much more frequently than we have done of late, because everybody is anxious to have the business of Parliament finished not later than the end of November, or very early in December.

I thank the house for having listened to me. I thank especially the present Leader of the Opposition (Hon. Mr. Macdonald) and his immediate predecessor, (Hon. Mr. Robertson): I shall use them as examples in trying to give service such as they gave to the Senate and to the people of Canada.

On motion of Hon. Mr. Gershaw, the debate was adjourned.

#### THE HON. THE SPEAKER

##### BIRTHDAY FELICITATIONS

**Hon. Norman McL. Paterson:** Honourable senators, may I be permitted to make a brief statement? I heard this morning that today is our Speaker's 54th birthday. If that is so, I should like very much to congratulate him.

**Hon. Senators:** Hear, hear.

**The Hon. the Speaker:** Honourable senators, I cannot remove my hat in acknowledgment, and perhaps you have heard enough from me in the last few days. Thank you very much.

#### PRIVATE BILL

##### BELL TELEPHONE COMPANY OF CANADA— SECOND READING

**Hon. Paul H. Bouffard** moved the second reading of Bill C, respecting The Bell Telephone Company of Canada.

He said: Honourable senators, the main feature of the Bell Telephone bill is an increase of its authorized capital from its present amount of \$500 million to the amount of \$1,000 million, divided into shares of \$25 each par value.

I think it might be of interest to give some explanation of what the company has done since its incorporation, the work it had to do in past years, and the reason why additional capital is required to discharge its obligations to the public.

This company was incorporated in 1880, about four years after the invention of the telephone. The purpose of the incorporation at that time was to integrate the very few local telephone companies that existed in the main cities of Canada. There were telephone systems in Toronto, Windsor, Hamilton, Montreal and Quebec with, altogether, about three thousand subscribers, having no other communication but the local connections in their respective cities. It was thought that the company, with proper support, would be able to combine these local companies into one big corporation for the development of its facilities, and furthermore to so associate these companies that it would be possible for a subscriber in any city to get in touch with a subscriber in any other. That was the purpose of the incorporation of The Bell Telephone Company at that time, with the very small capital of \$500,000, which the directors had power to increase to \$1 million.

In the year 1881, one year after incorporation, these five or six local telephone companies were integrated into The Bell Telephone Company of Canada, which had at that time approximately 6,000 customers.

Since 1909 the Bell Telephone Company has confined its operations to Ontario and Quebec, although by its charter it is not so confined. The rest of Canada is served by other telephone systems. At the present time there are approximately 2,700 telephone systems serving Canada, including 677 systems which serve Ontario and Quebec alone. Later on I will give statistics on the numbers of subscribers the Bell Telephone Company and other telephone companies have in this country.

If we look at the conditions under which the Bell Telephone Company operates, we find that Parliament has always looked upon telephone service as a great public utility, and has always been very prudent about the conditions under which the service functions.

In 1906 the Board of Railway Commissioners, which was later named the Board of Transport Commissioners, was given exclusive jurisdiction over all Canadian telephone companies. The board's jurisdiction

over the Bell Telephone Company is very broad. It has complete control over tolls and charges for both local and long-distance telephone calls, and it has the right to act on its own initiative to review, rescind, change, alter or vary its own decisions. The power of the board to examine and control the operations of the company is far from limited. The board has the right to inquire into, regulate and inspect the construction of the company's works. It also has authority to order repairs and to examine and approve or disapprove of all contracts of the company, including anything that might limit its responsibilities. In other words, if something happens to indicate there should be a reduction or an increase in rates, the board, without an application being placed before it, may inquire into the matter and rescind or change or alter its previous decisions.

In 1926-27 the board ruled that all telephone companies must file with the board a monthly report of their operations. This ruling has never been altered and therefore the Bell Telephone Company is obliged to give the board these monthly statements.

Since 1929 the company has been unable to issue any stock unless the terms and conditions of the issue have been approved by the board. As honourable senators can see, control over this public utility company has been pretty thorough and rigid for a long time.

May I point out that the company is not only authorized to give service, but it is obliged upon demand to give service within a reasonable length of time. That is to say, if a person applies for telephone service the company is obliged to install that service within a reasonable period. It is not surprising, therefore, that the company has from time to time petitioned Parliament to increase its capital in order to get the necessary funds to extend its system and give the public the service it is entitled to.

It may be of interest to honourable senators if I were to give a short review of the financial history of the company.

In 1880 the authorized capital of the company, then \$500,000, was increased to \$1 million. In 1884 Parliament increased this amount to \$2 million, in 1891 to \$5 million, in 1902 to \$10 million, in 1906 to \$30 million, in 1920 to \$75 million, in 1929 to \$150 million, and in 1948 to \$500 million. Now the company is asking that its authorized capital be doubled from \$500 million to \$1 billion.

Also it may be of interest to state what the company has done with all the money that has come into its hands, and some statistics might be impressive. For instance, in 1881 there were only 3,100 telephones in

Ontario and Quebec, in fact in all of Canada. By 1883 the company was serving 6,000 customers and by 1891 over 22,000 customers. By 1901 the number had more than doubled to over 44,000. In 1905 it had increased to 82,000, in 1919 to 337,000, in 1928 to 714,000, in 1947 to 1,306,000 and in 1956 to 2,766,000.

**Hon. Mr. Macdonald:** Those are customers in Ontario and Quebec?

**Hon. Mr. Bouffard:** Yes, in Ontario and Quebec only. There are approximately 4,500,000 telephone customers in Canada, of whom the Bell Telephone Company serves 2,766,000. As I have just said, they are located in Ontario and Quebec. In addition to this the Bell Telephone system has a long-distance service within Canada and to all countries that permit such connections. A certain number of countries are without connections, but in every case the Company has provided connections to enable Canadian citizens and others who are living in Europe and Asia to connect with Canada.

If we look at the mileage figures we find that they are extremely impressive. In 1891 the company had over 9,213 miles of wire lines; in 1901, 24,000; in 1905, 37,000; in 1919, 964,000; in 1928, 2,449,000. At the present time there are very close to 18 million miles of lines.

**Hon. Mr. Burchill:** Would the honourable gentleman permit a question? Have you any figures showing the number of telephones *per capita* in the provinces of Ontario and Quebec, compared with the rest of Canada?

**Hon. Mr. Bouffard:** Yes. In Quebec and Ontario there is one telephone to three persons. The figure for Canada as a whole is one to four persons. For the United States it is one to three persons, and for Great Britain one to seven persons. Therefore, the telephone operations of the telephone system in Canada are extremely important, and also highly appreciated.

**Hon. Mr. Pratt:** May I ask the honourable senator a question?

**Hon. Mr. Bouffard:** Certainly.

**Hon. Mr. Pratt:** How do you arrive at those figures showing the number of telephone connections? Does that include the connections that are internally within the organization, or does it refer to connections for outside service?

**Hon. Mr. Bouffard:** I have both figures. When I say inside connections, I mean connections that are not long distance. In 1956 there were approximately 18 million daily inside connections, and for long-distance tele-

phone calls at the present time the figure is very close to 400,000. And the figures are growing all the time.

**Hon. Mr. Pratt:** I was referring to the number of telephones that are installed in Quebec and in Ontario. Does that include the internal connections from one switchboard in a company, for instance?

**Hon. Mr. Bouffard:** It means subscribers, and does not include the internal telephones.

**Hon. Mr. Connolly (Ottawa West):** May I ask a question? Would the honourable gentleman say what the general statute is which governs telephone companies under federal jurisdiction?

**Hon. Mr. Bouffard:** It is the Railway Act of Canada. All the legislation that gives control to the Board of Transport Commissioners is contained in that act.

**Hon. Mr. Isnor:** I wonder if the honourable senator would state how the amount of \$350 million, to which he has referred, has been expended?

**Hon. Mr. Bouffard:** Let me say first that, for instance, in 1947 the number of telephones was only 1,306,000, while today the number is almost double that, 2,873,000. From 1928 to 1947 its customers increased from 714,000 to 1,306,000; its underground cable from 1,694,000 miles to 3,542,000 miles; its aerial cable from 551,000 miles to 1,153,000 miles; its employees from 16,000 to 23,000. From 1947 to 1956 its central offices increased from 430 to 733. Capital expenditures have to be made for these increases in the company's operations, and that is where the money goes.

**Hon. Mr. Isnor:** May I ask another question? The capital of the company was increased to \$350 million. What balance has it now on hand?

**Hon. Mr. Bouffard:** I am coming to that point now. At the present time, there is left in the treasury \$34 million in stock. When subscriptions under the provisions of the Employees' Stock Plan are deducted, only \$26 million is available in the treasury. That balance of \$26 million is far from sufficient to carry on. The company has to build equipment, and it is very special equipment, which has to be designed about a year and a half in advance. Apart from that, at present 25,000 applicants for service are without telephones as yet. The number of subscribers is increasing at the rate of 10,000 a month. Many subscribers use party lines, and want individual service with a dial system. The company has to cope with these problems and to improve its equipment and facilities. There is a backlog of over 53,000 applications for a higher grade of service. The company will also have

to organize a direct service which will enable subscribers to telephone directly from one city to another, as is done in the United States, so as to expedite business.

The expansion program which the company must provide for and carry out within the next five years amounts to \$962 million. This program has already been designed and prepared. Honourable senators might be interested in the amounts of expenditure per year. They are:

1958 .....	\$191 million
1959 .....	\$204 million
1960 .....	\$197 million
1961 .....	\$199 million
1962 .....	\$181 million

Of course the total expenditure will not be met out of the additional \$500 million of new stock that may be subscribed, if it is authorized. About 40 per cent will be provided for by way of bonds which will be sold to the public as a funded debt. The company will also use its depreciation fund to invest in the organization. The cost will be borne from the three sources, depreciation money, funded debt and capital stock, to a total of \$962 million over the next five years.

**Hon. Mr. Lambert:** May I ask the honourable senator if he is in a position to say a word about the cost to the company of maintaining a nation-wide service involving rental payments to the provinces for facilities operated under the ownership of the provincial Governments?

**Hon. Mr. Bouffard:** Honourable senators, I am not in a position to give that in detail, but as it is intended that the bill be considered in committee there will be present at that time officers of the company who will be in a position to supply that information.

**Hon. Mr. Lambert:** Thank you.

**Hon. Mr. Isnor:** One question that puzzles me in regard to expenditures is this: Do you anticipate any expenditure for extensions outside of your own boundaries, that is Quebec and Ontario?

**Hon. Mr. Bouffard:** No; the contemplated expenditure is precisely for the system as it extends throughout the provinces of Ontario and Quebec, for making the necessary connections, providing new equipment for the new applications that have already been received and for further applications that will come in. Thus, the company will provide faster service and carry a greater load than is being carried today.

**Hon. Mr. Lambert:** May I ask one more question? The honourable senator referred to the percentage of ownership in the company by residents of Canada. Has he any

figures to indicate any financial affiliation with the American Telephone and Telegraph Company? I think at one time the participation by that company was quite extensive.

**Hon. Mr. Bouffard:** I know at one time the rumour was that the American Telephone and Telegraph Company owned the Bell Telephone Company of Canada. That cannot be true of the present time, because out of 154,000 shareholders there are 151,000 Canadians, representing 98 per cent, owning 16,400,000 shares, or 92 per cent of the capital stock of the company. Therefore, there can be no question of control by interests in the United States or elsewhere.

I assure honourable senators that this bill will be referred to a committee of this house, which will meet next week, and the officers of the company will be there to give any information deemed necessary, to the satisfaction of the members of this house.

If there are any more questions which I can answer, I will be delighted to do so, but I must admit that with respect to about 99 per cent of the details of the operation I have no information.

**Hon. Mr. Macdonald:** The honourable senator does have a very good knowledge of the operation.

**Hon. Mr. Bouffard:** I have a fair knowledge of the main issues, but I do not have details that may be of interest to honourable senators. As I have said, the officials of the company will attend the meeting of the committee when the bill is considered and will be in a position to answer any questions.

**Hon. Mr. Wall:** Would the honourable senator be able to venture a guess as to when the Bell Telephone Company of Canada may again have to come to Parliament to seek a further extension of its capital structure, in view of the expansion that has taken place and that which is foreseen?

**Hon. Mr. Bouffard:** If we look at the history of the past we find that the company came eight times to Parliament seeking an increase in capitalization. In the past few years it came in 1920, 1929, 1948, and it has come again in 1957. Looking at the expansion that is to be undertaken in the next five years, I would imagine that at the end of that time the capital that will have become available or be in the treasury will have been completely wiped out. While I have no assurance of this, I would anticipate that in perhaps five years from now the company will again come to Parliament seeking increased capitalization.

**Hon. Mr. Wall:** I have one other point, which the honourable senator would perhaps take under advisement. Section 3 of the bill,

which is new, empowers the company to pay commissions to persons agreeing to subscribe, etc. Surely, in the past there have been issues of stock and commission has been paid on some basis.

**Hon. Mr. Bouffard:** Honourable senators, the company feels that legally it has no right to pay commissions, and up to the present time it has not done so with respect to subscriptions of stock. It has given shareholders the right to buy stock on a one share for five or one share for six basis, at a price a little lower than the market. But no commission was paid on the sale of stock.

The company is asking by section 3 to be empowered to pay commissions if the financial market at the time of issue warrants it. But, in any case, if there is a commission on the issue of stocks, all the terms and conditions are subject to the approval of the Board of Transport Commissioners. No issue of stock can be made without the approval of the board as to terms and conditions. In that way the public is well protected.

I should perhaps draw attention to one further matter. In the past the by-law with respect to the issue of stock had to be approved by a majority of the value of the shares. This made no sense at all, and was not in keeping with the general policy of the company. So, provision is now made for representation by a majority of the shareholders present or represented at a special meeting, rather than by a majority of the value of the shares. It amounts to the same thing, but this arrangement is more in line with the Companies Act. But, once the Board of Transport Commissioners has approved of the new issue, the company is bound by it, and the shareholders and bondholders are assured that the issue is a legal one. I believe we owe it to the public, where there is as high capitalization as there is here, to give assurance to the public that it is fully protected and that the issue is legal in every respect.

**Hon. Mr. Connolly (Ottawa West):** Is the company required to submit to securities regulations within either of the provinces?

**Hon. Mr. Bouffard:** All the "blue sky" laws have to be complied with in every province of Canada.

Honourable senators, if the bill is given second reading I will move that it be referred to the Standing Committee on Transport and Communications, which will be meeting next week.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Bouffard, the bill was referred to the Standing Committee on Transport and Communications.

#### PRIVATE BILL

##### BRITISH COLUMBIA TELEPHONE COMPANY— SECOND READING

**Hon. J. W. de B. Farris** moved the second reading of Bill B, respecting British Columbia Telephone Company.

He said: Honourable senators, I am much more modest than my learned friend who has just piloted his bill through second reading. The present capitalization of the British Columbia Telephone Company is \$75 million, and I am asking only for an increase to \$250 million. I may say to honourable senators, after listening to the questions that have been asked of my honourable friend from Grandville (Hon. Mr. Bouffard), that I think I would stumble a little if some of them were asked me. I am somewhat like the man who was walking through deep snow; he had a good path and as long as he kept on it he had no trouble, but when he left the path and got into the deep snow, he found the going difficult. I hope I won't stumble around too much in presenting this bill.

**Hon. Mr. Macdonald:** Hadn't you better get the snow shovelled?

**Hon. Mr. Farris:** I don't mind.

First, as my honourable friend from Grandville did with respect to his bill, I wish to state that if this bill is given second reading I will move that it be referred to the Committee on Transport and Communications, where the company's manager and perhaps other officers will be present next Wednesday to flounder around in the snow just as much as they like, as far as I am concerned, though I think they will be able to give complete answers to any questions that may be asked. Therefore I shall, as far as I am able to do so, confine myself to general principles.

I may say that in looking up the discussions that took place in 1951, the last time a corresponding bill was presented, I read some remarks made in the other house by the then member for Skeena, Mr. Applewhaite. He quoted authorities to show that when dealing with private bills the custom was only to consider whether the principle was right, and, if it was, then to refer the bill to committee. So if the principle of allowing an increase in capitalization is a sound one, subject to its being justified in committee, this bill should more or less as a matter of course be referred to committee. That seemed to be the accepted procedure in the other house, and without having looked up the

rule I presume, generally speaking, that is the rule here. I have only been here 21 years.

The British Columbia Telephone Company was incorporated in 1916, and either then or shortly afterwards was declared to be a company for the general benefit of Canada. As all senators know—at least I am sure all lawyers know—under the British North America Act once that is done the company becomes subject to federal jurisdiction.

In 1940 the capital of the company was increased to \$11 million, and when I say capital I mean only the authorized capital.

In 1947 the authorized capital was increased by Parliament to \$25 million; and the last time the company was here, in 1951, it was authorized to increase its capital to \$75 million. I think if honourable senators will read the discussions at that time they will see it was anticipated that that \$75 million would last a great deal longer than it has in fact. More money is now needed sooner than was expected not because of any prodigal spending on the part of the company, but in order to meet the demands of the public for increased telephone services.

Perhaps this might be a good place to refer to the explanatory notes in the bill, quoting the old section, which the bill does not change except for the increase from \$75 million to \$250 million.

By referring to the note facing page 2 of the bill it will be seen that the section provides, in subsection 3:

The company shall not have power to make any issue, sale or other disposition of its capital stock or any part thereof, without first obtaining the approval of the Board of Transport Commissioners for Canada of the amount, terms or conditions of such issue, sale or other disposition of such capital stock.

That is a complete reassurance to honourable members that the money used to date has not been squandered, because every dollar was spent with the sanction of the Transport Board. The board, which is a creature of Parliament, consists of competent and conscientious men who take very seriously their duties in respect to investigating matters of this kind. There is the further assurance that if Parliament authorizes, not the spending of the money, but the potential right to spend it, not one dollar can be disbursed until the objects have been scrutinized, first, by the officials of the Transport Board—who I know, from my knowledge of other activities in that organization, go most fully into these matters—and then by the members of the board themselves. No expenditures can be made without their sanction.

So, I repeat, in the past money has not been spent prodigally. The reason for the

present application is that the company believes it needs the money for which it seeks authorization to give the kind of service to which British Columbia citizens are entitled. There are many reasons why in the past expenditures have been made faster than was expected. The same reasons explain the needs for the future. One, which all of us chafe under, is the depreciation of the dollar and a corresponding increase in the cost of all the company's construction work. The second is the remarkable growth of the province of British Columbia. I have here a chart which was given to me and which depicts the comparative growth of the Canadian provinces in the last eleven years. I should like to refer to it; I think honourable senators will find it of interest even apart from the question which is before us. In this eleven-year period the percentage of growth in Saskatchewan has been 5.8.

**Hon. Mr. Burchill:** Are these figures of population?

**Hon. Mr. Farris:** I am referring only to population. The increase in Ontario has been 35 per cent and in Quebec 30 per cent; but British Columbia, which advanced between 1945 and June 1956 by 47.47 per cent, heads the list. The company serves 93.6 per cent of this rapidly growing population. Individual demands on service by customers have grown in a far greater proportion. In 1946 there were 175,000 stations; eleven years later, or rather to the end of last year, there were 412,135. So customer demands, if my mathematics are anywhere accurate, have grown by nearly 150 per cent. Everybody knows the reason: so much more service is asked for by the individual subscriber today than was demanded years ago.

My memorandum also contains a note that in the last five years the number of telephones in British Columbia has increased 67 per cent.

I have also information furnished me by the company of the expenses caused by the acquisition of other companies. In 1952 the British Columbia Telephone Company purchased the Mission Telephone Company. The company also extended its territory by the addition of portions of the Fraser valley north of the Fraser River. In 1953 the company purchase of the Kootenay Telephone Company Limited was completed, and further expansion was obtained in the East Kootenay section of British Columbia. In the following year the Chilliwack Telephones Limited, which served a large area in the eastern part of the Fraser valley, was also purchased. In 1954 an agreement was reached with the Government of Canada for the company to take over all the facilities west of the Rocky

Mountains served by the Government telephone and telegraph services, and located in the northern areas of the province. Honourable senators will keep in mind that in a country like northern British Columbia distances compared with population are great; and the expenses necessary to provide the system with better equipment and facilities have been very large.

I would submit that while as a general rule monopolies are undesirable, telephone companies are essentially, by their very nature, more or less monopolies. You cannot have two systems in one. It would drive everyone crazy. It is advantageous to have an organized single company operating in the cities and outlying communities. People in cities, and certainly those in rural communities, get better service once everything comes under the wing of a big and efficient organization such as the British Columbia Telephone Company.

Perhaps honourable senators would be interested in some information about long-distance telephone services. In 1950 the company completed approximately 5,479,000 originating long-distance messages, and in 1956 the total was approximately 10,588,000, a gain of over 93 per cent. It is estimated that the originating long-distance messages completed in 1957 will considerably exceed this figure, and there is a continuing indication that the toll service demand will increase each year.

There is another peculiar situation in regard to telephone service, and I think it would be interesting if some honourable senators were to ask the company officials about this in committee. Incidentally, most of what I am going to say now is based on something I worked out myself and I may not be entirely right. Ordinarily when a business expands, its operating cost become less per customer. But it is a different matter with a telephone company. For instance, if a telephone company increases the number of its subscribers from, say, one thousand to ten thousand, then the service available to each customer is increased proportionately. There are that many more numbers that each subscriber can call.

**Hon. Mr. Macdonald:** And the company's revenue is increased proportionately.

**Hon. Mr. Farris:** That is only partly right, for an increase in the number of telephone subscribers requires a more complicated and expensive operation. In other words, it takes a much more complicated and costly exchange system to serve, say, a hundred thousand customers than ten thousand. Instead of being able to adopt a system of

profits that applies to ordinary business, the telephone company finds that in many cases the cost of increased service exceeds the revenue derived from it. I will go only that far now. I am merely giving honourable members something to think about, and if they want to pursue it they can get the whole story from the company officials in committee.

**Hon. Mr. Macdonald:** I was just seeking some information.

**Hon. Mr. Farris:** I appreciate that.

**Hon. Mr. Macdonald:** It also occurs to me that each subscriber would get better service.

**Hon. Mr. Farris:** I guess he would.

**Hon. Mr. Isnor:** You would not say that the greater the number of subscribers the smaller the company's net profit is?

**Hon. Mr. Farris:** I am not so sure about that. I know there is something in what I say, but how reliable it is you will have to find out in committee.

Honourable senators, I have spoken of the past. What about the future? This company is a progressive one and, as I say, is serving over 90 per cent of the citizens of British Columbia. The recent growth of population in that province is only an indication of the much more rapid growth that will take place there in the next few years.

I endeavoured to get, within the limited time at my disposal, some of the estimates of the British Columbia Electric Company. Mr. Dal Grauer, the president of that company, has made some public statements recently about the amount of money that his company will have to spend in British Columbia in order to serve its customers. Some of the figures are so astonishing one can hardly believe them. I will try to make them available to honourable senators in committee.

Honourable senators, with your permission I would like to read a little more from this memorandum prepared by the British Columbia Telephone Company, and I take it that what is set out here can be backed up by officials of the company in committee. This is, in part, what the memorandum states:

Due to the very large number of telephones placed in service over the past five years, the facilities in many manual central offices have been exhausted. This growth has necessitated the conversion of a considerable number of these offices to dial operation, involving additions to present buildings and, in some cases, the erection of new buildings.

That also involves the installation of new automatic exchanges to replace hand exchanges. The report goes on:

All areas have been affected by this growth which has required extensive program for local outside plant and long distance facilities.

The rural areas of British Columbia have also shown a very marked growth. With the taking over of the Government Telephone and Telegraph Service, the expansion of facilities has been necessary in a widespread territory. This has required considerable additions to outside plant and the provision of new central offices, as well as the extension of existing ones.

The company's program to meet the demands for service requires heavy capital expenditures and the 1957 gross expenditure involves more than \$40 million and represents the largest construction year in its history. The construction projects planned for the three years ending 1959 will amount to approximately \$150 million . . .

It will be noted that there remains a margin of \$13,500,000—

That is on the allowance of capital that was voted by this Parliament the last time.

—between the company's issued capital and the limit of capital stock presently authorized by the company's charter and amendments thereto.

In view of the expansion program which the company is about to undertake in the next few years, this margin will be quickly taken up—

I suspected that it would have been taken up already.

—and further issues of capital stock will have to be made in order to keep the overall capital structure of the company in balance. It has, therefore, become evident that the present limit of \$75 million must be increased, and in view of the continuing expanding economy in British Columbia with which the British Columbia Telephone Company must keep abreast, the Parliament of Canada is requested to increase the authorized capital stock of the company to \$250 million.

Honourable senators, I should point out that all the money is not raised by the issue of stock. There are two classifications, with which honourable senators are familiar, by which money is raised. First, what is called the equity, which is the investment in shares; and, second, the debt, which is met by bonds. It is necessary to keep a reasonable balance between the two. If I may repeat myself, the present balance, I think, is a little out of bounds. The equity today is 46.3, and the debt ratio is 53.7. If the requested increase in capital or some of it is not authorized the company will not be able to borrow another dollar, because the debt ratio here already is more than 50 per cent, in fact, quite a bit more.

Honourable senators, to the best of my ability I have expressed to you the requirements of this company. I speak not only for the company, but more earnestly for the citizens of the province of British Columbia. In modern times no progress can be made in industry, farming or any other field without a first-class telephone service. There

has been criticism of this company in the past, and some of it was justified; some of it arose by reason of the fact that there are always some people who like to find fault. However, that has died down considerably, and I think that the British Columbia Telephone Company is giving as good a service as any company in Canada. Its ambition at this time is to march hand in hand with others in the great prosperity looked for in the future of this country.

**Hon. Mr. Méthot:** Am I to understand that if a contract or agreement is made for the sale of stock it would have to be approved by the Board of Transport Commissioners?

**Hon. Mr. Farris:** I think I read the section, did I not?

**Hon. Mr. Méthot:** I was only wondering if any agreement for the sale of the stock must be approved, just the same as any other operation.

**Hon. Mr. Farris:** Section 2 of the bill says:

The company shall not have power to make any issue, sale or other disposition of its capital stock, or any part thereof, without first obtaining the approval of the Board of Transport Commissioners for Canada . . .

**Hon. Mr. Lambert:** Am I also correct in assuming that the rates and charges of the telephone company are subject to the approval of the Board of Transport Commissioners?

**Hon. Mr. Farris:** They certainly are.

**Hon. Mr. Connolly (Ottawa West):** Honourable senators, perhaps this question might remain for the committee, but I did not catch it, or was not paying attention and missed it. I would like to know if the honourable gentleman can say where the equity is held now. Is this stock held in Canada?

**Hon. Mr. Farris:** I cannot give my friend the details, but the whole policy of the company recently has been to sell its stock in Canada, and that has very materially changed the relationship of Canada and the United States in that connection. Whether or not we have the entire majority at this time, I do not know, but that has been the policy, and as far as I know it will be continued.

**Hon. Mr. Isnor:** May I ask a further question? I understand the Bell Telephone Company and perhaps other Canadian companies have associations with the American Telephone and Telegraph Company for overseas service. Has any similar arrangement been made with the British Columbia Telephone Company for overseas service?

**Hon. Mr. Farris:** I am sorry I cannot answer that question; I do not know.

The motion was agreed to, and the bill was read the second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Farris, the bill was referred to the Standing Committee on Transportation and Communications.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Speaker of the Senate said:

Honourable members of the Senate:

Members of the House of Commons:

I have the honour to inform you that His Excellency the Governor General has been pleased to cause Letters Patent to be issued under his Sign Manual and Signet constituting the Honourable Robert Taschereau, a Puisne Judge of the Supreme Court of Canada, his Deputy, to do in His Excellency's name all acts on his part necessary to be done during His Excellency's pleasure.

The Commission was read by the Clerk.

Hon. Roland Michener, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, October 29, at 8 p.m.

## THE SENATE

Tuesday, October 29, 1957

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

Prayers.

### SENATE ACCOUNTS

TABLED—REFERRED TO COMMITTEE

**The Hon. the Speaker:** Honourable senators, I have the honour to inform the Senate that, in conformity with Rule 103, the Clerk has laid on the Table the accounts and vouchers of the Senate for the fiscal year ending March 31, 1957.

Ordered: That the said accounts and vouchers be referred to the Standing Committee on Internal Economy and Contingent Accounts of the Senate.

### DIVORCE

REPORT OF COMMITTEE

**Hon. Arthur W. Roebuck,** Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 2 to 11, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to.

### CANADIAN VESSEL CONSTRUCTION ASSISTANCE BILL

FIRST READING

**Hon. John T. Haig** presented Bill I, to amend the Canadian Vessel Construction Assistance Act.

The bill was read the first time.

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

**Hon. Mr. Haig:** Thursday next.

### ALBERTA—NORTHWEST TERRITORIES BOUNDARY BILL

FIRST READING

**Hon. Mr. Haig** presented Bill J, respecting the boundary between the province of Alberta and the Northwest Territories.

The bill was read the first time.

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

**Hon. Mr. Haig:** Thursday next.

### PRIVATE BILL

INVESTORS TRUST COMPANY—FIRST READING

**Hon. W. M. Aseltine** presented Bill K, to incorporate Investors Trust Company.

The bill was read the first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill receive second reading?

**Hon. Mr. Aseltine:** Thursday next.

### TERRITORIAL LANDS BILL

FIRST READING

**Hon. Mr. Haig** presented Bill L, to amend the Territorial Lands Act.

The bill was read the first time.

**The Hon. the Speaker:** Honourable senators, when shall this bill receive second reading?

**Hon. Mr. Haig:** Thursday next.

### LAND USE

SPECIAL COMMITTEE APPOINTED TO CONDUCT INQUIRY

**Hon. John T. Haig:** Honourable senators, I move, seconded by the honourable the Leader of the Opposition (Hon. Mr. Macdonald), the motion standing in my name on the Order Paper.

A committee to study land use was appointed last year, and began its work. I have proposed one or two changes of membership so as to include some of our new colleagues; otherwise the personnel remains the same. I believe that the project of setting up a committee of the Senate to deal with this subject was one of the most useful suggestions of the immediate past Prime Minister, and I very heartily support it.

**Hon. W. Ross Macdonald:** Honourable senators, as the honourable Leader of the Government (Hon. Mr. Haig) has indicated, the motion to appoint a committee on land use was introduced last session by me in my then capacity of Leader of the Government in the Senate. Instead of making a speech at this time I would suggest that honourable senators read the one I made last session on this motion. I stand by everything I said then. May I just suggest to the Leader of the Government (Hon. Mr. Haig) that we substitute the name of the Honourable Senator Wall for that of the Honourable Senator Tremblay on the list of senators to serve on this committee. If we do this now it will save the need of putting in a new motion later on.

**Hon. Mr. Haig:** I am agreeable. I therefore move, seconded by the honourable the Leader of the Opposition:

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

2. That the said committee be composed of the Honourable Senators Barbour, Basha, Boucher, Bois, Bradette, Cameron, Crerar, Emerson, Golding, Hawkins, Horner, Inman, Leger, Leonard, McDonald, McGrand, Molson, Pearson, Power, Smith (Kamloops), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Wall and White;

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

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

The motion was agreed to.

### SPEECH FROM THE THRONE

#### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from Thursday, October 24, consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. F. W. Gershaw:** Honourable senators, the opening of this High Court of Parliament by a reigning monarch was an outstanding and thrilling event. The ceremony was one of regal splendour. The manner in which Her Most Gracious Majesty went through the dignified procedure with simple grace and humility was most impressive. It really stirred the emotions. The Queen of Canada has lived up to the great traditions of her illustrious ancestors; she has endeared herself to her people and has won the affectionate admiration of the entire world. A great lady and a gracious Queen, she and her noted husband have gone from place to place, and wherever they have visited they have strengthened the ties which bind together the people of the Commonwealth of Nations.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Gershaw:** May I at this time, Mr. Speaker, congratulate you on the high and honourable position which you occupy. I also wish to compliment the mover (Hon. Mr. White) and the seconder (Hon. Mr. Méthot) of the Address in Reply to the Speech from the Throne on their eloquence and on the subject-matter of their addresses. Also, in a humble way, may I express my welcome to the new members of this Senate chamber. I am sure they will enjoy the good fellowship which is to be found everywhere here, and that they will be given an opportunity to contribute something really

worth while to the welfare of the people of Canada, both during the sessions and the recesses.

I wish now to say a word about the province from which I come. The Province of Alberta depicts on its crest snowcapped mountains, a range of green hills, and a harvest scene. Over all is the Cross of St. George, indicating the loyalty of the people to the land of their birth or to the country of their adoption. In that region of snow-capped mountains are crags and canyons, great waterfalls, and breath-taking scenery. Banff, Jasper, Lake Louise and Waterton, are mountain resorts which attract tourists from this and other continents.

Honourable senators, Alberta has more than blue skies, gorgeous sunsets and beautiful scenery. Derricks dotted here and there indicate the presence of oil wells. A thousand barrels of oil is a lot of "liquid gold," as it is sometimes called. Every day 400,000 to 500,000 barrels of oil are taken from the ground. It is estimated that, at the present rate of consumption, there is enough coal beneath the sod in Alberta to last a thousand years. The Government of Alberta has had a Conservation Board inquiring into the gas situation. It has issued a report that 4½ trillion cubic feet of gas will last the province for 20 years, that there are wells with an estimated 18 trillion cubic feet in reserve, and that 1¾ trillion cubic feet are being discovered each year. There is an abundant supply of gas today, and more is being discovered.

The mountain streams coming down from the foothills of the Rockies and from the historic Cypress Hills have been diverted into large reservoirs from which flows water to be used to irrigate a million acres of land. Before irrigation this land grew nothing but tumble weed and dried buffalo grass. The early settlers who tried to cultivate it met with disaster year after year and ended in failure and despair. Today over this same area one can see waving fields of grain and huge acreages of root crops. The St. Mary's reservoir itself holds enough water to irrigate 410,000 acres. With long days of sunshine sugar beets grow well and have a high sugar content. In the area of which I speak there are three large factories refining sugar. It is a most impressive sight to see beets being poured in at one end of a factory and the beautiful granulated sugar coming out the other end.

The Northwest Nitro Chemical Company Limited have shown their faith in the future of this area. They recently built in southern Alberta, at a cost of more than \$22 million, a plant which gives employment directly to

350 employees. The people of Medicine Hat are indeed grateful to the company for having built in that locality. The plant uses 7 million cubic feet of natural gas and 135 tons of molten sulphur daily. These materials are found right in southern Alberta, the sulphur being a by-product extracted from wet gas before it enters the pipe line. The company also uses daily 400 tons of phosphate rock, which comes from the mines of Montana. The plant produces a brand of fertilizer that is proving to be a great blessing in many parts of the world.

While it is true that the long cycle of dry years has been succeeded by a few years when there has been more moisture, the records over a long period show that moisture from the sky alone is uncertain and that irrigation is necessary. It is a fact that crops grown from irrigated land differ from those grown on dry land. Root crops, fruits, vegetables and many specialized crops can be grown on irrigated land. But what is needed is more factories to process these products which will provide a more balanced diet for Canadian people. Much has been accomplished in this respect, but much more is needed. With increased irrigation and more factories to process farm products, ranching and farming will become a more stable industry.

I am bound to say, honourable senators, that farmers today are not in a very happy position. Wheat, which ten years ago brought \$1.65 a bushel and upwards, now brings, when it can be sold, \$1.25 a bushel. Taking as the base the figure 100, the products which the farmer has to sell have come down to 90 and in some cases lower, while the commodities which he has to buy have gone up to 120 and in some instances 140. Thus the farmer is pinched between the two sets of prices.

There are in Canada 610,000 farm families; of that number, only 39,000 pay income tax, or about 7 out of 100. I want here to make a plea for more humane, helpful and kindly treatment of the farmer by the income tax collector. Some of the collectors are even abusive, and hint that the farmer is dishonest, when all it amounts to is a lack of knowledge on his part and inadequate records. The tax collector comes along with files ranging over the past 10 or 12 years, and of course the farmer who does not have records that far back is bewildered. The advantages are all on the side of the tax collector: he can go back over an unlimited number of years, while the farmer can go back over only a very limited period. If he happens to have overpaid his tax in a previous year he has no recourse. Some of the collectors are woefully lacking in their knowledge of farming practices. I believe that farmers generally would

be happier if a more humane and kindly method of collecting income taxes were adopted.

Honourable senators, I have just one more subject to discuss briefly in closing. Through automobile accidents a life is lost every 15 minutes and an injury sustained every 30 seconds. We in Canada have our share, for over any weekend one may read of 25, 30 or 40 lives being lost in automobile accidents. In Canada some 2,500 persons are killed every year, and about 40,000 injured; of the injured, 10 per cent have some permanent disability.

I believe motorcar accidents are one of the greatest problems of modern times. Reckless driving is a sin; indeed, a greater sin than is commonly thought. Highway accidents create a terrible situation: hospitals in this country are for the most part filled. So many accident cases come in from the highway that some of the injured have to be cared for in the corridors. Great expense and human suffering are involved; homes are saddened and left desolate.

Do we realize that the traffic accident is the sixth major cause of death, and is about the most common cause in persons under 28 years of age?

The present automobile is a pretty reliable machine, and roads generally are good. Therefore, most highway accidents are due to the personal element, which includes disregard for road signs and traffic regulations, as well as physical and mental deficiencies of drivers, and downright carelessness.

Speed is a big factor in 30 per cent of the accidents. Why, I read the other day that someone was driving an automobile at a rate of 105 miles an hour. The human system is not built to stand such a rate of speed. I have spoken before on what is called speed hypnosis, which means that a person is tensed up when going at a terrific speed so that he is not capable of quick action or of doing the right thing. Under those conditions there occurs a narrowing of the field of vision. Normally the peripheral vision is almost 180 degrees. If one is going at a fast rate of speed it narrows to about 40 degrees, and if a person has his eye diverted for a split second disaster may follow. In those circumstances there is often the whip-lash type of injury. When a car is going at a fast rate of speed and suddenly stops, the person in it keeps on going, the body is obstructed but the head goes forward, the result being death or permanent paralysis and injury to the nerves.

Then, of course, some accidents are caused by fatigue or alcohol. If the alcohol content of the blood is more than .15 per cent the

driver is not capable of prompt action. You cannot take a blood test of a person, without his permission, but in the province of Saskatchewan they have in use a breather apparatus by which they can estimate the degree of impairment, and it is compulsory for a driver in the case of an accident to submit to that test.

Honourable senators, the Canadian Medical Association has realized that it has some responsibility in connection with these traffic accidents, so it has set up a research board to inquire into the whole matter and to make suggestions. It recommends that a safety belt be attached to the framework of the car; and it urges that proper eye and physical examinations should be taken. The board feels that wrap-around windshields are a hazard because they interfere with the prism of light; and because they increase glare, on account of the way in which the light rays are focussed. That is one source of danger in some of the new cars.

The number of highway traffic accidents could be reduced if more efforts were made toward prevention. In the city of Medicine Hat there has not been a fatal accident for over three years. That is almost a record

for a city of 20,000 people, with narrow streets and a great many automobiles. That record has been reached because the newspaper, the radio and the police are constantly urging people to be careful and to observe the traffic regulations. The automobile people and the public generally are co-operative, and the result is a really good example of what can be done by observing safety rules.

A few years ago, the railway companies had a great many accidents. They started in to preach safety-first to their employees and they have kept on preaching it, and this has resulted in a great saving of life and limb through a large reduction in the number of accidents.

So I just want to suggest that if more care were taken on our streets and highways, and if every driver had a better appreciation of the tremendous power that there is under the hood of his or her automobile, the sum total of happiness in the homes of our people would be increased.

On motion of Hon. Mr. Davies, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Wednesday, October 30, 1957

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

Prayers.

Routine proceedings.

### PRIVATE BILLS

#### BRITISH COLUMBIA TELEPHONE COMPANY— COMMITTEE AMENDMENT CONCURRED IN

**Hon. A. K. Hugessen**, Chairman of the Standing Committee on Transport and Communications, presented the report of the committee on Bill B.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (B) intitled: "An Act respecting British Columbia Telephone Company", have in obedience to the order of reference of October 24, 1957, examined the said bill, and now report the same with the following amendment:

1. Page 1, lines 17 and 18: Strike out the words "by and with the consent of a majority of two-thirds in value of", and substitute therefor the following: "duly confirmed by two-thirds of the votes cast by".

**The Hon. the Speaker:** Honourable senators, when shall this amendment be considered?

**Hon. J. W. de B. Farris:** Honourable senators, the amendment is a small one of wording. There was some question as to what the words "by and with the consent of a majority of two-thirds in value" meant, and the committee substituted the words that have just been read. With leave of the Senate, I would move concurrence in the amendment.

The motion was agreed to.

**The Hon. the Speaker:** Honourable senators, when shall this bill, as amended be read the third time?

**Hon. Mr. Farris:** With leave of the Senate, I now move third reading.

**Hon. Mr. Roebuck:** What is the hurry?

**Hon. Mr. Howard:** I have not even seen the bill.

**Hon. Mr. Roebuck:** Unfortunately, as I was busy elsewhere, I could not attend the meeting of the committee where this matter was studied, and unless there is some reason for haste I should like to have a little more time on it.

**Hon. Mr. Farris:** Then I move that the bill be placed on the Order Paper for third reading at the next sitting.

The motion was agreed to.

#### BELL TELEPHONE COMPANY OF CANADA— COMMITTEE AMENDMENT CONCURRED IN

**Hon. Mr. Hugessen** presented the report of the Standing Committee on Transport and Communications on Bill C.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (C) intitled: "An Act respecting The Bell Telephone Company of Canada", have in obedience to the order of reference of October 24, 1957, examined the said Bill, and now report the same with the following amendment:

1. Page 2, line 8: Strike out the words "for all purposes".

**The Hon. the Speaker:** Honourable senators, when shall the said amendment be considered?

**Hon. Paul H. Bouffard:** With leave of the Senate, now. Honourable senators, the only purpose of the amendment is to make it clear that whenever the company issues stock, after obtaining approval of the Board of Transport Commissioners, it will have to go through the securities commissions in each province. The company officials are agreeable to the amendment made by the committee. I would therefore move that the report of the committee be concurred in.

**Hon. Mr. Roebuck:** Would the honourable senator tell us why the words "for all purposes" are being struck out? Will these stock transactions not be valid for all purposes?

**Hon. Mr. Bouffard:** One member of the committee thought that once the board has approved the issue of stock, if the words "for all purposes" were in the section it might mean that the company would not have to go through the securities commission in each province. It is felt that if these words are struck out there will be no doubt that the company will still have to comply with the regulations of the securities commission in each province where the stock will be sold. The only purpose of the amendment is to avoid misinterpretation.

The motion was agreed to.

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

**Hon. Mr. Bouffard:** If there is no objection, I move that the bill be placed on the Order Paper for third reading tomorrow.

The motion was agreed to.

### SPEECH FROM THE THRONE

#### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from yesterday consideration of Her Majesty the Queen's

speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. W. Rupert Davies:** Honourable senators, I spent the night of June 10 last in the Windsor Hotel, Montreal. When I came downstairs on the morning of the 11th and read the *Montreal Gazette* I was reminded of a letter which Sir William Vernon Harcourt wrote to the Right Honourable H. H. Asquith, after the Liberal party's defeat in Britain in 1895. Those of us who are familiar with the history of British politics during the last sixty years will remember that Mr. Gladstone, who had been leader of the Liberal party for many years, and had been Prime Minister on several occasions, had resigned in March 1894. Queen Victoria, who did not like Gladstone, did not consult him as to whom she should appoint as his successor to the Prime Ministership, but she sent for her friend, Lord Rosebery, who, incidentally, would not have been the choice of the Party. However, he became Prime Minister, but suffered a severe defeat about a year later. He dissolved Parliament and there was an election, in which the Liberal party was very badly beaten. After the election Sir William Vernon Harcourt wrote to his friend Mr. Asquith, saying, "I expected the deluge, but not the earthquake." That is the way I felt on the morning of June 11. But Sir William Vernon Harcourt finished up his letter by saying, "We must put the boldest face on it we can." I think that was very good advice indeed.

Honourable senators, I want to say a few words on the Speech from the Throne, confining myself largely to one particular reference. Before doing so, however, I offer my congratulations to the mover (Hon. Mr. White) and the seconder (Hon. Mr. Méthot) of the Address in Reply, and also associate myself with the remarks made by the mover with regard to our new Speaker. The Honourable Mr. Drouin is the fifth Speaker under whom I have had the pleasure of sitting since I came into the Senate. I extend him a most hearty welcome and I hope he will find his term of office interesting and enjoyable.

I listened with great interest, to the speech of the mover of the Address, who is the honourable senator from Frontenac-Hastings. I learned something from him that I did not know before: that the very able principal of Queen's University, Dr. William A. Mackintosh—Bill to his friends—came from the pretty little village of Madoc.

I was also greatly interested in the remarks of the honourable senator regarding the

Dominion Succession Duty Act. I have always felt that the \$50,000 exemption should apply to all estates. The unfortunate part of non-application of the exemption on estates of, say, \$55,000 or \$60,000 is that often the sufferers are the wife and children of the man who has died. As I have pointed out before, it does not seem right to me that the beneficiaries of an estate of, say, \$48,000 should benefit to a greater extent than the beneficiaries of an estate of, say, \$52,000. A straight exemption on the first \$50,000 would I think be much fairer. As honourable senators are aware, there is in the United States of America an exemption of \$60,000 which applies to all estates.

Before I speak briefly on one sentence in the Speech from the Throne, I want to express my own opinion of the situation which faces the Liberal Opposition in the Senate today. We have a larger majority numerically, but we are no longer the Government party. The Liberal Government appealed to the electorate on June 10 last, and when the votes were counted it realized it had been decisively beaten. This is no time for post-mortems. For one reason or another the Government lost a lot of seats and no longer found itself with the overall majority it had when it went to the country.

I do not think there has been any weeping or wailing in the Liberal camp. We all know that all the brains and ability are not centered in one party. I believe that the Liberal Government over the past 22 years gave this country very good government indeed. It is cheering to realize that not once was the breath of scandal heard against it. The Liberal Government may have been too cautious with the taxpayers' money—but, as I say, this is no time for post-mortems.

We now have a new administration. We all know most of the members of the new administration: we know that they are fine, honest Canadians, and I for one wish them well. How I shall feel about the way they have governed the country in two or three years' time may be different. The new Government will be bringing in many bills; many promises were made during the election campaign, and the Government is determined to fulfil them.

I am not sure in my own mind that what is being done with regard to old age pensions is wise. I have expressed my views on this subject before. I agree with the *Toronto Globe and Mail*, that we should have in this country a sound contributory old age pension scheme. How it is to be worked out, I do not know. Furthermore, I feel that ten years' residence is hardly enough qualification before men and women start to draw old age pensions. Perhaps 20 years is

a bit too long, but 15 years would, in my opinion, have been a safer compromise. However, no doubt we shall have an opportunity of discussing the bill when it comes before us.

I do not think it is the duty of the Opposition majority in the Senate to try to kill Government legislation; but I do think it is our duty to analyze it thoroughly. Honourable senators have always analyzed all bills which have come before this house in a careful and painstaking manner. I believe that bills which the new Government will send to us should have the same careful analysis that we gave to bills brought in by the previous Government.

I might say I am glad that when Mr. St. Laurent learned of the election returns he resigned. Honourable senators will recall that in 1925 the Conservatives were returned with 116 seats and the Liberals with 101. There was also the Progressive party which had, I think, about 25 seats. In any event, the Liberals at that time decided to wait and meet Parliament. That was a decision with which I personally did not agree. I sat in the Press Gallery of the House of Commons during the first week of the session in January 1926, and I remember very well the debate on motions of confidence and non-confidence in the Government. On Monday the Honourable Ernest Lapointe moved a vote of confidence in the Government, and the Honourable R. B. Bennett moved a vote of non-confidence. When the votes were counted, about two o'clock on Thursday morning, the Government was sustained by a majority of two. But it did not last long.

It is peculiar how history repeats itself. On June 23, 1896, the Government which had been headed in succession by Sir John Macdonald, Sir John Abbott, Sir John Thompson, Sir M. Bowell and Sir Charles Tupper was defeated by the Liberals under Sir Wilfrid Laurier. It was a big surprise, but the vote was decisive. Ontario gave the Liberals 44 seats against 41 for the Conservative party. Quebec, where Laurier had been freely denounced, gave him 49 seats, the Conservatives 16. Manitoba, where the Manitoba school question was the big issue, gave Laurier 4 seats and the Conservatives 2.

Sir Clifford Sifton, who had been a minister in the Manitoba Government, joined the Laurier Government in November 1896. Shortly after the 1896 election gold was discovered in the Yukon. The prospectors and settlers were very much irritated because the most direct route lay through American territory for part of the way and they were charged custom duties on their effects. Not long after his appointment as Minister of the Interior, Sir Clifford Sifton made a trip to the Yukon and thoroughly investigated the

situation. He decided that a railway should be built from the Stikine river to Teslin lake. A contract was made with Mackenzie and Mann for building the railway, and he placed the matter before Parliament in a four-hour speech. The bill was carried in the House of Commons. However, at that time the situation in the Senate was reversed. The Conservatives were in the majority and they promptly killed the Yukon Railway Bill.

That was 60 years ago, honourable senators. Today the Senate is far less bitterly partisan than it was then. I agree wholeheartedly with the attitude expressed by my leader (Hon. Mr. Macdonald) in this house last week as to the duty of the Opposition. We must watch legislation carefully, but the Liberal majority should not use its power to defeat measures brought in by the new Government.

Now, honourable senators, my main purpose in rising today is to discuss the second paragraph of the Speech from the Throne. It reads as follows:

Parliamentary Government has been fashioned by the wisdom of many centuries. Its justice, authority and dignity are cherished by men of goodwill. It will be the high purpose of my ministers not only to preserve these qualities but to take steps to make both houses of this Parliament more effective in the discharge of their responsibilities to the people of Canada.

So far as I can see, there is nothing in that paragraph with which this honourable house can find any fault. I interpret it as meaning that more use is going to be made of the Senate and that more Government legislation will be initiated in this house than has been the practice in the past. If that is the intention I am sure no honourable senator will object. The Senate has always been and still is willing to deal with any amount of legislation that is put before it, and, I may add, to deal with it carefully and well.

I have explained my interpretation of the paragraph. Unfortunately however, that does not appear to be the interpretation put upon it by some newspapers. During the election campaign the present Prime Minister referred in many speeches to the reform of the Senate. He did not explain just what he meant by reform of the Senate, but some newspapers, and some organizations which have been passing resolutions, seem to have read into the reference to the reform of the Senate a change in the personnel appointed to the Senate, the appointment of a different type of men and women. I will read two editorials which I have with me.

The first is from the *Victoria Times*:

Mr. Diefenbaker's first action on the Senate is the appointment of six Conservatives to fill Ontario, Quebec and Saskatchewan vacancies in the upper chamber. This is quite proper. It helps, in a small way, to reduce the overwhelming Liberal predominance—the result of continuous Liberal

appointments for the last two decades in which promised Senate reform failed to materialize.

The Prime Minister has begun to redress the balance. But this is not Senate reform as Canadians have visualized it, nor the type of Senate reform to which the Conservative national convention gave its pledge less than a year ago.

Now that is fairly mild; no one will complain about it.

The next editorial is from the *Globe and Mail*, of Monday, October 14, 1957. I will read it to you, and I suggest that if any honourable senators have very high blood pressure they had better hang on to their seats.

**Hon. Mr. Brunt:** We know it by heart.

**Hon. Mr. Davies:** I will read it:

Surveying the six Senate nominations made by Prime Minister Diefenbaker last Saturday, the Canadian public has for the first time good cause to feel disappointed with the new Government at Ottawa.

Throughout his election campaign, Mr. Diefenbaker promised to reform the Senate. Precisely how, he did not say. But, gathering the Conservative leader to be as concerned as they were at the low estate to which the Senate had fallen,

How do you like that?

thoughtful Canadians deduced that he had in mind—or intended to work out—some means of restoring public confidence in it. For example, by naming to it men and women of nationally recognized ability. Mr. Diefenbaker had the opportunity so to do. When he took office there were sixteen vacancies in the Senate. He could have given a token of his intention by allocating some of these Senate seats to people who had a real contribution to make.

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Davies:** Don't worry; I am going to deal with it. By the way, I thought the lighting of this chamber had been attended to, but it is not very good.

But the kind of appointments he subsequently made (eight in all) do not differ in any great measure from the kind made by his predecessor. No doubt the half dozen senators named by the Prime Minister on Saturday are, like the two named by him previously, respectable and intelligent men.

That is complimentary.

No doubt, there were good political reasons for choosing them. But we do not see that they will make for a more vigorous or more effective Upper House.

I wish the *Globe and Mail* would get blacker printer's ink.

**Hon. Mr. Macdonald:** The *Globe* is always hard to read.

**Hon. Mr. Davies (reading):**

It may be that the Prime Minister still intends to reform, really to reform, the Senate.

There is more, a lot more, but it is a strain to read it and I will not continue. I am sure honourable senators will agree with me that the article is a real slap in the face, but on me it has little effect. Not for one moment would I object to the right of the *Globe and Mail* to say anything it pleases

about the Senate. I have been an active newspaper editor since 1908 and I am a firm believer in the freedom of the press. Furthermore, I have a high regard for the *Globe and Mail*. It is a high-class paper, well edited, and with an excellent news service. I read it every day; I would be lost without it. I am afraid, however, that the *Globe and Mail*, in common with many other newspapers, does not understand the Senate, nor has it taken the trouble to examine carefully the work which the Senate has done and is still doing. When a newspaper urges reform of the Senate I think it would be much fairer if it would say in just what way it wants the Senate reformed.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Davies:** Just exactly what should the Senate do that it is not doing today?

Let us not forget that promises to reform the Senate are by no means new. In 1896 Sir Wilfrid Laurier went up and down the country saying that he was going to reform the Senate if he was given the power. Well, the power was given him. Other political leaders have promised, when out of office, to do the same. But when they attained office they found that reform of the Senate was more easy to talk about than to put into practice. According to some people, the Senate is composed of a lot of overpaid, doddering old men who know very little about legislating in the country's interest. That is far from being the case, as I hope in a few minutes to show successfully. But before I do so, let me say that I disagree entirely with both the *Victoria Daily Times* and the *Toronto Globe and Mail* that it is wrong to appoint political workers. I would like to point out to the *Globe and Mail* that the members of the Senate are of quite as good calibre today as when the late Mr. Jaffray, the then owner of the *Globe*, was a member of this honourable body, and in no way inferior in ability, wisdom and honesty of purpose to those who were senators when the father of the present owner of that newspaper was a distinguished member of this house.

I have no use whatever for those supercilious people who talk in a haughty manner about refusing to have anything to do with politics because it is a "dirty business". Politics is not a dirty business. It is really what I regard as the science of government. The people who take no interest in politics are not, in my opinion, good citizens. I will not go so far as to say that I believe in compulsory voting, but I do feel that the men and women who do not interest themselves in the election of representatives to our legislatures and to our federal Parliament are not first-class citizens.

The *Globe and Mail* thinks that the Prime Minister could have given a token of his intention to reform the Senate. To quote the words of the editorial, he should have "allocated some of the vacant Senate seats to people who had a real contribution to make", or, to quote that paper again, have named to the Senate "men and women of nationally-recognized ability". As honourable senators are aware, representation in the Senate is divided into five districts. If the appointees are well known and respected in their own senatorial district it is of little consequence, it seems to me, whether they are known or not known all across Canada. How many men and women are nationally known? The names of cabinet ministers and a few other prominent men and women are known through the press, because their names are constantly in the newspapers, but few are personally known across Canada.

Let us look for a minute or so at the profession or business with which I am best acquainted,—the newspaper business. How many editors in this country are known across the dominion, or their abilities nationally recognized? We have in Canada some very able editors, and in this category I include the editor of the *Globe and Mail*. But few of them are known from coast to coast. I have been in the newspaper business for a long time, and have known most of the outstanding editors. I believe I can count on the fingers of one hand those who, in the past fifty or sixty years, have attained general recognition outside their own profession. Even today, how many people in British Columbia could name the editor of the *Halifax Chronicle* or of the *Saint John Telegraph-Journal*; or on the other hand, how many people in the Maritime provinces could today name the editor of the *Vancouver Province* or the *Victoria Times*? Canada is a very large country, and when in discussing appointments to the Senate newspapers talk about people who are nationally known they are confining the choice, quite unnecessarily, to a very narrow field.

In the news columns of the *Globe and Mail* on the same day as the editorial I have quoted appeared, six of the new senators were listed. No one of them is a superman, but they are all men of high standing in their own communities. One of them is certainly nationally known. That one is Senator Sullivan of Toronto. Senator Sullivan was famed across Canada, when he was a young man, as one of Canada's great hockey players. He was goalie for the Toronto Varsity Grads when, in 1928, they won the Olympic championship. If you want to hear what a great hockey player Senator Sullivan was you should talk to Mike Rodden, the sporting editor of the *Kingston Whig-Standard*. He

classes him in what are known to sporting editors as among the "all-time greats". But leaving aside Senator Sullivan's prowess as a hockey player, he is known today from coast to coast as a skilful and successful ear specialist and surgeon. He is a member of the Board of Governors of the University of Toronto; he is chief consultant, in some strange disease of the ear which I cannot pronounce, to the armed forces of Canada, the Defence Research Board, and the civil aviation division of the Department of Transport.

I have singled out Senator Sullivan because I feel he is the complete answer to the complaint that men of nationally-recognized ability were not appointed to the Senate.

I know that this is not the time or the place for me to be facetious. I have no doubt that the disease of the ear—which I did not attempt to pronounce—is a serious one. It is comforting to know that such a noted specialist as Senator Sullivan is giving it his close attention. I have wondered, however, what name the senator would give to that strange disease of the ear which sometimes seems to afflict men of mature years and experience, who know quite well there would be nothing wrong at all with their hearing if people would just stop whispering and speak up, but who are subjected by members of their families to nasty cracks about the wonderful advantages of modern hearing aids.

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Davies:** In singling out Senator Sullivan, I do not for a minute mean to depreciate in any way the other new senators, who are all men of ability and importance. We have already heard from two of them: the honourable senator from Hastings-Frontenac (Hon. Mr. White) and the honourable senator from Shawinigan (Hon. Mr. Méthot). We have heard them speak in this honourable house, and we know they are going to be valuable additions to our numbers. The honourable senator from Hastings-Frontenac has served for more than a quarter of a century in the House of Commons and his experience there will, I am sure, be of great help to him in this house. The honourable senator from Shawinigan is president of the Commission for the Revision of the Statutes of the Province of Quebec. He is a member of the Council of the Canadian Bar Association, and he was bâtonnier of the Three Rivers Bar Association in 1945.

Then, too, we have another lawyer in the honourable senator from Mille Isles (Hon. Mr. Monette) who graduated from Laval University in law in 1911. He has had a long experience in law, and he was bâtonnier for the Montreal Bar Association in 1947.

Another new appointee is the honourable senator from Saint John-Albert (Hon. Mr. Emerson), who is head of a big hardware business and a director of the Canada Cement Company. He is also president of the Saint John Hospital.

The honourable senator from Hanover (Hon. Mr. Brunt) is a lawyer who has law offices in both Hanover and Toronto. I am told he too is a man of experience and ability.

The honourable senator from Lumsden (Hon. Mr. Pearson) saw service with the Royal Flying Corps in the First World War and has been for some years a land inspector and salesman. He will bring to the Senate expert knowledge of land values in the west, which I am sure will be very beneficial.

Honourable senators, I have told you about the new Conservative members. Now let me say something about the members as a whole. Let me state just what we do, what we represent and how well qualified we are to sit in this honourable house. I am doing this because I would like to find out, if in the opinion of the critics of the Senate we are not a representative body, just what sort of men and women they would like appointed here. I am speaking now of the membership of this house before the last appointments were made. There were in the Senate 29 lawyers, many of them Q.C.'s. It seems to me that this is a place for lawyers. We are making laws all the time, so surely lawyers are proper people for appointment.

Then we had 10 farmers. I want to say something about them. They are all successful and prosperous farmers. If they are not men of extraordinary ability I would like to know who are. I am speaking as an authority on unsuccessful farming. I know a lot about it.

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Davies:** All my ancestors on my father's side were Welsh farmers, and my ancestors on my mother's side were Scottish farmers. I must have had farming in my blood, and when I was young I yearned to be a farmer. Well, I didn't know just what to do. The union scale for printers at that time was \$11 a week, as I recall, and I could not save very much from my earnings in that trade. However, I thought I would start farming in a modest way, so I started off with some chickens. Oh, I was going to go into this whole thing in a scientific manner and even grow the feed for the chickens. I did that too. Had I been able to sell my eggs at \$2 a dozen and my hens at \$5 apiece after they were through laying eggs, I would have been all right. But nobody wanted to pay those prices. So that venture failed.

Later on two other chaps and I decided to try to make a little money by fattening cattle

and selling them. We rented some river land down by the Grand River, across which the honourable senator from Norfolk (Hon. Mr. Taylor) is able to gaze when he sits on the verandah of his beautiful home on Tutela Heights, Brantford. Then we bought some cattle, but our scheme of fattening them up and selling them proved to be a disastrous experience too. We bought them in the spring and pastured them out all summer. Then we fed them all winter. But something happened to the price of cattle. I don't recall what it was, but we sold them eventually for 50 cents a head less than we had paid for them. So, honourable senators, I am an authority on unsuccessful farming.

When I was High Sheriff of Montgomeryshire I tried something else. I have a little place over there, where the honourable senator from Rosetown (Hon. Mr. Aseltine), the honourable senator from Toronto (Hon. Mr. Hayden), the honourable senator from Churchill (Hon. Mr. Crerar), and Mr. Shelton of the *Hansard* staff have all done me the honour of paying me a visit. I have 25 acres of pasture land. Over there they are very strict and you have to have livestock on the land; if you don't somebody else will put it on for you. I consulted an agent about it and he said, "Get some sheep. There is no trouble with them."

Now, as honourable senators know, Johann Sebastian Bach, the great composer, wrote many oratorios and cantatas, one of which contains a choral prelude entitled *Sheep May Safely Graze*. They do nothing of the kind. They graze all right, but all the time they are grazing they are thinking up schemes to do you down. I had quite an experience with them. If they are not running around trying to get out of their fenced enclosure to cause trouble on somebody else's pastureland, they are thinking up some new disease to get. If they haven't got the maggots they have the foot rot, and if they haven't got the foot rot they have the fluke, and if they haven't got the fluke they have some other disease. That's the way it goes. I got hold of a flock of about 40 sheep, and everything was all right for a while. Then I noticed they started to die. In ten days I had lost seven. That was bad. I was going to be worse off than I was with the cattle experiment I had undertaken in my youth. I went out to the barn one night after the seven had died and one was lying there looking as if it was going to die. That made me mad, and pretty soon I started to swear. I can't repeat in this chamber the words I used then. I have two grandchildren going to school and the chaplain told them they should never say "Hell," but "H-e-double hockey sticks". Well, I looked at these sheep and I said exactly that—"H-e-double hockey sticks". However, I decided to do something about the ailing sheep, so I went into the

house and got hold of a good bottle of Canadian rye. Then I went into the shed and tried to turn the sheep over on its back to give it the rye. It started to struggle and we wrestled around but I eventually got it down on its back, forced its mouth open and stuck the neck of the bottle into it. It gurgled and gurgled away and finally half the bottle of rye was gone. Then the sheep started to throw its weight around and tossed me off. It jumped up and ran all around the barn and I said, "Ha! I have found the solution to all this nonsense." I returned to the house and went to bed, and next morning the sheep was as dead as a door nail. So, honourable senators, I know all about unsuccessful farming. When you have ten successful farmers in the Senate you have men of great ability. I can assure you of that.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Davies:** There are six doctors in the Senate. Doctors are able men. One doctor here has five sons who are doctors, four daughters who are registered nurses, and one who is a laboratory technician. Honourable senators, if this member has not outstanding ability, I should like to know who has. I refer to the honourable senator from Montague (Hon. Mr. Grant).

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Davies:** We also have eight newspaper men and one newspaper woman. I will say nothing further about them, because, as we all know, newspaper men and women are modest people. We have six educationists, all well informed, and all very able. We have 25 business men, interested in fishing, lumbering, shipbuilding, and other enterprises. We have a machinist, a printer and a dentist. We have three men financially interested in radio and television stations. We have 33 financiers, by which I mean men who are thought to be able enough, when elected to directorates, to deal with money which people have invested in various enterprises in this country. I point this out to show the kind of people we have in the Senate.

In religion we have a very wide representation, including 33 Roman Catholics, 18 United Church members, 10 Anglicans, 5 Baptists, 10 Presbyterians (I bow low), one Lutheran, one Hebrew, and one Church of Christ Disciples. I think that is a pretty good representation. I do not think any religious minority is going to suffer with that religious representation in the Senate.

There is another important point. Many senators have qualifications other than their regular professions or trades. Nine men have been federal cabinet ministers. Were we ever told that they were not fit to sit in

the cabinet? Not at all. Thirteen were provincial cabinet ministers; there are four members of hospital boards; 34 have university degrees which they have earned—not degrees of the kind I have; 21 have had municipal experience, which is most valuable; seven have been mayors of their cities or towns; one is a member of the Royal Society, which is indeed a great honour; 28 have sat in the House of Commons; 19 have sat in provincial legislatures; 10 have had overseas military experience. The Leader of the Government in the Senate (Hon. Mr. Haig) is an expert on curling; he is past president of the Dominion Curling Association, and vice-president of the Royal Curling Club of Scotland. The honourable senator from Shelbourne (Hon. Mr. Robertson), formerly Speaker of this House, is the honorary president of the Clan Donnachaidh of Scotland. Honourable senators, my mother was a Robertson and a member of that clan. For my sins I had to wear a kilt as a small boy in Wales. That might have been all right in Scotland, but they did not favour the kilt in Wales, particularly at the school I went to.

Honourable senators, I have spoken far too long. However, I felt very strongly that something should be said to counteract the constant criticisms of the Senate and what it is doing. I do not know whether the present criticisms are made to embarrass the new Prime Minister, or the Senate. I have no objection to criticism if it is intelligent and constructive.

As we all know, the Senate has changed in some ways since 1867. In 1934 there was a long debate here on what could be done to increase the work of this house. Contributors to the debate included the Right Honourable Arthur Meighen, who at that time was leading the Government forces in the Senate, the Honourable Charles Murphy, former Postmaster General in the cabinet of Sir Wilfrid Laurier, and the Right Honourable Raoul Dandurand, who had been leading the Liberal forces in the Senate for some years. In the course of the addresses of these distinguished men there was no fault found with the appointments to the Senate; the fault was found with the other place for not sending more business to the Senate. Senator Dandurand said that there had been some changes in the form, or shall we say the order, of proceedings in this chamber since 1867. For instance, he stated that when he was appointed, in 1898, instead of the Speaker reading the prayers, as is now done, long prayers were said at the table by an Anglican bishop in his robes, prayers which often took up as much as 20 minutes. Senator Dandurand added that whenever possible the members would adjourn, as they might as well pray at home as pray in the Senate. When the

bishop died a number of clergymen wanted to take his place. However, it was decided that henceforth the prayers should be read by the Speaker, who was also then designated as the Chaplain of the Senate.

However, what I wanted particularly to refer to in connection with the 1934 debate was a letter which was read by the honourable senator from Rosetown (Hon. Mr. Aseltine). In that year he was a comparatively new member, but he made, I think, a very valuable contribution to this debate when he read a letter he had received from a Mr. Morrison, formerly a leading member of the Progressive party, and one who represented his district in the House of Commons from 1921 to 1925. The letter, which appears in the Senate *Hansard* for March 8, 1934, reads as follows:

I have been consistently and persistently upholding the institution of the Senate. The C.C.F. and Farmer-Labour party shout "Abolish the Senate!" A shallow, vote-catching cry! Little they realize how often the Senate has saved the day for us, after some ill-thought-out legislation or bill has slipped through the Commons, more for party gain than the country's good. For instance, when the Commons passed a bill to abolish the Crow's-nest Pass Agreement, little knowing the import of it, the Senate threw it out, and Western agriculture was saved at least \$25,000,000 annually. The interest on \$25,000,000 will keep our Senate expenses paid for eternity.

That letter refers to one thing which the Senate of Canada has done for the people.

I would like to remind honourable senators of the fact that since I came to the Senate the Income Tax Act was revised by a committee of the Senate. Establishment of the Income Tax Appeal Board was one result of that committee's work.

Some three years ago a joint committee of the Senate and House of Commons revised the Criminal Code. That certainly was a very important accomplishment. It is not fair to assume that the Senate does not do valuable work. I am sure that anyone who will study the Senate and its work will come to the conclusion that the Senate is doing a very good job indeed.

At different times discussion has taken place in the Senate as to what might be done to improve or increase its work or make it more valuable. Honourable senators will remember that such a discussion took place in 1951, when the honorable senator from Shelburne (Hon. Mr. Robertson) was Leader of the Government in this house. Many suggestions were made, but at that time it was not thought practical to adopt any of them. I am inclined to agree with the honourable senator from De la Durantaye (Hon. Mr. Pouliot) that the Senate can be reformed, if that be deemed necessary, only by the Senate. When the British North America Act was passed it designated the work of the two different houses of Parliament, the

Senate and the Commons. It does not seem reasonable to me that one house can change the other house to any great extent.

In conclusion, I want to say that I think that so far as the new Prime Minister has done very well indeed in regard to his appointments. I am quite sure he can be trusted to do just as well in the future. Furthermore, we all know how jealous of the dignity and position of the Senate in the Parliament is the present Leader of the Government in the Senate (Hon. Mr. Haig). I for one am quite willing to leave the rights of the Senate in his hands. I know of no one who will more zealously uphold the right of the Senate to make its own rules and to reform itself if necessary. I am not suggesting that if the Prime Minister wished to make certain suggestions to the Senate they would not be sympathetically received and discussed. I do object very strenuously, however, to constant criticism of the Senate as if it were an unimportant branch of the Parliament of Canada. It is in my opinion a most important branch, and, except for myself of course, it is composed of a group of very able, thoughtful and representative Canadians. I mean every word of that. Let us hope there will be no more talk about reforming the Senate unless someone has a constructive plan to put forward.

If I may be permitted, honourable senators, I would like to close on a lighter note. The late W. T. R. Preston, who for many years was Trade Commissioner for Canada in Great Britain, when on a trip through the Balkans on government business in 1901 was asked by his hostess at a very aristocratic government dinner in one of the Balkan countries whether he had ever heard of a Canadian remedy known as Doctor Williams' Pink Pills and if he knew the owner or manufacturer of the product. The lady wished to know whether the people who made the pills were reliable or were only American fakers. She also asked Mr. Preston if he had ever taken the pills. Mr. Preston admitted that he had never taken them himself; but he assured her that he knew the maker intimately, that he was a very fine gentleman, and that he was at that time a member of the Canadian Senate. On learning that the maker of the pills was a senator, the lady heaved a sigh of relief and announced to the guests at the dinner table that she thought she could now safely risk taking them.

**Hon. Mr. McDonald:** Honourable senators, as there are several bills on the Order Paper for second reading today, I move the adjournment of the debate.

On motion of Hon. Mr. McDonald, the debate was adjourned.

## PRIVATE BILLS

OTTAWA AND NEW YORK RAILWAY  
COMPANY—SECOND READING

**Hon. John J. Connolly** moved the second reading of Bill D, respecting Ottawa and New York Railway Company.

He said: Honourable senators, this measure, entitled "An Act respecting Ottawa and New York Railway Company", is a bill for the purpose of dissolving the company. If I may, I should like to give a brief historical survey of the company, so that honourable senators will better appreciate what the position is. If the bill is given second reading today, I would propose that it be referred to either the Standing Committee on Miscellaneous Private Bills or to the Standing Committee on Transport and Communications.

This company was incorporated in 1882 under the name Ontario Pacific Railway Company, and was designed to provide rail transportation between Ottawa and the state of New York. In 1910 the company was taken over by the New York Central Railroad Company. In 1952 the passenger service on the road was discontinued, and in 1957 an order was made by the Board of Transport Commissioners at Ottawa permitting the company to discontinue its freight service between Ottawa and the terminal points in the state of New York.

This line crossed the St. Lawrence River at a point near Cornwall, where the company owned a railway bridge. At a later date the facilities of that bridge were expanded to provide for vehicular traffic, and some years ago the company made a lease with the Cornwall Northern New York International Bridge Corporation for the purpose of providing service for the vehicular traffic over the bridge. However, when the St. Lawrence Seaway Authority, both American and Canadian, began to develop their great project in the St. Lawrence River, plans were made for a high-level bridge over the south channel of the new seaway precisely at the location of the bridge owned by the company now seeking this legislation. Some negotiations were carried on between the New York Central Railroad Company and the Seaway Authority, and finally the Seaway Authority made an arrangement with the railroad company to buy the right-of-way, the bridge, and all the undertaking of the railway south of Highway No. 2 near Cornwall. The price, I understand, that was paid to the railway company for those facilities was \$4½ million.

That disposed of a great deal of the assets and undertaking of the company, but it left the line between Highway No. 2 near Cornwall and Ottawa, as well as the station grounds in Ottawa, to be disposed of. Three months ago those assets were purchased by the Canadian National Railways.

The bill provides, first, that the New York Central Railroad Company, which is the parent company and owns all of the assets and stock of this company, shall be liable in respect of all claims which might be made against the company to be dissolved. Secondly, the measure provides that the company shall be dissolved.

Honourable senators, that is the explanation of the bill.

**Hon. Mr. Roebuck:** Would the honourable senator tell us what the railway is prepared to do with respect to its employees? Some at least of the employees are residents of this city, and others live at various places along the line. What does the railway propose to do with respect to those employees who have to move?

**Hon. Mr. Connolly (Ottawa West):** Unfortunately, I cannot give a specific answer to that question. I may say, however, that the track and all of the facilities have been removed, and there remains only the right-of-way. Whether an arrangement was made by the New York Central Railroad that the employees be stationed elsewhere, I cannot say. I would suggest to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that this question be asked of the persons who appear before the committee, when the bill is at the committee stage. In the meantime I will undertake to have them advised that they should be prepared to answer such questions.

The motion was agreed to, and the bill was read the second time.

## REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), the bill was referred to the Standing Committee on Transport and Communications.

RIO DE JANEIRO TRAMWAY, LIGHT AND  
POWER COMPANY, LIMITED—  
SECOND READING

**Hon. John J. Connolly** moved the second reading of Bill E, respecting The Rio de Janeiro Tramway, Light and Power Company, Limited.

He said: Honourable senators, as honourable senators have noted, items 3, 4, 5 and 6 on the Order Paper are all for the second reading of private bills standing in my name. I should explain in the first instance that these measures originally were to stand in the name of the honourable senator from Toronto (Hon. Mr. Campbell), but unfortunately he is indisposed, owing to the grippe. I shall try to be a good substitute for him.

In the second place I should like to say that there is a great deal of similarity in the bills mentioned in items 3, 4 and 5, and I think

it might be more helpful if, before I explain the details of the bill which is now before us for second reading, I were to give a general explanation of what is proposed by these three measures.

By way of general explanation then, may I say first, that Brazilian Traction Light and Power Company, Limited is a Canadian company incorporated by Canadian letters patent in 1912. Through various subsidiaries it operates, in Brazil, electric power, telephone, gas and tramway facilities. It has an investment in that country, through its subsidiaries, and through direct investment of its own, of some \$900 million. Most of this investment is in three areas, the State of Sao Paulo, the State of Rio de Janeiro and the Federal District. These areas comprise about 3 per cent of the area of Brazil. In them about 27 per cent of the entire population of the country lives. I am told that approximately 68 per cent of the industrial productive capacity of the country is located in these areas.

I am further informed that since 1947 the power facilities which are required in these areas have actually been increased by some 300 per cent, the telephone facilities by 100 per cent, and the gas production—that is, manufactured gas, I understand—by 100 per cent. Still there is a very great demand for the supply of additional facilities of these companies.

This company and the other two companies to which I have referred, apparently have great capital requirements and it is believed that these are most readily to be obtained in Brazil. I also am informed that the provisions of Brazil law make it very difficult for a foreign company in Brazil to get money by public subscription in that country. In order to obviate this difficulty, what is proposed now is that this, as well as the other two companies which will be referred to later, should be nationalized under Brazilian law.

The normal way to do this, as all the lawyers in the chamber will appreciate, would be for the Canadian company to surrender its charter and have a Brazilian charter issued in the normal way to a new company to be formed. But that, apparently, is a very impractical procedure. First of all it would involve a great deal of time. I am informed that it also would involve the expenditure of unwarranted amounts of money.

For example, one of the requirements of Brazilian law in respect of an operation of this kind would be the provision of a detailed valuation of the assets of the existing companies to the satisfaction of public functionaries in Brazil. In the second place very heavy transfer taxes, of 6 per cent to 10 per cent, would be imposed as the result of a

transaction of that kind. And so, rather than go through such devious and cumbersome procedure, it was sought to do it in a way in which the corporate personality of this entity, of this company, would not be interrupted.

If that could be accomplished, the rights and the obligations of the shareholders and of the company and of the subscribers and everyone connected with it would not be interfered with, and there would be little change in the normal day to day operations of the company while the process of nationalization was going on.

In addition to that, because these three companies are providing services in the nature of the services provided by public utilities, there are of course franchises with local authorities, municipalities and the rest, granted to the existing companies under the names under which they operate, and all these franchises would have to be renewed or changed or transferred to a new company, if one were to be incorporated.

The steps to accomplish the desired purposes are steps which have been taken before by this chamber. In 1954, at page 237 of the Senate *Hansard*, there is a record of a similar provision having been made on behalf of Brazilian Telephone Company, which also was a subsidiary of Brazilian Traction. Likewise, I am informed, a similar provision was made by the Ontario Legislature on behalf of a company known as Sao Paulo Light and Power Company, Limited.

The mechanical procedure to be adopted is briefly as follows:

First, permission is sought to transfer the head office of the company from Toronto, where it is now located, to some place in Brazil. Honourable senators are aware that the Canadian Companies Act requires the head office of a company incorporated in Canada to be in Canada. Special legislation, therefore, as provided in this measure is required to permit the head office of this company, incorporated in Canada, to be transferred to a place outside of Canada. In other words, this act will provide authority for an exception to the general rule. In the second place, when the change of head office has been accomplished, it is proposed to take advantage of the provisions of the law of Brazil with respect to matters of this kind, and to apply to the President of Brazil for a decree to give the company Brazilian nationality. In that way the company will then become subject to Brazilian law. In the third place, the company, while that process is going on, continues to be a valid and subsisting company.

The proposition of law—and I think I should state it for the purpose of the record

—which allows the personality of this company to continue, is contained in the Bonanza Creek case. In that case, which is to be found in (1916) 1 Appeal Cases, at page 566, Viscount Haldane said:

The company—

Like this company.

—has the capacity of a natural person to acquire powers and rights.

I mention the citation because I think it completes the record in so far as the legal problem is concerned.

Honourable senators, that, in a very tedious and lengthy way, is the general explanation of what is proposed to be done by this measure.

May I now discuss in detail, but not at length, the position of The Rio de Janeiro Tramway, Light and Power Company, Limited. This company is a Canadian letters patent company. It did not originally have power to operate tramways, but in 1904 it came to Parliament for special permission to do so, and to change its name to include the word "tramway". The authorized capital of the company is \$50 million, divided into 500,000 shares of a par value of \$10 each: 450,000 of these shares are issued, and 99.99 per cent of the issued shares are owned by Brazilian Traction, Light and Power. The company has a debenture debt of something over \$84 million, and all of that debt is held by Brazilian Traction as well. The company generates and distributes electrical power in Rio and in the Federal District, and it manufactures and distributes gas through a subsidiary. The assets of the company in Brazil are said to be worth \$350 million. What is proposed by this measure is that the special legislation which was passed by Parliament in 1904 and 1906, authorizing it to change its name to include the word "Tramway" and to get permission to operate tramways or railways, is to be repealed, but the name which was given by that legislation is to remain in existence.

The second provision of the measure is this. The company is empowered or authorized to change the place of its head office from Toronto to a place in Brazil, provided a by-law to accomplish that purpose is passed unanimously by the votes cast at a special meeting of the shareholders of the company, where not less than 99 per cent of the outstanding shares must be represented. Upon the issue of a decree granting Brazilian nationality in Brazil, the company shall no longer be governed by provisions of the Canadian Companies Act. Finally, that decree must be filed with the Companies Branch of the Department of the Secretary of State. Then, so far as Canadian law is concerned, the company will no longer be subject to it. I understand that the officials

in the Department of the Secretary of State do not object to the proposal; they have approved it before, and it has worked. So we are doing something on this occasion for which there is a good precedent. That is the explanation of the first measure.

**Hon. Mr. Baird:** What about the Canadian shareholders? Will they lose all their Canadian rights and privileges through this transfer to Sao Paulo or elsewhere in Brazil?

**Hon. Mr. Reid:** If these bills are passed, will these companies have any connection with or any rights in Canada? Is everything, including the head office, to be moved to Brazil and will these companies still retain some rights under our laws? If so I for one would be inclined to object. If they move their head office and the whole works, let them go, and may blessings attend them, but if their action is the result of changes in Brazilian law I do not see why we should continue to accord them the rights they have had here hitherto.

**Hon. Mr. Roebuck:** I have two questions. I see it is stated in these bills that all the assets of these companies are located in Brazil. Surely, if there is a head office here, some assets must remain in Canada: one can hardly run a head office without, at least, pens and ink. Is not the statement that all the assets are located in Brazil rather too sweeping? Next, since the head office of these companies is located in Canada, have they been paying taxes, either municipal, provincial or dominion? If the head office is transferred, and the answer to my first question is, "Yes, they have paid taxes," will the transfer of the head office result in any change in the tax situation? Perhaps, if there is no tax, there is no change, but I would like to know.

**Hon. Mr. Brunt:** Has any request been made by the Brazilian Government to have the head office moved from Canada to Brazil?

**Hon. Mr. Connolly (Ottawa West):** If there are no more questions I will do what I can now to answer those already asked. I must say, however, that I would prefer if some of these questions were asked of officials in committee. May I deal with these questions in the reverse order in which they were asked? Dealing first with the question asked by the honourable senator from Hanover (Hon. Mr. Brunt), I understand that the proposal to make this rule originates with the parent company, Brazilian Traction, and I understand it is not as a direct request from the Brazilian Government. I should add that there is a provision in the Brazilian law whereby a foreign company can be nationalized, and I think there is a rather open invitation, pressing or not, for foreign

companies to take advantage of that general provision of law. Perhaps the honourable gentleman would like to press his point a little further in committee, and I will notify these people that they should be prepared to give further information on this matter.

**Hon. Mr. Aseltine:** The head office of the Brazilian Traction Company is not being moved?

**Hon. Mr. Connolly (Ottawa West):** No.

**Hon. Mr. Aseltine:** And these are all subsidiaries of that company?

**Hon. Mr. Connolly (Ottawa West):** Yes.

**Hon. Mr. Roebuck:** The head office of Brazilian Traction is in Canada?

**Hon. Mr. Connolly (Ottawa West):** Yes, and it is not being moved. May I now try to deal with the first question asked by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck)? I find it difficult to say why so sweeping a statement would be made as that there are absolutely no assets of this company in Canada. Their head office must be here. With the exception of 23 shares out of 450,000 issued, all shares in the company are owned by Brazilian Traction. Its head office in Canada is probably in the same office as that of Brazilian Traction. I cannot say whether it pays Brazilian Traction for that advantage. Unless under the Ontario law there is a tax for a place of business, there is not likely to be any tax paid by this company in Canada. All of its earnings are made in Brazil. Indirectly, of course, Canada would be collecting taxes on any dividends that the company pays or any interest on its debenture debt that it pays when that is transferred to the Canadian shareholders, the main one being Brazilian Traction. That source of revenue will continue because the main shareholder remains a Canadian. The honourable senator who raised this matter may like to press it further in committee.

Next I would deal with the question raised by the honourable senator from New Westminster (Hon. Mr. Reid). He asked: if this company will have any rights under Canadian law hereafter. My answer is a categorical no. This company is removing itself from the jurisdiction of the Canadian law and subjecting itself to the jurisdiction of the Brazilian law. Its corporate existence was established here but now, as I have said, it is going to remove itself from the Canadian law and become subject to Brazilian law.

Finally I come to the question raised by the honourable senator from St. John's (Hon. Mr. Baird). If I recall it correctly it was this: How do the shareholders feel about this and are their rights being ignored and overridden? As I said, there are 450,000 shares issued by this company, 449,977 of which are

owned by Brazilian Traction. In other words, Brazilian Traction, owning 99.99 per cent of the shares, is for all practical purposes the only shareholder. I would think it is a matter of company policy that it has been decided to do this, and while I am not certain, it appears to be such a major investment policy of the parent company, Brazilian Traction, that I would think their shareholders have already been asked to pass upon this proposal.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), the bill was referred to the Standing Committee on Banking and Commerce.

#### SAO PAULO ELECTRIC COMPANY, LIMITED— SECOND READING

**Hon. John J. Connolly** moved the second reading of Bill F, respecting Sao Paulo Electric Company, Limited.

He said: Honourable senators, the Sao Paulo Electric Company, Limited, is a company incorporated by letters patent under the provisions of the Canadian Companies Act. I am informed that all of its assets are in Brazil. The authorized capital of the company is \$10 million, divided into 100,000 shares of \$100 each. I might say that 6,950 shares have been issued, all of them to Brazilian Traction Light and Power Company.

The company has a debenture debt aggregating \$4,368,000, which is also held by Brazilian Traction. There is a relatively small first mortgage on certain of its assets amounting to \$45,000, also in favour of Brazilian Traction.

The company generates and distributes electrical power in the State of Sao Paulo. I am informed that its assets in that area are worth some \$21,700,000. This legislation proposes that the company transfer its head office from Toronto to some place in Brazil. In order to accomplish this the unanimous vote of the shareholders at a special meeting is required to sanction the required by-law.

Honourable senators, I believe here I need only refer to the general explanation I gave on the previous bill. This measure also provides that when the decree issues—that is to say, a decree of nationalization, which is to be issued in Brazil—the Companies Act of Canada shall no longer apply. That decree of nationalization is to be filed in the office of the Secretary of State of Canada. When that happens the Canadian Companies Act will no longer apply.

The motion was agreed to, and the bill was read the second time.

## REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly, (Ottawa West), the bill was referred to the Standing Committee on Banking and Commerce.

BRAZILIAN HYDRO ELECTRIC COMPANY,  
LIMITED—SECOND READING

**Hon. John J. Connolly** moved the second reading of Bill G, respecting Brazilian Hydro Electric Company Limited.

He said: Honourable senators, Brazilian Hydro Electric Company, Limited, was incorporated by letters patent under the Canadian Companies Act in 1922. Its authorized capital was \$5 million, divided into 50,000 shares of \$100 each. Only 10,000 of these shares have been issued, and they are all owned by Brazilian Traction. The debenture debt of the company is some \$20,801, and is all held by Brazilian Traction.

The company develops electrical power in the state of Rio de Janiero. Its assets, I am informed, are worth some 23 million.

The proposals in this bill are practically identical with the proposals in the bill with reference to the Sao Paulo Electric Company, Limited. Those are, first, that the company be authorized to transfer its head office from Toronto to a place in Brazil, and that the by-law to accomplish that must be approved by unanimous vote of the shareholders, to be cast at a special meeting called for this purpose. After that, an application will be made for a decree of nationalization to be issued in Brazil. When that decree is issued and filed here, the provisions of Canadian law shall no longer apply to this company.

The motion was agreed to, and the bill was read the second time.

## REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), the bill was referred to the Standing Committee on Banking and Commerce.

BRAZILIAN TRACTION, LIGHT AND POWER  
COMPANY, LIMITED—SECOND READING

**Hon. John J. Connolly** moved the second reading of Bill H, respecting Brazilian Traction, Light and Power Company, Limited.

He said: Honourable senators, the purpose of this legislation is very simple. Brazilian Traction, Light and Power Company, Limited, was incorporated by letters patent issued by the Secretary of State for Canada

in 1906. In 1914 a special act was passed by Parliament, one of the provisions of which was to place a ceiling on the number of directors. That ceiling was fixed at 20. Since that time the Canadian Companies Act has been amended, and section 87 of the act, with reference to the election of directors to the board of a company incorporated under that act, makes no reference to a maximum number which any company can elect to its board. The purpose of this amendment is to bring the provisions of the special act dealing with this company, in 1914, into conformity with the general provision with respect to directors contained in the Canadian Companies Act.

**Hon. Mr. Croll:** It occurs to me that they could have corrected this situation 40 years ago, but they did not do it. That limitation was on in 1918, and it is now 1957. What is the necessity of the amendment now, and what is the urgency at the moment?

**Hon. Mr. Connolly:** I do not know that it is a matter of urgency. The company has 20 directors. Frankly, I wonder why they need more than 20, and perhaps they do not want more, although they may. But the Companies Act has no provision as to a maximum number of directors, and this company would like to be in the same position as any other letters patent company in that respect.

The motion was agreed to, and the bill was read the second time.

## REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly, the bill was referred to the Standing Committee on Banking and Commerce.

## DIVORCE

## REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 2 to 11, which were presented on October 29.

**Hon. Arthur W. Roebuck**, Chairman of the Committee, moved that the reports be adopted.

**Hon. Mr. Dessureault:** On division.

The motion was agreed to, on division.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Thursday, October 31, 1957

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

Prayers.

### DIVORCE

#### REPORT OF COMMITTEE

**Hon. Arthur W. Roebuck**, Chairman of the Standing Committee on Divorce, presented the Committee's reports Nos. 12 to 24 and moved that the said reports be taken into consideration at the next sitting.

He said: Honourable senators, may I take advantage of the motion to present some figures as to the progress made by the Committee up to date. I do this from time to time because I believe honourable senators are interested in knowing what is being done by the committee. At the last session of Parliament we disposed of a total of 441 petitions. The number of petitions filed so far this session is 310, or only 31 fewer than we heard and recommended during the whole of last session. The time set for the filing of petitions for the present session will expire on Monday next, November 25, so there is plenty of time between now and that date for the filing of another 31 petitions. In a general way my comment would be that we have just about the same amount of work ahead of us during this session as we did last session.

We have already heard and recommended 40 petitions. The committee has been sitting every morning, five days a week, hearing a full quota of petitions on each occasion. The work of this committee is falling on a very few senators. We can hardly spare the absence of one of our active members, and I hope the time will come very shortly—I trust the Leader of the Government (Hon. Mr. Haig) is listening to my remarks—when some active members will be added to our committee. There are now some 23 members on the committee but this number includes both the Leader of the Government and the Leader of the Opposition (Hon. Mr. Macdonald), both of whom are members *ex officio*. They do not attend to the work of the committee, nor are they expected to. There are various reasons why some members of the committee cannot attend regularly. I am not criticizing those who stay away, I am only stating the fact. I repeat that I hope additional members will be appointed to the committee very shortly.

There are 135 petitions ready for hearing, as filed.

Another point which may be of interest is that we have 31 petitions in which notice of contest has been filed. In that connection, may I say that our plan this year is slightly different from that of last year, owing to the public spirit of one of our members, the honourable senator from Toronto-Spadina (Hon. Mr. Croll), who undertook, when I was ill, to take the hearings of contested cases off my hands. The honourable gentleman is a lawyer of long standing at the bar, and is very capable of handling this work. I am grateful to him, as I am sure my fellow colleagues are, for his offer. We will then have four subcommittees hearing these cases. At present the Divorce Committee is sitting daily, but when the other standing committees increase the demand for reporters and clerks, sittings of the Divorce Committee are usually confined to Monday and Friday. The subcommittee for the hearing of contested cases, however, will not be restricted to those days. Some arrangement will be made, I think without much trouble, provided the necessary reporters and clerks are available, for it to sit on other days.

Last session the committee heard and recommended 341 petitions, 3 petitions were rejected, 6 were withdrawn and 91 were undisposed of, making a total of 441.

**Hon. Mr. Macdonald:** May I ask a question?

**Hon. Mr. Roebuck:** Certainly.

**Hon. Mr. Macdonald:** Are the 91 cases which were not heard last session included in the cases which are to be heard this year?

**Hon. Mr. Roebuck:** Some of them are, but not all. For the most part, I think, those cases were not ready for hearing, by reason either of non-payment of the necessary fees or non-compliance with the rules as to filing of documents and advertising. As to those cases that went over to this session, whether they are ready for hearing now or not I do not know. But I am bound to say that last session the committee heard every case that was ready for hearing. I think that point should be very clear: the committee sat last session as long as it was necessary to sit—and that was over a long period of time—to hear all the cases that were ready.

The motion was agreed to.

### MEETING OF COMMONWEALTH PRIME MINISTERS

#### FINAL STATEMENT

**Hon. John T. Haig:** Honourable senators, with leave of the Senate, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald):

That the final Communique of the Meeting of the Commonwealth Prime Ministers held in London

from June 26 to July 5, 1957, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* and form part of the permanent record of this house.

**Hon. Mr. Roebuck:** Has this been the procedure in the past with respect to such documents?

**Hon. Mr. Haig:** It has always been the procedure in the past.

**Hon. Mr. Macdonald:** I may say for the benefit of honourable senators that the communicate was printed as an appendix to the *Hansard* of the House of Commons on Monday last, and I felt it only proper that we should have the same information included in our records.

The motion was agreed to.

See Appendix "A" to today's *Hansard*, pp. 89-90.

### JOINT COMMUNIQUE—UNITED STATES PRESIDENT AND UNITED KINGDOM PRIME MINISTER

#### DECLARATION OF COMMON PURPOSE

**Hon. Mr. Haig:** Honourable senators, with leave of the Senate, I move, seconded by the honourable Leader of the Opposition:

That the joint communique (Declaration of Common Purpose) issued by the President of the United States and the Prime Minister of the United Kingdom in Washington on October 25, 1957, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* and form part of the permanent record of this house.

The motion was agreed to.

See Appendix "B" to today's *Hansard*, pp. 91-92.

### ADJOURNMENT

**Hon. John T. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until Monday next at 8 o'clock in the evening.

The motion was agreed to.

### SENATE STATIONERY

#### LETTER-HEADS AND ENVELOPES IN DESKS OF BILINGUAL SENATORS

**Hon. Jean-François Pouliot:** Honourable senators, after the numerous requests that were made during the previous sessions of Parliament I was gratified to find some stationery with French and English letter-heads in my desk at the opening, and I would like to know who is responsible for this long-awaited gesture in order to express my appreciation.

**Hon. Mr. Quinn:** It was not me.

**Hon. Mr. Pouliot:** It was not only for me, but for 28 bilingual members. "One must always give the devil his due."

### PRIVATE BILL

#### MEXICO TRAMWAYS COMPANY—FIRST READING

**Hon. John J. Connolly** presented Bill M, respecting Mexico Tramways Company.

The bill was read the first time.

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

**Hon. Mr. Connolly:** Tuesday next.

### SALTED CODFISH EXPORTS TO JAMAICA

#### NOTICE OF INQUIRY

**Hon. Calvert C. Pratt:** Honourable senators, I wish to inquire of the honourable Leader of the Government:

1. If it has been brought to the attention of the Minister of Trade and Commerce that the Government of the Island of Jamaica is refusing to allow importations of salted codfish from the Atlantic provinces except at prices which the officials of the Government dictate and that at the present time and for some weeks past purchases by Jamaican importers are forbidden because prices offered do not meet with official approval.

2. If the Minister of Trade and Commerce is aware of the fact that an official of the Government of Jamaica has served notice that unless shippers from Newfoundland and the other provinces enter into an immediate contract, which will guarantee that there will be no advance over previous prices for one year, that Canadian exporters will be prevented from selling any salted codfish to Jamaican importers at any price for a year hence.

Apropos of this, I should explain that by reason of increased freights, higher production costs and other factors, an increase in price is needed to make it economically sound to sell to that market, where values are currently on a lower level than elsewhere.

I would further draw the attention of the Government of Canada to the fact that for generations Newfoundland has been the chief supplier of salted codfish to Jamaica. I wish to emphasize the importance of that industry to a large section of the population of Newfoundland whose major source of income is fishing, and that at the level of prices now being dictated by the Government of Jamaica the industry cannot be economically carried on.

Under the circumstances, I would suggest to the Minister of Trade and Commerce the advisability of examining into the general trading position between Canada and Jamaica, and if, as it now appears, there is such a dictatorial policy as may result in suspension of imports of that product into Jamaica from Canada, I would ask our Government to take under consideration immediately a policy of encouraging the importation into Canada from other areas of the West Indies of certain products which are now shipped from Jamaica.

**Hon. John T. Haig:** I thank the honourable senator from St. John's West (Hon. Mr. Pratt) for his notice of inquiry, and assure him that I shall ask the Minister of Trade and Commerce to provide answers to the questions. On receiving the answers I shall present them in this house, and they will then appear in the *Minutes of the Proceedings of the Senate* in due course.

**Hon. G. B. Isnor:** Honourable senators, in view of the interest that we in Nova Scotia have in the same matter, could the honourable senator who is making the inquiry advise us as to present prices on fish sales to that market, compared with prices of recent years?

**Hon. Mr. Pratt:** I can give the honourable senator some information. The returns for codfish which is currently sold to Jamaica are somewhat less than they were three years ago. I might say also that the c.i.f. price to Jamaica on the basis of the last sales made is, computed in Canadian dollars, about 5 per cent less than it was in 1948.

#### PRIVATE BILLS

##### BRITISH COLUMBIA TELEPHONE COMPANY— THIRD READING

**Hon. J. W. de B. Farris** moved the third reading of Bill B, respecting British Columbia Telephone Company.

The motion was agreed to, and the bill was read the third time, and passed.

##### BELL TELEPHONE COMPANY OF CANADA— MOTION FOR THIRD READING— DEBATE ADJOURNED

**Hon. W. H. Golding,** for Hon. Mr. Bouffard, moved the third reading of Bill C, respecting The Bell Telephone Company of Canada.

**Hon. Gustave Monette:** Honourable senators, I for one wonder whether the terms of section 2 of this bill are in accord with what I believe is the consensus of opinion of honourable senators. The last clause of the section reads:

The issue, sale or other disposition of capital stock by the company in accordance with such approval shall be legal and valid.

It will be noted that said approval is that of the Board of Transport Commissioners for Canada. With such approval, not only the issue but the sale or other disposition of capital stock in accordance with such approval shall be legal and valid. Before the clause was amended in committee it ended with the words "for all purposes". These words which the committee struck out add nothing to the import of the declaration of validity. The moment a sale is declared valid in advance it is of great

import; it means that the control by the provinces through their securities commissions of the conditions of sale is to some extent discarded; also whatever the circumstances of the negotiations of sale may have been, they are to be of no importance, since this bill will declare in advance that all future sales shall be valid. I do not understand why, irrespective of the control by provinces, all sales should in advance be declared valid. Before we adopt the motion, I think in fairness to the company and everyone concerned we should refer the bill back to committee for further discussion and give all interested parties the privilege of expressing their views on this matter. I would so move, seconded by the honourable senator from Hanover (Hon. Mr. Brunt).

**Hon. William R. Brunt:** Honourable senators, in seconding the motion of the honourable senator from Mille Isles (Hon. Mr. Monette) I would like to mention another reason why this bill should be referred back to committee. If this particular sentence remains in its present form, the Bell Telephone Company could have an issue of capital stock sold and disposed of without any reference or compliance with the Dominion Companies Act. I do not care what company it is, it should have to comply with the Dominion Companies Act. This is something that could well be considered again in committee. When the British Columbia Telephone Company bill was considered its officials asked for no such privilege. They were quite content that the company should follow all proper procedure and dispose of its securities as any ordinary company would. I think it would be most wise to refer this bill back to committee.

**Hon. W. Ross Macdonald:** Honourable senators, I was present in committee when this bill was under consideration and I know that some considerable thought was given to clause 2. In fact, I associated myself with the honourable senator from Hanover (Hon. Mr. Brunt) in questioning this clause. However, after careful consideration the committee decided to amend the bill in the way the mover has mentioned; that is, by striking out the words "for all purposes" at the end of the clause. Now it is moved that the bill be referred back to committee. I am rising only because the sponsor of the bill (Hon. Mr. Bouffard) is not here today. If the bill is referred back to committee it will not be dealt with there until Tuesday next at the earliest. I would propose that the matter should stand until Monday night when the

sponsor will be present, and in order to bring about this result I will move the adjournment of this debate.

**Hon. A. K. Hugessen:** Honourable senators, there is one thing further to be said. The proponents of the bill are anxious that it be sent over to the House of Commons as soon as possible in view of the contemplated shortness of the session and the very few hours, apparently, which will be available there during this session for consideration of private bills.

I have nothing to say on the suggestion that the matter be referred back to the committee, of which I happen to be chairman. Your committee members are the servants of the Senate. Should the matter be deferred to Monday evening, perhaps it could be understood that if the Senate decides at that time to refer the bill back to committee I could arrange for a meeting of the committee to be held on Tuesday so that we might finally dispose of this matter without too much delay.

**Hon. Mr. Monette:** I have no objection to that. In fact, I may say to honourable senators that I looked for the sponsor of the bill so as to discuss the matter with him today, and not finding him I felt obliged to make the comments I did. With the permission of my seconder I am prepared to withdraw my motion.

**The Hon. the Speaker:** Honourable senators, then I understand that the honourable senator from Mille Isles (Hon. Mr. Monette) withdraws his motion for the time being and that the question before the house is the motion of the honourable Senator Macdonald, seconded by the honourable Senator Hugessen, that the debate be adjourned until Monday next.

**Hon. Arthur W. Roebuck:** Honourable senators, unfortunately I cannot be here at the beginning of the week, and as I shall not have an opportunity to discuss this bill before it is disposed of, may I have your indulgence to make a few remarks about it now?

I am not particularly impressed with the objection raised to the sale and other disposition of the capital stock of the company being valid for all purposes, for when such sale or disposition is approved by the Board of Transport Commissioners it is legal and valid only to the extent to which that approval goes and not otherwise.

**Hon. Mr. Brunt:** May I interrupt to ask my honourable friend a question?

**Hon. Mr. Roebuck:** Certainly.

**Hon. Mr. Brunt:** What happens if the board approves of it without referring the matter in any way to the provincial securities commission? It just forgets to do that?

**Hon. Mr. Roebuck:** We take risks in that regard.

I am rather appalled at this bill. To begin with, \$1,000 million is a lot of money and I am very doubtful about a bill that comes before this house giving a company the right to issue stock for that amount of money without coming back to this Parliament for approval from time to time as new stock is issued. I know that in the past we have empowered the company to issue stock in this way, but never in such an amount. Even if we had, I would look upon this bill with a great deal of apprehension and some reserve.

I very much doubt the wisdom of section 3, which allows the company to pay a commission for obtaining subscriptions for its stock. It is unfortunate from my point of view that I was unable to be at the committee meeting when this matter was considered. As I said previously, I was otherwise engaged. Honourable senators well know how I was engaged. I am unaware of any good reason that has been advanced as to why a commission should be paid on this stock. None has been paid in the past, and the stock has been sold very easily. This company's stock is highly regarded by the purchasing public. It has been a good stock and a fine thing to invest in, and there should be no difficulty in selling it on the market without incurring the dangers involved in a provision of this kind. The company is being given the power to differentiate between purchasers, to give discounts to one and not to another.

**Hon. Mr. Macdonald:** Subject to the approval of the Board of Transport Commissioners.

**Hon. Mr. Roebuck:** Well, to some extent; just how far I do not know. Remember, too, that we would be endorsing the principle of this thing and the board would not run contrary to the word of Parliament. If we consent to the company being authorized to give a discount to some purchasers and not to others, why should the board come to our rescue? I very much doubt the advisability of this clause, and I would like to be better assured than I am now that it will not be abused.

**Hon. Mr. Euler:** May I ask the honourable senator a question?

**Hon. Mr. Roebuck:** Certainly.

**Hon. Mr. Euler:** I understood him to say at the outset that the company is asking for the right to increase its capital stock to \$1,000 million. That is double the amount of its present capital stock, is it not?

**Hon. Mr. Roebuck:** An increase of \$500 million.

**Hon. Mr. Euler:** Yes, it is an increase of \$500 million.

**Hon. Mr. Roebuck:** It is quite an increase, I admit. An amount of \$500 million is still enough to appal me.

Honourable senators, I have expressed all I can at the moment. I wish to thank my fellow members for permitting me to make this statement.

**Hon. Mr. Hugessen:** Honourable senators, if I may be allowed, I do not think I am out of order in speaking again on this matter, but in view of what the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has just said, I think it is a great pity that it was impossible for him not to be present at the committee meeting yesterday morning when this bill was considered, and when we heard the evidence of officials of the company. I know that an increase in authorized capital from \$500 million to \$1,000 million is big enough by any calculation, but at the committee we were given some really remarkable facts as to the amount of capital which this great public utility will have to raise during the next few years in order to meet the ever-growing requirements of the public. We were told, for instance, that over the next five years this company will have to raise, or anticipates spending, capital on the average of \$200 million a year. We were informed that there are three sources from which the company raises its capital. The first source is from the issue of additional shares, which has a direct relation to the bill now before the house. The second source is by the issue of funded indebtedness—bonds. We were told that under the general supervision of the Board of Transport Commissioners, and pursuant to the views of that board as to the relationship which should be borne between equity capital, that is, share capital, and bonded indebtedness, that relationship is roughly of the order of 40 per cent for bonded indebtedness and 60 per cent for shares. The third source from which the company raises these enormous sums is depreciation reserves, which it takes out of its earnings each year, and we were told by the president of the company that it expects to get about half, or very nearly half, of its capital expenditures out of these depreciation reserves. So the position is that over the next five years there is a contemplated capital expenditure of \$1,000 million, of which the company expects to have to raise between \$500 million and \$600 million by the sale of bonds and shares in the relative proportion which I have just mentioned. Considering the immensity of these figures of anticipated

capital expenditures over the next few years, I suggest to the house that an increase in authorized capital of \$500 million does not seem too excessive. In fact, the officials told us they expect that if Parliament authorizes this increase of \$500 million in capital stock it will probably last the company for the next ten years or so, that is, assuming it raises the other moneys that it will need during the next ten years, partly from the sale of capital stock, partly from bonds, and partly from depreciation reserves. So I do wish that my honourable friend had been at the committee yesterday morning, and I think that if he had been and had heard the story he would not have been so shocked by this \$500 million as he appears to be this afternoon.

The only other matter I wanted to discuss, in view of what my honourable friend said, was section 3 of the bill, which gives the company the power to pay a commission to subscribers for shares of its capital stock. In that regard there are only two things I want to touch upon. The first one is this—and it was mentioned by my leader (Hon. Mr. Macdonald)—that under the section as it reads the amount of any commission payable by the company would be subject to prior approval of the Board of Transport Commissioners. The second thing is that this clause of the bill simply brings in for the benefit of the Bell Telephone Company a clause which exists in the Companies Act of Canada for the benefit of every commercial corporation which is incorporated under that act. So we are not singling out the Bell Telephone Company for favourable consideration in this respect; we are simply bringing it into line with all the other commercial corporations and companies, the vast majority of which are incorporated under the Companies Act, as honourable senators know.

I am sorry to have taken this time, but I thought perhaps I should say a few words in answer to my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck).

**Hon. Mr. Horner:** Honourable senators, may I take a moment? Considering the matter of interlocking directorates and subsidiary companies, I would like to move, seconded by the honourable senator from Saint John-Albert (Hon. Mr. Emerson), that the discussion proceed without those who are at present shareholders taking part.

**Some Hon. Senators:** Oh, oh.

**Hon. G. Percival Burchill:** Honourable senators, as I am not a shareholder in the Bell Telephone Company, I qualify.

**Hon. Mr. McLean:** Are you a shareholder in the New Brunswick Telephone Company?

**Hon. Mr. Burchill:** The Bell Company does not control that.

**Hon. Mr. McLean:** Well, it is a subsidiary of the Bell.

**Hon. Mr. Burchill:** The Bell Company holds some of the stock, but it does not control it.

Honourable senators, may I add a few words to the discussion? I am not a shareholder of the Bell Telephone Company, but I hold some brief for them, because I happen to know something about the difficulties of the telephone business. I have been associated with the telephone company in New Brunswick for some years, and in a much smaller way we have been faced with just the very same problems faced by the Bell Telephone Company, which operates in the wider sphere of the provinces of Ontario and Quebec. I want to assure honourable gentlemen that for the last ten years, ever since the close of the war, telephone companies all over this country have been faced with the great problem of obtaining sufficient capital in order to meet the demands of the people who want telephone service.

I am sorry I was unable to be present at yesterday morning's committee meeting to which the honourable senator from Inkerman (Hon. Mr. Hugessen) referred.

Perhaps one feature has not been emphasized sufficiently, and that is the tremendous amount of capital that is required in order to build what is known as the Trans-Canada telephone service. I do not know if that point was raised yesterday morning. The Trans-Canada telephone service is an amalgamation of all the telephone companies in Canada from the east coast to the west coast. Linked together under the Trans-Canada system are the telephone companies of Nova Scotia and New Brunswick, the Manitoba, Alberta and Saskatchewan telephone systems, all of which are provincial government systems, and the British Columbia Telephone Company. When the Trans-Canada service is eventually completed my honourable friend from Halifax (Hon. Mr. Isnor) will be able to pick up his telephone, dial a number, and speak directly to my honourable friend in Vancouver (Hon. Mr. Farris).

**Hon. Mr. Roebuck:** At what cost?

**Hon. Mr. Burchill:** At a trifling cost. The achievements and developments of the telephone industry in the field of communications over the past few years in this country, and

indeed on the whole of the North American continent, have been most amazing. But the amount of money required to build microwave towers and to complete the intricate modernization of this amazing development of science is phenomenal. The various telephone companies have provided a good deal of the money for the purpose of linking together the separate parts of this great Trans-Canada telephone system which, I may say, is just one more bond uniting Canada from the east coast to the west coast. And, let us remember, such a system of communication is a vital factor in our defence program.

I have every sympathy for what the Bell Telephone Company of Canada is trying to do, and I think Parliament would do well to assist in furthering its plans by the passage of this legislation.

**Hon. Mr. Monette:** Honourable senators, may I be allowed to say a few words?

**Hon. Mr. Reid:** Mr. Speaker, is there a motion before the house? If there is, I would like to get in on the debate too.

**The Hon. the Speaker:** Honourable senators, it has been moved by the Honourable Senator Macdonald, seconded by the Honourable Senator Hugessen, that further debate on the motion for third reading be postponed until the next sitting of the house. Is it the pleasure of honourable senators to adopt the motion?

**Hon. Mr. Roebuck:** Honourable senators, may I speak on a point of order? I assumed my friend the Leader of the Opposition (Hon. Mr. Macdonald) was not pressing his motion. If that is so, are we not back to the original motion?

**The Hon. the Speaker:** The motion of the Honourable Senator Monette to refer the bill back to committee was withdrawn, and the motion now before the house is that the debate be adjourned.

**Hon. Mr. Roebuck:** Perhaps my friend the Leader of the Opposition will withdraw that motion so that this bill may be discussed now. It is a salutary discussion, Mr. Speaker, and I would not like to have it ruled out of order.

**Hon. Mr. Macdonald:** I understand that as the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has already spoken, even if the debate were ruled in order he would not be able to speak again.

**Hon. Mr. Roebuck:** I do not propose to speak again.

**Hon. Mr. Macdonald:** I was under the impression that it was not the desire of the house to proceed further with the debate today.

**Hon. Mr. Reid:** That was the understanding.

**The Hon. the Speaker:** Honourable senators, it has been moved by the Honourable Senator Macdonald, seconded by the Honourable Senator Hugessen, that the debate be adjourned. Does that motion carry?

**Some Hon. Senators:** Carried.

On motion of Hon. Mr. Macdonald, the debate was adjourned.

### SPEECH FROM THE THRONE

#### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from yesterday consideration of Her Majesty the Queen's speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. John A. McDonald:** Honourable senators, we were all greatly honoured to have the pleasure of welcoming Her Majesty, our most gracious sovereign Queen Elizabeth II, and her popular consort, the Prince Philip, Duke of Edinburgh, to open Parliament. As the honourable senator from Medicine Hat (Hon. Mr. Gershaw) has said, the visit by Her Majesty will help greatly to strengthen the ties that bind this nation to the other members of the Commonwealth.

I am sure that those who benefited most and received the greatest pleasure from the visit by our sovereign were hundreds of thousands of young people of whom only a few have ever been to Ottawa. I refer particularly to the boys and girls from one end of this country to the other, who through the medium of television had the privilege of hearing and seeing the events as they took place, or of hearing them by radio. The engineers and technicians of the Canadian Broadcasting Corporation did an excellent piece of work in their broadcast services and they deserve our congratulations. I have heard many favourable comments on how clearly the scene could be viewed and the words heard on television throughout the country.

Honourable senators, at this stage of the debate I do not think you would wish me to repeat all the complimentary remarks that are ordinarily made by one who takes part in the debate on the Address. Perhaps you would accept my statement that I concur in the many fine things that have been said by way of congratulations to His Honour the

Speaker, and to the honourable Leader of the Government in the Senate (Hon. Mr. Haig). Also I wish to join in the cordial welcome extended to the new senators, and to say how pleased we are with the splendid appointments that have been made.

I should like permission to make brief comment on the address given by the honourable senator from Kingston (Hon. Mr. Davies), who spoke yesterday. I do not have the printed copy of his speech before me, but, having listened to it, I am sure we owe him our warm thanks for the research and effort which he put into his speech.

**Hon. Senators:** Hear, hear.

**Hon. Mr. McDonald:** I should also like to mention briefly that I for one, as a member of this house, wish to express my appreciation of the outstanding services rendered by the former Leader of the Government in the Senate (Hon. Mr. Macdonald), and by our former Speaker (Hon. Mr. Robertson). Both these gentlemen rendered very fine service to not only the Senate, but to the people of Canada. We hope that they may have many years of continued good health and public service.

**Hon. Senators:** Hear, hear.

**Hon. Mr. McDonald:** We rejoice with our senior citizens, and others who are going to benefit, that the Government has decided it is possible to increase their grants. It is to be hoped that these increases will not be taken away by inflation getting out of hand, and that it will not be found necessary to do away with any essential public service. In other words, we trust that inflation may be kept under control, that our strong economic position may remain sound and our prosperity continue to expand, so that it will not be found necessary to suspend any important public service in order to pay the suggested and appropriate increases in pensions.

Honourable senators, although there are several matters discussed in the Speech from the Throne which I would like to refer to, with your permission I am going to confine my remarks to agricultural products, and more particularly to those of the part of our great nation with which I am best acquainted. With your permission also I shall stay quite close to my notes. The discussion on the Bell Telephone Company of Canada bill was well worth while, but time is getting short and I am anxious to make train connections this afternoon with the Ocean Limited.

The most serious problem confronting the farmers of western Canada appears to be the

surplus grain which the introduction of modern farming techniques and favourable growing seasons have produced in recent years. Fortunately, these surplus products may be kept as an asset without deteriorating much in value; whereas, if and when we have surplus fruit and vegetable crops, which are rightly classified as perishables, they must be disposed of in season.

Public treasury-backed loans were made available last year to western farmers who required more money to carry on their farm operations. The former Government was asked by every farm organization in western Canada to pass legislation permitting treasury-backed loans. It is only fair to state, however, that last session certain members of the Opposition requested cash advances on farm-stored grain.

I am inclined to think that whatever government happened to be in power at this time would have had to consider the suggestions which were made some time ago. However, up to a few weeks ago it was not known whether all parties interested could agree on how cash advances could be administered. Now it would seem that the Government and those organizations which represent the farmers in the west have come to an agreement on administration. We trust that it can be carried out in a business-like manner. While we are pleased that the farmers of western Canada will benefit, we trust that the Government's benevolence will extend to other primary producers—for example, our fishermen, miners, lumbermen, and apple and potato growers. Many honourable senators will wish to read a special study recently published on the *Progress and Prospects of Canadian Agriculture*, prepared for the Gordon Economic Commission by Professor Drummond of the Ontario Agricultural College, and Professor MacKenzie of the University of Alberta. They are probably correct in suggesting that more and more of western wheat grains will be fed in the west; but the farmers of the east will, for a long time at least, wish to buy large quantities to be fed in the east and with the continuing financial assistance of our federal Government on feed freight.

Now, honourable senators, I would like to deal briefly with several problems that face us in the province of Nova Scotia. It has been correctly stated that farmers' income in the Maritime provinces is lower than that in the other provinces. What are the reasons for this condition and is there anything that can be done to correct the situation?

Many of our farms are too far away from large consuming centres. The increase given last year by the Government under the Maritime Freight Rates Act was a decided help

and encouragement to our people in our eastern provinces, but more assistance is needed in helping our primary producers to develop our natural market in the New England States through providing additional modern transportation to this large market. We are buying much more from the United States than we are selling to them. It is therefore hoped that the Governments of Canada and the United States might agree on still further tariff reductions, thus making it more profitable to cultivate this market. The supplying by the Government of the S.S. *Bluenose*, plying between Yarmouth and Bar Harbour, has been a decided help, but because of the truck haul from Bar Harbour to Boston and nearby centres it is still too expensive to get our products to those markets. The S.S. *Bluenose* has been a decided help also in boosting tourist traffic, but more up-to-date transportation is required now to further develop the tourist business, as well as to provide cheaper and more prompt transportation to market. The solution, many of our people think, would be for the Government to put into operation another direct modern freight and passenger service from Yarmouth to Boston. This service should be a year-round one, and have some cold storage space available for fresh fish, fruits, vegetables, eggs, dairy products and so forth. Our primary producers, particularly those in western Nova Scotia, would produce for this market if they could be assured of regular year-round transportation at reasonable rates.

Then there is another suggestion that has been made many times and one which if carried out would stimulate our various industries in assisting them to enjoy the benefits of Confederation to a greater extent by enabling them to get their products to the central markets of our own nation, and that is for the Government to do all that is possible to encourage the Canadian Pacific Railway to provide a suitable car ferry running from Digby to Saint John. It is encouraging to learn from the manager of the Dominion Atlantic Railway that some progress is being made. I do know that the C.P.R. officials have been thinking of such a change for some time, and I remember discussing this with the late Sir Edward Beatty at his office in Montreal when I was with the Department of Agriculture for Nova Scotia. As far back as that one of the chief concerns of the Canadian Pacific was the cost that would be entailed for dredging, wharves and breakwaters. Our people hope that the federal Government will assist in bringing about this desired change in the near future, by co-operating with that transportation company so far as is necessary in helping with the

terminal requirements. We hope very sincerely that the Canadian Pacific Railway will soon enjoy its own running rights from Windsor Junction into Halifax city. I know that the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) will heartily agree with this. It would mean much, not only to the company, but also to the further development of the port of Halifax.

Although these suggestions on improved transportation are not new ones, they have become increasingly urgent and necessary to our proper development. Much has already been accomplished, such as the bridging of the Strait of Canso, with the help of that province, better transportation to Newfoundland and Prince Edward Island, the Nova Scotia-Maine service and other improvements. I believe that the present Government is desirous of doing what it can to assist our provinces. Therefore, I hope that prompt steps will be taken to do all that is practical to finish the job so far as our needed transportation changes are concerned, including the construction of a causeway to Prince Edward Island.

We are indeed fortunate in having a large group of our most capable and progressive men from the Atlantic provinces working together to improve our economic position through the Atlantic Provinces Economic Council. The members of this organization are unselfishly giving much time and effort to their very important task of finding ways and means whereby our people can be assisted to help themselves, and I feel that our Government will give willing co-operation to their carefully considered suggestions of anything that may be done to assist our people.

Another very important sign during the last two or three years is the friendly manner in which the premiers of our Atlantic provinces are meeting together to discuss problems of mutual interest and even lending support on occasions where they have little to gain directly and personally, or for their province. An example is the co-operation of all four to help secure the proposed causeway linking Prince Edward Island to the mainland. Another example is the co-operation which Prince Edward Island and Newfoundland are giving to the other two provinces to secure cheaper power in Nova Scotia and New Brunswick.

Although we have in Nova Scotia and the other Maritime provinces some of the most progressive and efficient farmers to be found anywhere in Canada, there are still too many uneconomic farm units, measured by today's standards. This is another main reason, I think, why our farm income in the Maritimes

is on the average lower than that in some other parts of Canada. There are still many farmers who, if they would accept helpful suggestions on farm management by those who are recognized authorities in this branch of service, could build up their soil with lime and fertilizer and produce the crops best suited to their conditions. It will be found that our most successful farmers have been anxious to benefit from our valuable scientific and extension workers in both federal and provincial fields. I trust that workers in other agricultural services will forgive me when I say that just at this stage of development I do not think that there are any more important services to be rendered our farmers than by those who are competent in farm management. The chances are that they will also frequently require the skills of the soil chemists and other technicians. This presents a challenge to our provincial departments of agriculture to engage as many men well-trained and competent in extension and farm management as it is possible for them to secure, provided of course that our farmers are willing to accept and benefit from this most valuable assistance.

There never was a time when education of our farm youth paid greater dividends. Among our farmers it is the exception to find that an agricultural college graduate, or one who has taken the practical short courses, is not making a success. Although the agriculturally-educated farmers do not need the assistance of extension and farm management staffs nearly so much as do others who have not had these advantages, they seem to be among those who most appreciate such services.

The farmer who has not within his own family the help he requires finds it very difficult to hire outside assistance, pay the higher wages that competent help can command, and make a success unless he can increase production. If one is to be a successful farmer today, it is most important not only to have the soil in condition to produce bountiful crops, but to farm an acreage large enough to provide for the necessary wages and sufficient use of the requisite machinery to justify the expense of the equipment. This does not mean that farmers with smaller acreages producing small fruits, vegetables, poultry, hogs, etc., cannot make a success. Many of them, especially those who have help from their own families, are succeeding and giving their sons and daughters a good education in wholesome surroundings.

Although we produce a surplus of some crops, we are yet deficient to the extent of 45,000 head of beef cattle, 18,000 veal and 196,000 hogs a year, in supplying meats consumed in my own province. In all the

Maritime provinces we can improve the economy of our region by increasing livestock production. It would be a great benefit to both consumers and producers if our meats were sold by grade. To this end all should work together to establish a modern abattoir where meats can be properly dressed and graded by federal officials. This would encourage greater production, because the producers of good quality meats would receive a fair price, while the consumers could buy the grade they wished and be assured of clean edible products. There would seem to be the necessary knowledge of the benefits of selling only graded meats that was lacking when many years ago a contract was signed with a first-class abattoir company from Montreal to establish an up-to-date abattoir in Halifax. At that time the effort failed because it was not possible to reach an agreement with the city. I understand that what is now holding up this venture at Halifax is the fact that, although the farmers got together and by their co-operation raised a considerable amount of money, they still require very much more. There is hope that the provincial Government will advance this money to them. I know that, so far as the city is concerned, arrangements have been made to provide a lot. They have done their part, and it is to be hoped that some means can be found to secure all the money which is needed. I take it that probably the Government will respond if it can be sure that there is product in sufficient volume to make the business venture a success, and also that there will be a capable foreman to look after the plan. If these conditions cannot be met it might be well not to lose any further time but to try to induce a good abattoir company to go in, for there are certain advantages in having an established abattoir company do this kind of work. They have the know-how and can switch products from one factory to the other so as to make the enterprise pay.

At this point I should like to mention another little industry which could be established at Halifax for the benefit of the farmers and the people generally in that area, and that is an up-to-date flour mill, established on the seaboard, where the elevator facilities could be used. Some years ago, just before the Second Great War, a scheme of this kind was pretty well under way. We interested a really first-class miller—one of the finest gentlemen I ever had the pleasure to meet—from Midland, Ontario, and he expected to be able to serve his customers on the Atlantic and New England seaboard and also to look after his trade with Britain and other European countries. I cannot see why a business of that kind cannot be established in the near future

and made successful. At that time we hoped to bring in our grain from Churchill by tramp steamer at a saving of about two and a half dollars a ton, which economy could be passed on to the farmers, making it possible for them to get cheaper feed grain for their livestock. Some of these projects are not easily realized, but with enthusiasm and energetic drive much can be accomplished.

It would seem that more could be done in the eastern provinces by making certain phases of the Prairie Farm Rehabilitation Act work for our farmers in erosion, flood, and drainage control. An example would be to adapt and apply provisions of the P.F.R.A. to the straightening and deepening of certain fresh water courses where it is necessary to prevent further flooding and erosion. I know that many of our farmers are already greatly benefiting from the improvement of tidal water control brought about by the very satisfactory work of those engaged in marshland reclamation. Possibly many more could be interested through soil improvement associations to further increase the production of meats, especially for our Maritime market. In the east our problem is to get our water drained from our farmlands and to keep the tide waters out; whereas in the Canadian west the problem is to convey, through irrigation, water into the drier farm lands.

Some of our forest products associations have done very important work for themselves in building a successful industry for the future and improving the quality of their products; and in many areas, with the co-operation of the farmers they can accomplish much for a successful agriculture in restoring or in keeping a tree coverage of non-arable lands.

Our fruit growers would very much appreciate any assistance that can be given in developing larger markets abroad. Before the Second World War over 80 per cent of our marketable apples from the Cornwallis-Annapolis Valley were sold to Britain. In recent years this former main market for our fruit has been supplied by an increase in their own production, and what further supplies were needed have been largely secured from sterling areas. There is one important aid which could be given our fruit growers this fall, and that is for the federal and provincial Governments to offer to cooperate with orchardists in reviving a policy of offering bonuses to help in finishing the job of removing old trees and those of unprofitable varieties. If this could be done it would place the fruit growers in a sounder economic position, as it would reduce the quantity of inferior product and assist in the control of orchard pests.

May I just take time to mention one thing more that could be done to encourage our agriculturists and help to keep more of our best young people on farms where there are the most wholesome conditions for family life and where young people most readily develop a very necessary sense of responsibility for their success regardless of the life calling that is chosen. I refer to the need for more generous rural credits for those who have the natural ability to succeed. In this connection I would like to call the attention of the appropriate ministers and honourable members to the recommendations made in a report by a provincial Royal Commission headed by one of our own members, the honourable senator from Milford-Hants (Hon. Mr. Hawkins). This commission made an exhaustive study of rural credits. I believe that its recommendations are sound and I hope they can be given the sympathetic consideration they deserve.

Honourable members, I trust you have not gathered the impression that I am pessimistic about the future of agriculture because I have mentioned briefly some of our problems, for this is not the case. If I could start all over again it would be in farming. The solving of problems in any growing industry only adds zest to the undertaking. This machine age has meant more than the usual changes in our great industry; but I am confident that our greatest problems can be solved by all interested parties working together in a determined spirit of co-operation.

We would indeed be unkind and unappreciative if we were not grateful for the many federal and provincial government measures that have been approved, many of them being carried out by government officials as successfully as the measure of co-operation of our people would permit. These helpful measures that I refer to cover a wide field in that they were designed to reduce production costs, increase production and improve marketing methods.

I know that our best farmers, in fact the great majority, are appreciative and optimistic about the future prospects of farming, even though changing techniques do create new problems. I trust that the suggestions I have made today may receive the consideration they deserve by the appropriate ministers and their officials.

Briefly, in review, these suggestions for improved agriculture, particularly for Nova Scotia, where I best know the situation, are:

1. That the federal Government render assistance in providing more up-to-date transportation for our products at rates that our primary producers can afford to pay.

2. That our farmers make more general use of the services of competent farm management and extension workers in—

(a) continuing to improve their soils so as to grow maximum crops by the wise use of lime and fertilizers.

(b) reducing the number of uneconomic units. Now, this can be done in a number of ways; for example, by changing to more intensive farming. Where the acreage is small or uneconomical as far as size is concerned, increasing the acreage would make it a more economical unit. Then, of course, consideration should be given to the products to be grown on farms; that is, certain conditions warrant producing one kind of product and other conditions warrant producing another kind.

3. That P.F.R.A. be made to work for eastern farmers in erosion, flood and drainage control.

4. That our farmers increase production of meats to satisfy our own market. In this connection we require now an up-to-date abattoir so that our meats may be sold on grade. The establishment of a flour mill in Halifax would also greatly help to increase production, for it would make cheaper feed available for livestock.

5. More and more of our farm youth require an agricultural education in order to become successful farmers as well as community leaders.

6. More generous conditions in offering farm loans for those who have the natural ability to succeed.

7. Assistance in placing our fruit growers in a sounder economic position through larger markets and in finishing the job of getting rid of the old trees and those of unprofitable varieties.

Honourable senators, I hope that those who have heard this speech and those who will read it will become as interested as I am in this work, and that they will give forth with the necessary energetic drive to put some of these things into effect. We must get down to the grass roots of farming and put a new economic face on agriculture.

On motion of Hon. Mr. Reid, the debate was adjourned.

## CANADIAN VESSEL CONSTRUCTION ASSISTANCE BILL

### MOTION FOR SECOND READING— DEBATE ADJOURNED

Hon. John T. Haig moved the second reading of Bill I, to amend the Canadian Vessel Construction Assistance Act.

He said: Honourable senators, I will not take up much time in explaining this bill,

because I do not know as much about it as I ought to. After studying it I did not know as much as I did before. The purpose of the bill is to encourage shipbuilding in Canada. Nobody can argue that the object is not a good one. The question is: what do you have to give to achieve the objective? What is being given under the bill is an adjustment of depreciation in taxation, which the department thinks will have the desired effect. If there is one matter that I know less about than I know about shipbuilding, it is income tax. I do know that the Government does not trust me, because it deducts the income tax before paying my salary. Now that I am Leader of the Government I think it ought to start trusting me a little. But it keeps on taxing me just as when I was a backbencher sitting on the opposite side of the house, when the Liberals were in power.

Honourable senators, before I conclude I am going to suggest that the bill be referred to committee. I have talked with the departmental expert who will appear in committee and he has told me quite candidly that he can show us clearly how this bill will encourage shipbuilding in Canada and benefit the whole shipbuilding industry. I know that wherever there is the possibility of building ships in Canada—in the Maritime provinces, British Columbia, the Great Lakes, Northern Ontario and Manitoba—people will be anxious to see this bill passed. With permission of the house I would like to read a brief memorandum prepared by the departmental official to whom I have referred:

The purpose of this bill is the encouragement of shipbuilding in Canadian shipyards by the extension of the benefits of the act to further classes of ships, by the immediate allowance of certain benefits where the tax position is ensured by a deposit or guarantee pending the completion of replacement in Canadian yards and by changing certain taxation practices to permit a taxpayer selling vessels for replacement to reap the benefits of the act immediately even though his class or pool of vessels is not exhausted.

The honourable Leader of the Opposition (Hon. Mr. Macdonald) has advised me that he would like to adjourn the debate until next week. That is entirely satisfactory. If and when this bill receives second reading I shall move that it be sent to one of the committees, where opportunity will be afforded to make inquiries. I am just as eager as anyone to make such inquiries. I am anxious to see the shipbuilding of Canada encouraged, not only for the benefit of shipbuilding, but in order to create more employment in that industry—an industry for which the Maritime provinces were at one time famous the world over. I think we are so far behind Great

Britain and Japan and certain other shipbuilding countries, that we can well afford to experiment and try to discover ways to stimulate shipbuilding in our country.

**Hon. W. Ross Macdonald:** Honourable senators, this bill was placed on the Order Paper last Tuesday evening, but only distributed this morning, and I have not had an opportunity to study it. Just a glance at the bill indicated to me that it is quite involved, and when I heard the explanation given to the Leader of the Government (Hon. Mr. Haig) by an expert I thought it was even more complicated. I should like to have an opportunity to study the bill over the coming weekend at least. A number of senators have spoken to me about the bill, and I think some would like to speak on it. Therefore, I move adjournment of the debate.

**Hon. Mr. Haig:** Agreed.

On motion of Hon. Mr. Macdonald, the debate was adjourned.

#### ALBERTA—NORTHWEST TERRITORIES BOUNDARY BILL SECOND READING

**Hon. John T. Haig** moved the second reading of Bill J, respecting the boundary between the province of Alberta and the Northwest Territories.

He said: Honourable senators, this is a simple bill. The boundary line between the province of Alberta and the Northwest Territories is at the 60th meridian. In 1924 and 1925 explorers were sent out to run the line of demarcation between the province and the territories, and apparently they took off a little land from Alberta; it was not very serious, I admit, amounting to only 15 acres. It was, therefore, agreed this year that Alberta should send in a surveyor to mark the boundary, and that was done. The dominion Government, on behalf of the Northwest Territories, also sent a surveyor. The two surveyors have run a line along the 60th parallel to show where the division ought to be. That was necessary, because the line is becoming more and more important. For instance, there is expected to be oil in that country. Previously Fort Smith was believed to be in Alberta, and later found to be in Northwest Territories, or it may have been *vice versa*—I am not sure.

The purpose of the bill is to ratify the boundary line on behalf of the dominion Government. I have a report here from the dominion Government on it, and also a draft showing how the survey is laid out. The original draft is in the hands of the Department of Northern Affairs and National Resources. The Province of Alberta has done

its part, and the dominion Government is now carrying out its part by ratifying the boundary line.

Honourable senators, I am not moving that this bill go to committee, because no change can be made in it; its provisions have been agreed upon as to form both by Alberta and the dominion Government. As I have intimated, it does not deal with a very serious matter, but the passing of the bill will clear up the boundary line of the northern part of Alberta with reference to the Northwest Territories. I therefore move second reading of the bill.

**Hon. Thomas Reid:** Honourable senators, I am not rising to object, but merely to say that I am very much impressed by this bill. Years ago, after the 49th parallel was run, it was discovered that the United States had cut half a mile inside the boundary of British Columbia. When I learned that, I dug into the record and found that by order in council it was agreed that the line set by the surveyors, one half mile in from Blaine, in British Columbia territory, should have been at the 49th parallel. What surprised me more than anything else was that the correction was made by order in council, and not by Parliament. The reason I looked into the matter was that I thought that in return for the half-mile of land we lost to the United States I could get a *quid pro quo*, and that if they would give us back a little strip of waterfront they could call the half-mile their own. It is interesting to know that the correction will now be made by statute.

**Hon. Mr. Wall:** Honourable senators, may I be permitted a question? The bill suggests that the constitutional consent of the Legislature of the province of Alberta has been granted to the boundary line, which is now the subject of discussion, but nothing is said about the constitutional competency of the Council of the Northwest Territories. Is there anything missing?

**Hon. Mr. Haig:** The land of the Northwest Territories is under the control of the Parliament of Canada. A sort of nominal council governs, as in the earlier days of Canada. The council consists of five officials appointed by the Government and three elected by the people. That country is under the control of the Dominion Government.

The motion was agreed to, and the bill was read the second time.

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

**Hon. Mr. Haig:** I move that this bill be placed on the Order Paper for third reading on Tuesday next.

The motion was agreed to.

## TERRITORIAL LANDS BILL

### SECOND READING

**Hon. John T. Haig** moved the second reading of Bill L, to amend the Territorial Lands Act.

He said: Honourable senators, I am a bit ashamed with the explanation I have to offer with respect to this bill. It simply provides that the land under territorial waters belongs to the Government of Canada. That is all the bill says.

**Hon. Mr. Howard:** The land always has belonged to Canada.

**Hon. Mr. Euler:** To whom else could it belong, the provinces?

**Hon. Mr. Haig:** There is a question as to whether the land under Hudson Bay, for instance, belongs to the Province of Quebec to the east, the Province of Ontario to the south or the Province of Manitoba to the west. The explanatory note to the bill reads:

The purpose of this amendment is to broaden the definition of "territorial lands" to include all lands under territorial waters over which Canada has jurisdiction. It will now be possible to grant applications for mineral rights on lands under territorial waters.

**Hon. Mr. Euler:** What if the provinces object to this bill?

**Hon. Mr. Haig:** I propose to move at the appropriate time that the bill be sent to a committee. If the provinces object they can be heard there.

**Hon. Mr. Pouliot:** Under this bill the prospectors will have to be skin divers.

**Hon. Mr. Roebuck:** Would the honourable leader explain, if he feels it is possible to do so, how the passage of this legislation will affect the problem. The jurisdiction over the land of Canada was determined by the British North America Act; that act laid down the jurisdiction of this Parliament and that of the provinces. Will my honourable friend tell me, therefore, how Parliament can change the provisions of the British North America Act by the passage of this bill?

**Hon. Mr. Haig:** I do not intend to argue the point with my honourable friend, because I do not know the answer. I propose to send the bill to a committee and let the experts answer his question.

The motion was agreed to, and the bill was read the second time.

REFERRED TO COMMITTEE

**Hon. Mr. Haig:** Honourable senators, to which standing committee should this bill be referred?

**Hon. Mr. Crerar:** Banking and Commerce.

**Hon. Mr. Haig:** I move that the bill be referred to the Standing Committee on Banking and Commerce.

**Hon. Jean-François Pouliot:** Honourable senators, I do not see why we should send this bill to the Banking and Commerce Committee. What do banking and commercial institutions have to do with minerals under the sea? It seems to me the bill should go to one of the other committees, and there are many of them.

This is the problem I complained of in the previous session: everything goes to the Banking and Commerce Committee, even a bill which concerns the ownership of the bottom of the sea. It is most ridiculous. Here we have a most interesting point: when we do not know where a bill should be sent, someone says "Let us send it to the Banking and Commerce Committee". That is the overall committee which decides everything under the sun in this chamber. Let me refer you to some of the committees that were set up on the second day of this session, and see how the subject-matter of this bill relates to the work of those committees.

This bill cannot be sent to the Joint Committee on the Library; it cannot be sent to the Joint Committee on Printing; it cannot

be sent to the Joint Committee on the Restaurant; it cannot be sent to the Committee on Standing Orders.

**Hon. Mr. Macdonald:** Why not?

**Hon. Mr. Pouliot:** Perhaps that would be just as sensible as sending it to the Banking and Commerce Committee.

**Hon. Mr. Pratt:** May I be allowed to suggest that it be sent to the Standing Committee on Natural Resources?

**Hon. Mr. Pouliot:** That is a very bright idea; I am glad my honourable friend has suggested it, because I was coming to it.

**Hon. Mr. Haig:** Will my friend allow me to ask a question? If I withdraw my present motion and move that the bill be referred to the Standing Committee on Natural Resources, will he be satisfied?

**Hon. Mr. Pouliot:** Certainly.

**Hon. Mr. Haig:** Honourable senators, I withdraw my motion and now move that this bill be referred to the Standing Committee on Natural Resources.

**Some Hon. Senators:** Carried.

**Hon. Mr. Pouliot:** Thank you.

On motion of Hon. Mr. Haig, the bill was referred to the Standing Committee on Natural Resources.

The Senate adjourned until Monday, November 4, at 8 p.m.

## APPENDIX "A"

(See p. 76)

MEETING OF COMMONWEALTH PRIME MINISTERS  
FINAL STATEMENT

The meeting of Commonwealth Prime Ministers was concluded today. This was the first Commonwealth meeting at which Ghana was represented, following her attainment of independence in March, 1957. Other Commonwealth ministers welcomed Ghana's participation in the meeting as a full member of the Commonwealth, and took note of this occasion as further practical evidence of the progress made by the United Kingdom Government in the pursuit of their policy of fostering constitutional development in their dependent territories.

In the course of their discussions the Commonwealth ministers have reviewed all the major international questions of the day which are of common concern to their countries. In this association of free and independent nations it is inevitable that there should be some differences of viewpoint and opinion. But these meetings reveal a broad similarity of approach and purpose. It is not their function, nor is it the object of this communiqué, to record agreed decisions or formal resolutions. Their value lies in the opportunity which they afford for a full and candid exchange of views in the light of which each Commonwealth Government can formulate and pursue its separate policies with deeper knowledge and understanding of the views and interests of its fellow members.

The primary objective of all Commonwealth Governments is world peace and security. They believe that this objective can only be assured by increased co-operation between nations. They themselves accept the principle and practice of co-operation; it is the foundation of their own association. They will continue to work for its wider adoption.

The United Nations was designed to provide one of the main opportunities for the practical exercise of the principle of co-operation between nations. Experience has, however, revealed certain deficiencies and weaknesses in the functioning of the organization. The Commonwealth ministers agreed that constructive action is needed to strengthen and improve the United Nations as an instrument for preserving peace, justice and co-operation throughout the world in accordance with the principles of the charter.

In discussion of developments since their last meeting, Commonwealth ministers expressed their grave concern at the tragic events in Hungary. They took note that the forthcoming consideration by the General Assembly of the report presented by its special

committee will provide the occasion for the United Nations to record its views.

Commonwealth ministers reviewed the course of the developments in the current discussions on disarmament. They noted that proposals relating to a first stage of disarmament were put forward on 2nd July in the disarmament subcommittee on behalf of the governments of the United States, the United Kingdom, Canada and France. They recognized that even a limited agreement, by reducing the suspicions and tensions throughout the world, would help to create conditions in which a more comprehensive scheme of disarmament could be developed.

The Commonwealth ministers discussed the international problems of the Middle East. They agreed that, in the long term, economic and social progress must be the foundation for stability in the Middle East. They agreed, however, that in the short term the need is to work toward a relaxation of the tension arising from the dispute between the Arab states and Israel, the plight of the Arab refugees and the unresolved problems in connection with the Suez canal. They considered that solutions of all these urgent questions should continue to be pursued by all practicable means.

Consideration was also given to the contribution which might be made by the Commonwealth governments concerned toward the easing of tension and the maintenance of peace, stability and political freedom in the Far East and Southeast Asia. Commonwealth ministers welcomed the important contribution already made by mutual assistance under the Colombo plan toward raising standards of living and promoting economic development in the underdeveloped countries of this area.

In their general review of economic questions the Commonwealth ministers gave special attention to the impact of the major programs of development on which many of their countries are now engaged. These programs call for high levels of domestic saving which can only be secured by sound internal policies. But they also call for conditions favourable to investment from other countries. The United Kingdom will continue to play its leading role in furthering economic development in the countries of the Commonwealth, and important contributions are also being made by other Commonwealth members. But, in view of the continued need for capital investment, it is also

important to encourage investment from other sources on suitable conditions.

The Commonwealth ministers noted the progress made since their last meeting toward the freeing of trade and payments. In this context they discussed the proposals for the creation of an industrial free trade area in Europe as a complement to the European economic community to be set up under the Treaty of Rome. They agreed that, as part of the continuous exchange of views between Commonwealth Governments on these matters, particular aspects of the proposals which might specially affect certain countries of the Commonwealth should be examined in London next week by officials of all Commonwealth countries in the light of the ministers' discussions.

The Commonwealth ministers noted that the annual meeting of the International Monetary Fund and the International Bank for Reconstruction and Development will be held in Washington in September. The normal practice is for this meeting to be followed by a meeting of Commonwealth finance ministers. The Prime Minister of Canada extended an invitation that this meeting of finance ministers should be held this year in Ottawa.

The Commonwealth ministers recognized the value of the work carried out over the past thirty years by the Commonwealth

economic committee. They agreed that the committee should be invited to examine and suggest to governments what expansion of its scope and functions might usefully be undertaken for the particular purpose of drawing attention to the economic resources of Commonwealth countries.

The Commonwealth ministers reviewed the progress of co-operation within the Commonwealth in the use of nuclear energy for civil purposes. They recognized the growing importance of the contribution which nuclear energy can make to the peaceful development of their countries and of the rest of the world and the value of close collaboration between members of the Commonwealth in this field. For this purpose nuclear scientists from Commonwealth countries will be invited to an informal meeting in the United Kingdom in 1958.

The Commonwealth ministers noted that the federation of Malaya was on the eve of attaining independence. They extended to the federation their warm good wishes for its future, and they looked forward to being able to welcome an independent Malaya as a member of the Commonwealth on the completion of the necessary constitutional processes.

London,  
5th July, 1957.

## APPENDIX "B"

(See p. 76)

JOINT COMMUNIQUE ISSUED BY THE PRESIDENT OF THE UNITED STATES  
AND THE PRIME MINISTER OF THE UNITED KINGDOM  
IN WASHINGTON ON OCTOBER 25

## Declaration of Common Purpose

The President of the United States and the Prime Minister of the United Kingdom, at the end of three days of meetings at which they were assisted by the Secretary of State and the Foreign Secretary and other advisers, issued the following statement:

## I

We have met together as trusted friends of many years who have come to head the governments of our respective countries. These two countries have close and historic ties, just as each has intimate and unbreakable ties with other free countries.

Recognizing that only in the establishment of a just peace can the deepest aspirations of free peoples be realized, the guiding purpose of our deliberations has been the determination of how best to utilize the moral, intellectual and material strength of our two nations in the performance of our full share of those tasks that will more surely and promptly bring about conditions in which peace can prosper. One of these tasks is to provide adequate security for the free world.

The free nations possess vast assets, both material and moral. These in the aggregate are far greater than those of the Communist world.

We do not ignore the fact that the Soviet rulers can achieve formidable material accomplishments by concentrating upon selected developments and scientific applications, and by yoking their people to this effort.

Despotisms have often been able to produce spectacular monuments. But the price has been heavy. For all peoples yearn for intellectual and economic freedom, the more so if from their bondage they see others manifest the glory of freedom. Even despots are forced to permit freedom to grow by an evolutionary process, or in time there will be violent revolution.

This principle is inexorable in its operation. Already it has begun to be noticeable even within the Soviet orbit. If the free nations are steadfast, and if they utilize their resources in harmonious co-operation the totalitarian menace that now confronts them will in good time recede.

In order, however, that freedom may be secure and show its good fruits, it is necessary first that the collective military

strength of the free nations should be adequate to meet the threat against them. At the same time, the aggregate of the free world's military expenditure must be kept within limits compatible with individual freedom. Otherwise we risk losing the very liberties which we seek to defend.

These ideas have been the central theme of our conversations which, in part, were participated in by Mr. Spaak, the Secretary-General of NATO.

In application of these ideas, and as an example which we believe can and should spread among the nations of the free world, we reached the following understanding:

## II

1. The arrangements which the nations of the free world have made for collective defence and mutual help are based on the recognition that the concept of national self-sufficiency is now out of date.

The countries of the free world are interdependent and only in genuine partnership, by combining their resources and sharing tasks in many fields, can progress and safety be found. For our part, we have agreed that our two countries will henceforth act in accordance with this principle.

2. Our representatives to the North Atlantic Council will urge an enlarged Atlantic effort in scientific research and development in support of greater collective security and the expansion of current activities of the task force working in this field under the council's decision of last December.

3. The President of the United States will request the Congress to amend the Atomic Energy Act as may be necessary and desirable to permit of close and fruitful collaboration of scientists and engineers of Great Britain, the United States and other friendly countries.

4. The disarmament proposals made by the western representatives on the disarmament subcommittee in London and approved by all members of NATO are a sound and fair basis for an agreement which would reduce the threat of war and the burden of armaments. The indefinite accumulation of nuclear weapons and the indiscriminate spreading of the capacity to produce them should be prevented. Effective and reliable inspection must

be an integral part of initial steps in the control and reduction of armaments.

5. In the absence of such disarmament as we are seeking, international security now depends, not merely on local defensive shields, but upon reinforcing them with the deterrent and retaliatory power of nuclear weapons.

So long as the threat of international Communism persists, the free nations must be prepared to provide for their own security. Because the free-world measures are purely defensive and for security against outside threat, the period for which they must be maintained cannot be foreseen.

It is not within the capacity of each nation acting alone to make itself fully secure. Only collective measures will suffice. These should preferably be found by implementing the provisions of the United Nations Charter for forces at the disposal of the Security Council.

But if the Soviet Union persists in nullifying these provisions by veto, there must otherwise be developed a greater sense of community security. The framework for this exists in collective defence arrangements now participated in by nearly 50 free nations, as authorized by the Charter. All members of this community, and other free nations which so desire, should possess more knowledge of the total capabilities of security that are in being and in prospect. There should also be provided greater opportunity to assure that this power will in fact be available in case of need for their common security, and that it will not be misused by any nation for purposes other than individual and collective self-defence, as authorized by the Charter of the United Nations.

For our part we regard our possession of nuclear weapons power as a trust for the defence of the free world.

6. Our two countries plan to discuss these ideas with all of their security partners. So far as the North Atlantic Alliance is concerned, the December meeting of the North Atlantic Council may, perhaps, be given a special character in this respect. This has been discussed with the Secretary-General of NATO, Mr. Spaak.

7. In addition to the North Atlantic Treaty, the Southeast Asia Collective Defence Treaty, the Baghdad Pact and other security arrangements constitute a strong bulwark against aggression in the various treaty areas. There are also vitally important relationships of a somewhat different character. There is the Commonwealth; and in the western hemisphere the organization of American states. There are individual mutual defence agreements to which the United States is a party.

8. We recognize that our collective security efforts must be supported and reinforced by co-operative economic action. The present offers a challenging opportunity for the improvement of trading conditions and the expansion of trade throughout the free world. It is encouraging that plans are developing for a European free trade area in association with the European common market. We recognize that especially in the less developed countries there should be a steady and significant increase in standards of living and economic development.

9. We took note of specific factors in the ideological struggle in which we are engaged. In particular, we were in full agreement that:

Soviet threats directed against Turkey give solemn significance to the obligation, under article 5 of the North Atlantic Treaty, to consider an armed attack against any member of the Alliance as an attack against all;

The reunification of Germany by free elections is essential. At the Geneva Conference of 1955 Messrs. Khrushchev and Bulganin agree to this with us and our French allies. Continued repudiation of that agreement and continued suppression of freedom in Eastern Europe undermine international confidence and perpetuate an injustice, a folly and a danger.

### III

The President and the Prime Minister believe that the understandings they have reached will be increasingly effective as they become more widespread between the free nations. By co-ordinating the strength of all free peoples, safety can be assured, the danger of Communist despotism will in due course be dissipated, and a just and lasting peace will be achieved.

## THE SENATE

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Monday, November 4, 1957

The Senate met at 8 p.m., the Hon. Arthur M. Pearson, Acting Speaker, in the Chair.

Prayers.

### THE LATE SENATOR McGUIRE

#### TRIBUTES

**Hon. W. Ross Macdonald:** Honourable senators, may I say that we were deeply saddened on Thursday last to learn of the passing of one of our colleagues. I refer to the late Senator William H. McGuire. Senator McGuire had attained the age of 84 years and was a senior member of this chamber. He had been here for 31 years and had taken a keen interest in all the work of the Senate, not only in the Senate chamber but also in various committees.

Our late colleague was born at Peterborough, Ontario, on May 31, 1873. He was educated at the Campbellford Collegiate Institute, the University of Toronto, and Osgoode Hall Law School; was called to the bar in 1906, and created a King's Counsel in 1933. He took a wide interest in the affairs of our country, both in the cultural aspect and in connection with the industrial development of this land. He was a student, and, indeed, an authority, on Canadian history, and was for a number of years president of the Canadian Catholic Historical Association. Not only was he active in his chosen profession, but he was also a director of a number of large and expanding industrial organizations. While doing all this he found time to be president of a publishing company at Richmond Hill, where he published a newspaper.

Senator McGuire during his long and useful life made a host of friends; to these friends he was ever faithful, being ready to defend them at all times and under all circumstances, provided they were true to the principles which they espoused. He was a man of strong convictions. Being once convinced that a course of action was right, nothing could lure him from the path which his conscience dictated to him was the proper one.

Honourable senators, from what I have said you might think that Senator McGuire was always serious minded. Of course, that is not so. While he was profoundly serious minded where grave problems were concerned, he did, on the other hand, enjoy life

to the full. He possessed in a large measure that keen sense of humour which is so characteristic of the Irish race.

Senator McGuire was blessed with a strong physique. At university he was not only a good student, but also a good athlete, and established for himself an excellent reputation as an amateur boxer. In fact, he was so good that at one time he sparred for two rounds with the champion heavyweight of the world, John L. Sullivan.

Honourable senators, I said at the outset of my remarks that Senator McGuire had attained the age of 84 years. I should also say that he was a third-generation Canadian. Now, there are many young people who are third-generation Canadians, but to be a third-generation Canadian at the age which Senator McGuire attained means that his forebears were indeed pioneers in this new land. His grandfather came to Canada from Ireland in 1810, and was one of the early settlers in that part of Ontario east of Toronto and between Toronto and Peterborough. The McGuire family has seen Canada grow from a colony to a nation, and has contributed much to its development.

To Senator McGuire's daughter, to his grandchildren and to all those who were near and dear to him, I extend deep sympathy.

**Hon. John T. Haig:** Honourable senators, I am glad that the Leader of the Opposition was kind enough to pay his respects to the late Senator McGuire first, because he knew our late colleague very well indeed.

Senator McGuire was one of the leading senators in this chamber. I always felt he was typical of the Irish people of Ontario, whose fathers or grandfathers came here from Ireland years ago and settled in that part of Ontario east of Toronto. It was always a great pleasure to me to hear my father, who came from that part of Ontario, tell stories about the Irish people there. I used to wonder if there were as many Irish people down there as he seemed to think there were, but after meeting the late Senator McGuire I knew there were.

It was a pleasure to serve with Senator McGuire on committees. He never took an arbitrary stand; he always took a stand for what he thought ought to be done in the best interests of Canada. I personally learned some very valuable lessons from his views as expressed in committee from time to time. I did not always agree with him, and I say that quite candidly, but I learned a very great deal from him. It seemed to me, as I am sure it did to other junior senators, that he participated in discussions in a spirit that should characterize the Senate in all its deliberations.

He was an able lawyer; his opinions on legal questions that came before the committees were always good. He was active in the days when the late Senator Dandurand was Leader of the Government and the Right Honourable Senator Meighen was Leader of the Opposition; and giants though they both were, he ranked with them. It used to be a great pleasure for us junior senators who are members of the legal profession to see him and other such men in action in committee.

I once said to Senator McGuire: "You seem to have a bit of this world's goods. Did you speculate in stocks?" He answered, "No, no, Haig, I did not; I believe in the good old-fashioned custom of owning some land. True, the land I own has become very valuable, but land always becomes valuable if you buy the right land in the right place."

I admired him for his practical ability, as I did for the kindness he showed toward new senators. I was not on the same side of politics as he was, but I always felt that he helped me greatly. Senator McGuire lived a very fine life and made a splendid contribution to our country. We ought to be proud that we are members of this honourable house of which he was a distinguished member for so many years.

I wish to express to his daughter, his grandchildren and his son-in-law my very deep sympathy in the loss they have sustained.

**Hon. John J. Connolly:** Honourable senators, I should like for a moment to associate myself with the remarks that have been made by the Leader of the Government (Hon. Mr. Haig) and by the Leader of the Opposition (Hon. Mr. Macdonald) in respect of the late Senator McGuire.

Naturally, I felt particularly close to him because our racial origins were similar. Many years before I came to this chamber he was a friend of mine and I frequently sought and got his very good advice. When I came to the chamber I was rather young, and I must confess that without the advice and the encouragement of the older senators I would indeed have had great difficulty in getting along. I think that will always be true of young appointees to this chamber. Senator McGuire was one of those people to whom I and people like myself could go and be helped and encouraged greatly indeed.

The Leader of the Opposition has referred to Senator McGuire's interest in history and to the fact that he was president of the Canadian Catholic Historical Association. I knew of his work in that association, because

I too have had an interest in it. But I also knew of his interest in historical matters generally, and I remember in my early days in the Senate I had a talk with him in which he told me about the great virtues of one of his predecessors in this chamber, and perhaps by devolution a man whose place he took here, namely, Sir Frank Smith. He spoke so warmly and so highly of Sir Frank Smith—of whom, I must admit, I had never known much—that I thought they were political associates. It turned out that, unlike Senator McGuire, Sir Frank was not a Liberal at all; he was a very prominent Conservative, a strong supporter of Sir John A. Macdonald, in one of whose cabinets he was a member. That little story illustrates the breadth of view that Senator McGuire had. He was, however, a very strong Liberal, and I know, from what I have heard from others and what he told me, that he was one of Mr. Mackenzie King's leading supporters in the Toronto area and in Ontario generally.

The last time I saw the late senator was here, at the opening of the present Parliament. I, and I am sure others, were very much impressed with the courage he showed in coming here when his sovereign was to open Parliament, to do—in the language of the Coronation ceremony—"his homage and service" on that occasion.

#### PROPERTY QUALIFICATIONS OF SENATORS

##### RETURN TABLED

**The Hon. the Acting Speaker** tabled a return, submitted by the Clerk of the Senate in accordance with the Rule 105, listing the names of members of the Senate who have renewed their declaration of property qualifications.

#### PRAIRIE GRAIN ADVANCE PAYMENTS BILL

##### FIRST READING

**The Hon. the Acting Speaker** informed the Senate that a message had been received from the House of Commons with Bill 14, to provide for advance payments for prairie grain prior to delivery thereof.

The bill was read the first time.

##### MOTION FOR SECOND READING— DEBATE ADJOURNED

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

**Hon. W. M. Aseltine:** With the consent of the Senate, I move that this bill be now read the second time.

Honourable senators, I wish to thank the house for permitting the motion for second reading of this bill to be made tonight. I have asked that this be done principally because of the fact that a very good friend of mine who cannot be here tomorrow wishes to make a speech on second reading tonight. He has had many years of experience in the marketing of grain, particularly wheat, and even though we do not always agree, I have great respect for his opinions. I am pleased that he will have an opportunity to speak on this legislation tonight.

Honourable senators, I welcome the opportunity of explaining the principle of this bill. I feel it is a measure that will receive the hearty approval of this chamber. No doubt quite a number of questions will come to the minds of honourable senators as I go along, and I would suggest that they make a note of them and ask them after I have finished my explanation.

I do not intend to go into the whole question of marketing of wheat and other grains at this time, but I think I should say a few words about the wheat industry generally. Honourable members are aware that since I came to this chamber, in 1934, I have spoken on the wheat question many times. The growing and marketing of wheat is one of our great industries and has played a very important part in the economic life of Canada. Grain growers of western Canada have created on many occasions \$1 billion worth of new wealth in a single year. I do not need to tell the house what that means to the economy of the whole country. The export of our wheat has earned in many a year the income with which to pay for our imports. If the farmers of western Canada have large crops there is prosperity in every part of Canada; the railways, merchants and wholesalers are busy, and almost everybody is prosperous. If the crops are poor the whole economy is affected and the result is entirely different.

Except for the year 1940-41, or thereabouts, the farmers of western Canada, the producers of wheat and other grains, have been able to market their grain after harvesting and threshing, and with the money received they have been able to pay their debts and buy the supplies needed to carry them through the winter months. But commencing around 1950, and for seven years after that, large surpluses of grain, particularly wheat, have been building up on farms, in country elevators and in terminal elevators. As a result of the congestion the producers have not been able to sell their grain and so have not been

able to get the necessary funds to carry on. Perhaps I will be excused for giving some of the reasons. First, is the loss of former markets and the reduction of exports; second, increased productivity per acre; third, larger average crops; fourth, subsidized competition of other countries; and fifth, give-away programs of other countries. There may be other reasons, but these are the principal ones why we have built up such a large reserve of wheat and other grains.

The present situation as to wheat is something like this. There are 400 million bushels in country and terminal elevators and in transit, and there are 300 million bushels in storage on farms. The 1957 wheat crop amounts to approximately 350 million bushels. If you add those figures together you will find that at the beginning of September, say, we had on hand slightly more than 1 billion bushels of wheat. Practically all that wheat was grown and produced in the Palliser Triangle, an area which was once considered to be unfit for the successful growing of wheat or any other grain. I might add that from 30 to 50 million bushels of that wheat were grown on farms located in the district from which I come.

I should like to say a few words about the disposal of wheat and other grains in the crop year 1957-58. It is estimated that 150 million bushels of wheat will be used in Canada and that 300 million bushels will be exported. That will account for a total of 450 million bushels, and if this estimate turns out to be correct we will have used up 1 million bushels of the old carryover before the end of the crop year 1957-58, on July 31, 1958. However, at present the elevators are full and the farmers are unable to deliver much grain, so they have no cash to pay their taxes, to meet their harvesting expenses and store bills, and provide themselves with the necessities for the coming winter.

This bill proposes to do something about that situation, but before I go into that I want to explain just how wheat and other grains are marketed at the present time. I think it is necessary to have an understanding of that in order to appreciate the remarks I intend to make.

All wheat, oats and barley must be sold to and marketed through the Canadian Wheat Board, except local sales of seed grain and feed grain, and the like, which can be sold locally if the producer can find a buyer. In view of the congestion in the elevators the Wheat Board has seen fit to provide each producer with what is known as a permit book or quota book. When the producer takes a load of grain to the elevator he produces his quota book, and if there is room

in the elevator for the grain the elevator man gives him a cash ticket for the initial payment on that load and enters it in the book; so that at all times, no matter where that producer markets his grain, the elevator agent at the point where he takes the grain will know exactly how much grain the producer has marketed and will not allow him to market any more than his quota. It stands to reason that if the farmer is unable to get his grain into the elevator he is also unable to get any cash and will therefore find himself in a poor cash position.

**Hon. Mr. Reid:** What quota is allowed?

**Hon. Mr. Aseltine:** Well, he has a 300-bushel unit. In some places they have a one-bushel quota, but that only gives the farmer a few dollars, and he needs more money than that. I shall give all of this information later on.

While I am dealing with the marketing of wheat, oats and barley, may I say that the Wheat Board has no control over flax, rape seed or rye. Any farmer growing these grains can market them wherever he can find a purchaser, and in most cases the elevators have found room for a reasonable quantity of flax and rape seed. The quota for flax right now is five bushels per seeded acre. Most producers who have grown flax have marketed that number of bushels, and have a little money on hand as the result of being able to sell their five-bushel quota.

Honourable senators, I have said that ever since 1950, or thereabouts, the farmers have not been able to dispose of the fruits of their labour and have been demanding that some provision be made for cash advances on grain that has had to be stored on their farms, because they were unable to get it into the elevators and therefore were unable to sell it. Farmers have spent large sums of money to build granaries and other forms of storage to hold their grain safely until such time as it could be marketed. I have spoken on the question in this house on several occasions. Promises have been made in Parliament by the members of the present Government, and also during the recent election, to bring down legislation similar to the provisions of this bill, which is intended to implement those promises. No one for a moment will claim that this is a cure-all, but it is hoped that if the bill is passed it will enable farmers who have grain on hand and cannot get it into the elevator to receive some money with which to pay their debts and carry on through the winter. The bill provides for cash advances to be made by the Wheat Board on wheat, oats and barley on the basis of a six-bushel quota per specified acre. The term "specified acre" may

need some explanation: If I have a quarter section of land, and have 100 acres of it under cultivation, my specified acreage is 100, and if there is a six-bushel quota I can deliver at the elevator 600 bushels of wheat. If I have a half section of land with 300 acres under cultivation, my specified acreage would be 300 acres, and so on.

It is proposed to make a cash advance of 50 cents per bushel for wheat, 20 cents per bushel for oats, and 35 cents per bushel for barley on a quota of six bushels per specified acre. Possibly I can explain that best by giving some examples. We will take a 100-acre specified acre farm with a quota of six bushels per acre. Six bushels per acre on a 100-acre farm is 600 bushels. The producer gets a cash advance of 50 cents a bushel on those 600 bushels, which amounts to \$300, but this is in addition to the 300-bushel unit which every producer is allowed to deliver at the beginning of the crop year. The fact that he has already delivered his 300-bushel unit does not prevent him from obtaining this cash advance.

**Hon. Mr. Macdonald:** How much does he get on the 300-bushel unit? Does he get the full price?

**Hon. Mr. Aseltine:** Yes, he gets the full price. He gets an initial payment, and the balance when the Wheat Board makes further payments.

In the case of oats, the producer gets for 100 specified acres a cash advance of 20 cents a bushel on 1,500 bushels, which gives him \$300, and this puts him in the same class as the man who is marketing wheat. In addition, he gets an 800-bushel unit, which every oat producer is allowed to deliver at the beginning of the crop year.

In the case of barley, if we take the same-sized farm, the producer gets for 100 specified acres a cash advance of 35 cents a bushel on 857 bushels, which gives him \$300. In addition he delivers his 500-bushel unit, which every barley producer is allowed to deliver at the beginning of the crop year, and he receives the money for that also.

By this scheme the men who grow grain, whether wheat, oats or barley, are all placed in the same position. The six-bushel quota is the starting point.

**Hon. Mr. Crerar:** Will my honourable friend permit a question? This is a point on which I am not very clear. Let me read the relevant section in the bill.

The quantity of grain in respect of which an advance payment may be made to a producer shall not exceed the quantity that would be deliverable under the applicant's current permit book on a quota of six bushels per specified acre.

The six bushels refers to "grain", not to wheat.

**Hon. Mr. Aseltine:** It is all based on wheat; these other grains are being brought into line with wheat. You have to have a starting point; in other words, you cannot have one quota for oats and another quota for barley. The quota of six bushels per acre is the basis for the starting of the arrangement, and, as I have stated in the examples which I gave, they come out evenly.

**Hon. Mr. Crerar:** But I do not see where that is provided for in this legislation.

**Hon. Mr. Aseltine:** I took it up with the Minister of Trade and Commerce, and he told me that was the case.

**Hon. Mr. Haig:** It is provided for in the legislation on the \$3,000 basis. If you keep that in mind, you will get it right.

**Hon. Mr. Aseltine:** You may ask why the amount per bushel is fixed at 50 cents for wheat, 20 cents for oats and 35 cents for barley. The reason is that we had to arrive at a sum which would be somewhere near one-half of what the farmer would receive. By fixing the amount per bushel in that way it obviates the expense of inspection, grading and that sort of thing. As honourable senators know, there are five or six grades of wheat, perhaps as many grades of barley, and several grades of oats. In each case the expense of inspection and grading is saved.

These cash advances will be made up until June 1, 1958, and in subsequent years from the beginning of the crop year, August 1, until June 1 in the following year.

I should like to inform honourable senators that there are approximately 231,000 permit holders, and their 300-bushel units amount in all to 69 million bushels. Perhaps I should go further and mention that there are 62 million specified acres. By doing a little arithmetic, it is easy to figure out what would be the total if everybody applied for a cash advance. But of course everybody will not apply.

**Hon. Mr. Macdonald:** What would it amount to if everyone did apply?

**Hon. Mr. Aseltine:** I think it is \$186 million. The calculation is made by multiplying 62 million by 6 and taking half of it.

The reason why everybody will not apply for cash advances is that there are already quite a number of Prairie points where a one-bushel quota has been set, in addition to the unit, and in some places a two-bushel quota has been set. Those quotas will be deducted from the six bushels in arriving at the amount of advance which the farmer may obtain. But as I pointed out in the example I gave a few minutes ago, the unit is not deducted.

**Hon. Mr. Golding:** Would the honourable senator permit a question before he leaves the marketing end of this scheme? It has been stated to the house that an attempt is being made to put the producers of wheat, oats and barley on an equal level, or as nearly equal as possible. Is that the suggested plan?

**Hon. Mr. Aseltine:** Yes.

**Hon. Mr. Golding:** I should like to know whether as much difficulty is being experienced in the marketing of barley and oats as in the marketing of wheat. That is my first question.

**Hon. Mr. Aseltine:** I do not think there is very much difference. We are shipping feed oats and barley to Ontario and the Maritimes under the freight assistance arrangement. Barley for malting purposes is an exception; some producers have been able to grow malting barley and ship it out by the carload. But that is taken into consideration in the total amount which such a producer can market.

**Hon. Mr. Golding:** Secondly, would the honourable senator tell us what is the carry-over in each case with respect to oats and barley?

**Hon. Mr. Aseltine:** I do not have that information for my friend tonight.

**Hon. Mr. Golding:** The point I wanted to raise was, if these two grains are selling freely without any heavy carryover, what is the necessity of providing for them on the same basis as is being provided with respect to wheat growers?

**Hon. Mr. Aseltine:** I can assure my honourable friend that there is a large carryover in both oats and barley.

**Hon. Mr. Golding:** That is what I want to know.

**Hon. Mr. Aseltine:** I shall try to get those figures for my friend.

The cost of this scheme is estimated to be between \$100 million and \$150 million. If the total cash advances amount to \$100 million, the interest charge would be \$2½ million; if the advances amount to \$150 million, the interest charge would be \$3½ million. But it is not expected that the total cash advances will go as high as \$150 million, because of the fact that already certain quotas have been delivered, which quotas are deducted from the amount on which the producer can get a cash advance.

I am sure it is quite obvious that the providing of cash advances of \$100 million to \$150 million will benefit the whole economy of the country. The banks will loan the

money to the Canadian Wheat Board at 4½ per cent, subject to the guarantee of the Minister of Finance.

I should like to impress on honourable senators that the advances are not loans; no interest will be charged to the recipients, except in the case of default, when 6 per cent will be charged until the amount is paid up in full.

No objection should be made by honourable senators to the farmers getting these interest-free advances. It will be remembered that when price controls were put on, the millers of this country obtained wheat for 77½ cents a bushel, at a time when we were selling wheat under the British Wheat Agreement at \$1.55 a bushel, and on the open market for more than \$2; and at the same time wheat growers in the United States were getting as high as \$3.50 a bushel. Honourable senators will remember when we passed legislation to bring the British Wheat Agreement into effect, and what happened. I spoke several times on the question of losses under that agreement, and so did the honourable Leader of the Government (Hon. Mr. Haig). Under that arrangement the farmers lost at least \$500 million. So I see no reason why anyone should object at this time to the grain producers getting interest-free advances. These advances are *bona fide* part payments for grain. Formerly, the farmer got an initial payment when the grain was delivered to the elevator. Under this arrangement he will get the advance and deliver the grain later when the elevator space is available.

Honourable senators should also know that an agreement has been entered into between the Government and the elevator companies which will have charge of making these cash advances on behalf of the Wheat Board, whereby they will absorb 10 per cent of the loss in respect of each individual advance up to one-quarter of 1 per cent of the total.

**Hon. Mr. Macdonald:** How could there be any loss?

**Hon. Mr. Aseltine:** We do not expect there will be any losses, for the reason that the elevator people are fully conversant with the affairs of practically every farmer who delivers grain to the elevator, and no advance will be made to a farmer without some assurance that he has the grain and can subsequently deliver it to retire the debt.

It is believed that this system, which is familiar to producers now, will result in efficiency without unnecessary expense. Before the elevator agent makes an advance he insists on an application being signed. This

application covers all details and is verified by an affidavit. The farmer or producer also gives a lien on the grain to the Canadian Wheat Board. One-half of the initial payment on each subsequent delivery is deducted and applied by the elevator agent on the debt, and the entry is made in the man's permit book. For example, when the elevator man makes the advance he enters in the permit book the amount of the advance and all the other details. When the producer brings in wheat after a quota is set up he deducts one-half of the initial payment on that delivery and credits it to the debt in the permit book and sends the money to the Wheat Board.

**Hon. Mr. Lambert:** Would the elevator agent be permitted to deduct from that advance other charges that a farmer might be owing to, say, the implement dealer or to someone else?

**Hon. Mr. Aseltine:** The object of these advances is to enable the farmer to pay his debts and I don't think there is any intention of helping a farmer to get out of paying his taxes or any bank loans that he may have obtained under that act; it will depend on the procedure that is followed as to whether or not the elevator agent has to honour any of those claims.

I want to say something further in favour of this legislation, and that is that the small farmer will benefit most. In spite of the fact that there is a tendency in the Prairie provinces towards larger farms, most of the farmers are still in the category of small farmers.

**Hon. Mr. Macdonald:** What does that mean in acreage?

**Hon. Mr. Aseltine:** I will give the figures: 31,299 permit holders are in the 100 specified acre category.

63,272 permit holders are in the 100-200 specified acre category.

51,762 permit holders are in the 200-300 specified acre category.

31,206 permit holders are in the 300-400 specified acre category.

20,672 permit holders are in the 400-500 specified acre category.

12,160 permit holders are in the 500-600 specified acre category.

I have not given them all. That makes 210,371, out of a total of 231,000 permit holders. The others are larger farmers.

I would like to say that only two permit holders have between 7,000 and 8,000 of specified acres—that means acreage under cultivation. A permit holder would need to have 1,000 specified acres, that is 1,000 acres under cultivation, before he could secure the limit under this legislation, which is \$3,000.

I have certain examples here which might be of interest to honourable senators. Take the case of a man with 50 cultivated acres. He gets his unit of 300, which brings him in about \$370, and he gets 300 bushels, that is 6 x 50 on which he receives 50 cents a bushel, \$150. So, even with a small farm like that he gets altogether \$520 with which to carry on.

I could go on and give examples of 100-acre farms, but I do not think that is necessary. It is just a question of arithmetic.

**Hon. Mr. Macdonald:** Would you mind putting them on the record?

**Hon. Mr. Aseltine:** Well, to do so I will have to make computations here. I have only one or two examples made up. I thought they would be sufficient to show honourable senators what was meant.

Now, honourable senators, this bill does not repeal the Prairie Grain Producers Interim Financing Act, which was amended in 1957 to increase the amount of the loan that a producer could obtain from \$1500 to \$3,000. The amendment to that act was proclaimed some weeks ago, and provides for the making of loans by the banks to producers with a Government guarantee. The banks are charging 5 per cent interest for that money. Under that act in 1955 and 1956 the amount of the loans that a producer could obtain was fixed at a maximum of \$1,500. In the crop year 1955-1956, from November 1 to May 31, 10,326 loans were made by the banks. The average loan was \$764.46, and the total amount loaned was only \$8 million.

In the crop year 1956-1957, from November 1 to May 31, there were 6,117 loans made by the banks to producers. The average loan amounted to \$647.04, and the total amount loaned was only \$4 million.

The farmers do not like that system of doing business. They do not want to pay interest on the product of their own labour. So, recalling that there were 231,000 permit holders, it can be said that comparatively few took advantage of the act.

To my mind the advantages of this new legislation, compared with the old, are four. First, its benefits will be available to all producers. It is not necessary to make application to a bank or banker, with risk of the refusal one meets sometimes when one goes to a bank to borrow money. In many cases farmers who wished to borrow money under the existing act were entirely unknown to the local banker; they had to travel many miles to the nearest branch, and the manager had to investigate their entire financial standing before he could advance them any money. Under the proposed legislation advances will

be made by the elevator agent at the delivery point. In the third place the advances will be interest-free. Whereas, in the crop year 1956-57 loans for only \$4 million were made, if the present bill is passed the system for which it provides will put in the hands of the farmers between \$100 million and \$150 million, and the consequences will be of great benefit to the whole economy of Canada.

I believe, honourable senators, that I have explained the principle of the bill. I do not intend at this time to deal with it section by section; that is not, in my opinion, the proper way to deal with a measure of this kind. However, I think I should add that there are provisions to deal with producers who make default in connection with the repayment of advances, and with those who obtain the advances by giving false information. Such people will be liable to fine or imprisonment or both.

**Hon. Mr. Macdonald:** Does the honourable senator intend that the bill shall go to committee?

**Hon. Mr. Aseltine:** Yes. I have no doubt that this evening the debate will be adjourned, to be proceeded with tomorrow, and it is my intention to move, either on Wednesday or Thursday next, that as this is a money bill, it be sent to the Banking and Commerce Committee, at a meeting of which committee the honourable Mr. Churchill, Minister of Trade and Commerce, will be present.

I hope that I have explained the bill to the satisfaction of honourable senators, and if there are any questions I shall try to answer them now.

**Hon. Mr. Farris:** Could the honourable senator explain the meaning of section 5 subsection (1) (a)?

**Hon. Mr. Aseltine:** I do not see anything wrong with it.

**Hon. Mr. Farris:** I do not either, because I do not know what it means.

**Hon. Mr. Aseltine:** The producer makes his application and sets out the amount of advance payment for which he makes the application. Any points of this kind can be dealt with in committee. I do not think we should go into such matters when we are dealing with the principle of the bill.

**Hon. Mr. Stambaugh:** I understood the honourable senator from Rosetown (Hon. Mr. Aseltine) to state that the specified limits for oats and barley would be 15 bushels and 8½ bushels respectively. As I read the bill, the only number of bushels per acre mentioned in it is 6, which I take it would cover either wheat, oats or barley.

But in the honourable senator's explanation he referred to 15 bushels for oats and approximately  $8\frac{1}{2}$  for barley.

**Hon. Mr. Aseltine:** No, fifteen hundred.

**Hon. Mr. Stambaugh:** In the bill the limitation is to a quota of 6 bushels per specified acre.

**Hon. Mr. Aseltine:** The reference is to wheat, and other grains are brought in line with that. If it is necessary for the sake of clarification to make an amendment, it can be made.

**Hon. Mr. Stambaugh:** Does the honourable senator intend to bring in an amendment to that effect?

**Hon. Mr. Aseltine:** An amendment cannot be moved on the second reading of a bill. Today we are debating the principle of the bill. If its terms are not clear to honourable senators, an appropriate amendment can be made at the proper time.

**Hon. Mr. Reid:** There are two questions I wish to ask. Is there any real market today for wheat? For instance, if the price were reduced could wheat be sold? Is price blocking sales? That is my first question. My second is, how long can wheat remain on a farm without spoiling; and if spoilage takes place, who will be responsible?

**Hon. Mr. Aseltine:** I have had wheat on my farm for seven years and it is still perfectly good. We keep it in dry storage and every year or so we turn it over and let air into it, and then put it back in the building or the bin or the granary or wherever we store it. Under those conditions, grain, particularly wheat, can be kept well year in and year out. It is claimed, in fact, that wheat which for two thousand years had been in the tomb of King "Tut" was taken out and planted, and grew.

**Hon. Mr. Reid:** At the present time we are paying \$3.75 per bushel for No. 7 wheat. If it were cheaper we would buy more, because there would be more farmers producing poultry.

**Hon. Mr. Aseltine:** The honourable senator has reference to British Columbia?

**Hon. Mr. Reid:** Yes. So I ask, is the price blocking the sale of wheat? Is there a fixed price which operates to prevent sales?

**Hon. Mr. Aseltine:** I do not think any more wheat would be sold if the price were reduced.

**Hon. Mr. Reid:** Well, more could be sold to us.

**Hon. Mr. Aseltine:** The reason for the high price to people in British Columbia is the freight rate. No doubt the honourable senator will deal with that point tomorrow when he addresses the house.

**Hon. Mr. Golding:** Will the honourable senator who is sponsoring the bill inform us what is the carryover in barley and oats, and whether it is normal or is excessive? I am not opposing the bill, but I would like to know what the situation is.

**Hon. Mr. Aseltine:** I will obtain that information.

**Hon. T. A. Crerar:** Honourable senators, it will occasion no surprise when you see me rise to talk on the subject of wheat. At various times in the past I have expounded to you my views on the marketing problems which we face in connection with this very important commodity. Before I go on to speak about the bill, however, may I say that I am the culprit to whom the honourable senator from Rosetown (Hon. Mr. Aseltine) referred in his opening remarks when he suggested the reason he wanted to proceed with the second reading tonight was that there was an honourable senator who was going to be absent tomorrow and wanted to have his say before the bill went to committee.

This problem of marketing wheat and other grains is a very serious one. The measure we are considering tonight does not in any way solve that problem; indeed, it makes no contribution at all to solving the important problem of finding markets and making it possible to sell our wheat in those markets at reasonable prices. In a sense this is—what shall I call it?—a relief measure, but I think it is justified.

It might be worth while to sketch briefly the development of the present situation. In 1935, before the general election of that year, the late Lord Bennett introduced into Parliament legislation known as the Canadian Wheat Board Act. It contained compulsory features, but these were suspended by the time the legislation finally emerged from Parliament. This happened after consideration at that time by the Agricultural Committee in the other place, when an understanding was reached whereby the bringing into effect of the compulsory features would be left in abeyance until after the election. The Liberal party, which was in opposition at that time, fought the compulsory features in the legislation.

Well, the Wheat Board came into effect and it was a voluntary board. No farmer was compelled to give his grain to it. He could use it or not as suited himself. That situation continued for several years. In November of 1941 the Wartime Prices and Trade

Board was brought into being by an order in council of the Government by virtue of powers under the War Measures Act. Under the order in council, wages and prices of practically everything were frozen at their existing level, with the exception of wheat, which was left out of the order in council because for many years it had been of a very low order in price. It was considered only fair to let the law of supply and demand operate so far as wheat was concerned until the prices rose substantially higher.

It was not until September, 1943, that wheat, again by order in council under the Wartime Measures Act, was brought under the control of the Wartime Prices and Trade Board. There it remained for some time after the war. In 1946 the Government of the day negotiated with the United Kingdom an agreement known as the United Kingdom Wheat Agreement. I am not going into the details of that agreement. It is not necessary on the present occasion to do so, but under that agreement the compulsory feature was incorporated in the order in council and it was provided that the Wheat Board would have complete control of the selling of wheat. At that time oats and barley were not included.

In 1947, it will be recalled, legislation was brought in to validate this agreement which had been made under the Emergency Powers Act. Well, I just wish to say in passing that in my judgment and in the judgment of men more competent to form a judgment on the matter than I, the wheat farmers of western Canada lost at least \$500 million under the operation of that agreement and during the first period of operation of the subsequent International Wheat Agreement. I wish honourable senators to note this, for I do think it is important, that not only did the Prairie wheat growers subsidize the British consumers at a price of \$1.55 a bushel Fort William during the first two years of the agreement, but they subsidized the Canadian bread consumers at the same price, and during all this time the Wheat Board was selling wheat outside the British Wheat Agreement at much higher prices, as high at one time as \$3.40 a bushel.

It is worth while keeping that in mind. I do not deny for a moment that much foolish talk comes from some of the farm leaders in western Canada in respect of wheat marketing. But there is no doubt that they did suffer. The British Government withdrew from the International Wheat Agreement at the expiration of the first agreement.

**Hon. Mr. Macdonald:** After how many years?

**Hon. Mr. Crerar:** Three years. The first International Wheat Agreement was negotiated in 1949 and it overlapped the British Wheat Agreement by one year. At the end of the first three-year period of the International Wheat Agreement the British withdrew because they did not wish to tie themselves to buy under an agreement. Now, this all arose because the agricultural economy of Europe was broken to smithereens by the war. It was not until five or six years later that Europe's agricultural economy became sufficiently re-established that it could produce nearly the same volume of food stuffs as they had before the war. Those international agreements are still in effect; I think the present one expires in about 1960 or 1961—I am not certain.

While this was going on in Canada the United States followed a policy of price supports for farmers, not only for wheat farmers, but cotton growers, tobacco growers, and many other producers on a somewhat different principle. They said quite frankly, "We are going to support the farmer at this point, and are going to charge the difference up to the Treasury." We did not do that in Canada, and I think we were wise in not doing so. The policy followed by the United States is one which they have great difficulty in getting away from, and which everyone who has any responsibility in government wants to get away from. I have stated before in this house, when the matter was under discussion, that it was costing the American taxpayer over \$1 million a day to pay the storage on all the commodities on which the United States Government had given advances. I mention it because of its effect on the United States, as well as Canada, particularly over the past four or five years, during which time an effort has been made to maintain prices for wheat at as high a level as possible. I have always been convinced that the ultimate effect was that we are holding the umbrella over high-cost producing countries. If the old law of supply and demand had been allowed to operate our farmers in western Canada would have received the very high prices that obtained for five or six years after the war, but would have received very much lower prices in successive years. On balance, however, I am convinced they would have been ahead.

Honourable senators, that gives the background.

Now, under the compulsory Wheat Board legislation no farmer could deliver a bushel of wheat for sale outside the boundaries of the province in which he resided until he had a permit from the Wheat Board to do so. That is the origin of the permit book to

which the honourable senator from Rose-town (Hon. Mr. Aseltine) alluded in his explanation of this bill. That, of course, introduces great rigidity into the whole system of marketing.

It has been argued that one cannot differentiate in a matter of this kind between one section of the community and another. The honourable senator from Huron-Perth (Hon. Mr. Golding) raised the question of why it was necessary to include oats and barley. Can the farmer not sell those grains? He can if he is free to do it and can get cars to ship them, just the same as wheat. But the accumulation of wheat, as the honourable senator from Rosetown said, amounted at July 31 last to over 700 million bushels, with a new crop of 350 million bushels to be harvested a few weeks later. That has created a congestion, and the barley and oat farmers are in the same position as the wheat farmers—they cannot get cars or space to market their grain. For that reason they are necessarily entitled to the same consideration as the wheat farmers are getting under this legislation.

May I draw attention to another matter which was alluded to by the honourable senator from Rosetown, that is, the Prairie Grain Producers Interim Financing Act. I rather gathered from the tone of his remarks that he did not think very much of that act, which was introduced by the late Government to provide cash advances to farmers against grain on their farms which they could not deliver to markets because of the congestion.

**Hon. Mr. Aseltine:** Not cash advances, but bank loans.

**Hon. Mr. Crerar:** My honourable friend is very alert tonight, and he is anticipating what I am going to say. The method used under that legislation was advances through the banks. In other words, an arrangement was made with the banks by which they made a loan to the farmer at an interest rate of 5 per cent, and the Government guaranteed the banks in the event of loss up to a certain small percentage of the loss. The advantage of that method was that it left the Wheat Board free of dealing with this matter altogether; it also left the elevator agents free of dealing with it altogether. In addition, the bank could take security on the grain under section 88 of the Bank Act, and the farmer was then obligated to repay it, and if he did not do so he was criminally responsible.

**Hon. Mr. Macdonald:** Civilly, not criminally.

**Hon. Mr. Crerar:** Civilly, yes; I used the wrong word. I am not a legal man, and consequently I get these phrases mixed up sometimes.

**Hon. Mr. Macdonald:** You do pretty well.

**Hon. Mr. Crerar:** But under this bill we are now considering the Wheat Board makes the advances to the elevator companies. The Wheat Board gets the money to do so, under a provision of the bill, whereby the Minister of Finance gives the banks a guarantee for the amount required, and the money is made available through the Wheat Board to the elevator agents at the thousands of country elevators scattered over the prairies. The elevator agent then makes the advance direct to the farmer. What he will do, in all likelihood, is to issue the farmer a cash ticket, which he could not do under the Grain Act, but which he can do under this measure, since the provision of the Grain Act in this respect is set aside. The farmer then gets his money, and he is supposed to repay it within that crop year.

The first observation I wish to make about that is that it will increase very greatly the clerical work of the Wheat Board, and especially the clerical work of these elevator agents.

**Hon. Mr. Aseltine:** I have not heard the elevator agents complaining about the money they are making and which they are getting as the result of all this storage.

**Hon. Mr. Crerar:** Of course, they are not complaining. Why should they?

**Hon. Mr. Aseltine:** Let them do a little more work and earn it.

**Hon. Mr. Haig:** They are agreeable to this, too.

**Hon. Mr. Crerar:** Well, that is one interesting method of getting back at them.

I know something of the responsibility that the elevator agent has—he is the man who manages the elevator for his company—in taking these applications. If honourable senators will refer to section 4 of the bill they will get an idea of the amount of work involved. When the farmer has completed the application, he then signs an agreement that he will repay the loan by the delivery of grain, and he receives his cash advance. But before that is done he has to make an affidavit declaring that the statements he has made to the elevator operator are true and correct.

**Hon. Mr. Farris:** Is this a loan or an advance payment?

**Hon. Mr. Crerar:** It is not a loan. It is an advance payment, on grain to be delivered

later. The elevator agent will issue the farmer a cash ticket, but delivery of the grain is deferred. But as I have said, before he can receive the advance he must make the application, sign the undertaking, and prepare the affidavit stating that the facts as set forth are true and correct.

I notice, although it is not very important at the moment, that the bill makes no provision, as is usual in legislation of this kind, as to who is qualified to take the affidavit.

There was a question raised, I believe by the honourable Leader on this side (Hon. Mr. Macdonald), as to how losses would arise. While there were some small losses under the method by which banks made loans to the farmers, the losses, if any, which would arise under this arrangement would probably be very small in amount. But a farmer who receives a cash advance may say to himself, "True, I owe this amount to the Government, but the Government has lots of money". So, he sells his farm, his grain and everything and moves away.

**Hon. Mr. Aseltine:** How can he sell his grain?

**Hon. Mr. Crerar:** I do not get my friend's point.

**Hon. Mr. Aseltine:** The farmer has to take it to the elevator and sell it to the Wheat Board.

**Hon. Mr. Crerar:** That is not what I mean at all. My thought is, some person may come along and offer the farmer a price for his farm, grain and everything; a transaction is made, and he moves away.

**Hon. Mr. Aseltine:** But the purchaser cannot sell that grain under the law.

**Hon. Mr. Macdonald:** He has a lien on it.

**Hon. Mr. Haig:** No, he has not.

**Hon. Mr. Crerar:** I will deal with the matter of liens in a moment.

**Hon. Mr. Aseltine:** The second man cannot sell that grain, because he did not produce it.

**Hon. Mr. Crerar:** My friend is not quite right in what he says. The farmer himself has received a cash ticket, which was really a sale of his grain; a week after he gets the cash against that ticket he goes out and sells the grain to a neighbour to feed livestock.

**Hon. Mr. Macdonald:** Clause 10 distinctly says the Wheat Board has a lien on the grain.

**Hon. Mr. Crerar:** That is true. I am speaking of the farmer who intentionally goes wrong on it. I suppose legally the board could take a lien on the grain, but what use

would that be if the grain had been consumed? But I have in mind another section, which I am unable to find at the moment, which states that the claim of the board has priority over all other claims.

Now, I am not a lawyer, but as I see it, if some other resident in the community has a registered lien on the grain—for whatever consideration you may like—will that lien not be a prior lien to the claim of the Wheat Board? This is a matter which occurred to me as I was reading the bill, and it is a matter for the lawyers to discuss.

**Hon. Mr. Macdonald:** And for the committee to discuss.

**Hon. Mr. Crerar:** Yes, for the committee too. I think that it is a matter that should be cleaned up.

**Hon. Mr. Haig:** Do I understand my honourable friend to mean that if his point of view is correct the legislation is no good and we should vote against it?

**Hon. Mr. Croll:** He did not say that.

**Hon. Mr. Haig:** He is capable of giving his own answer. Does my friend mean that the legislation has a quirk in it, and that another lienholder might beat us to the gun and we might lose money, so we should vote against this legislation?

**Hon. Mr. Crerar:** Well, my honourable friend has a rather fantastic idea about it.

**Hon. Mr. Haig:** I am just asking what you mean.

**Hon. Mr. Crerar:** The point I was making was a very practical one.

**Hon. Mr. Haig:** That may be so, but I want to be clear on it.

**Hon. Mr. Crerar:** If what the honourable leader says means anything it means that, notwithstanding any risk involved, we should still make the cash advance.

**Hon. Mr. Haig:** No, I did not say that. Your argument, as I understand it, is that if there is a possibility of another lienholder being ahead of us, we should not pass this legislation. Is that your argument?

**Hon. Mr. Croll:** He has not said it yet.

**Hon. Mr. Crerar:** I have just now been able to turn up the section I had in mind a few minutes ago. It is section 11. Perhaps I should read the first part of subsection 1 of that section:

Where a delivery of grain, otherwise than on a unit quota, is made under a permit book bearing an endorsement under section 8 by any producer named in the permit book, the manager or operator

of an elevator or other person receiving delivery of the grain for the board shall deduct and pay to the board, in priority to all other persons . . .

Now, what does that mean?

**Hon. Mr. Aseltine:** That refers to subsequent deliveries.

**Hon. Mr. Crerar:** No.

Let me give an illustration—and I am afraid I am not making myself clear at all tonight. A farmer has grain in his granary; he owes an implement company, a bank or someone else, who takes a lien on his grain. That is a common practice in western Canada. Then if he does not pay his debt they take his grain.

**Hon. Mr. Aseltine:** They do not do that any more, because if they take a lien on grain, they cannot sell it anyway, as they have no permit.

**Hon. Mr. Crerar:** That is not quite the point I have in mind. If there is a prior lien on the grain—and there may be under a provincial law—what is the meaning of stating in this bill that a lien to the Wheat Board has priority over everything else? I may be entirely wrong on the matter, but I do think that when the bill is at the committee stage we should have a full explanation on it.

I do not wish anyone to get the impression that I am opposed to this legislation. I think under the circumstances it is necessary. I doubt very much, however, if it is better than the method of making loans through banks, as has obtained for the last few years. There is of course the advantage, as the honourable senator from Rosetown (Hon. Mr. Aseltine) has pointed out, that this is really a purchase of grain with a deferred delivery; and in that case the farmer gets the money and pays no interest on it. However, interest is paid on that money, and it comes from the Consolidated Revenue Fund.

The second point my honourable friend made is—and I must admit there is some force to it—that it is frequently not convenient for a farmer to go to a bank and get a loan. He has elevator agents within a few miles of him, whereas he might have to travel 15, 20, 35 or even 40 miles to reach a bank. Unquestionably here is an advantage in that respect; but on the other hand against that we have to recognize that there will be a great increase in cost for the Wheat Board staff in looking after the detail of the several hundred thousand loans, if they are made. It means a great deal of additional work for elevator agents, and the only thing that the Treasury will pay is the interest and the losses, if any losses occur. All the other incidental expenses that I speak of—the

necessary clerical help, the printing, the forms and everything else—are all to be charged to Wheat Board funds, and consequently, when the final adjustment for the year is made, will be a deduction from the total receipts going to the farmers. It is worth trying out, but the one thing I do wish to say before I sit down is that I think it is important to get a clear understanding of the problem as it affects the farmers.

One other point has just occurred to me, and that is the criticism that has been made that this is a discrimination in favour of the farmers. Well, that can be argued. There are pulpwood producers, I am told, who cannot sell their pulpwood today because the pulp mills are unable to find a market for their product. Well, it would be just as reasonable for the Government to come to their assistance and say, "We will buy your pulpwood and give you a cash payment on it and you can deliver it later on." The same point applies to all other primary products. The fishing industry is not in too good shape today.

There is a principle running all through this legislation that I think should have the serious consideration of Parliament. There is one difference, however, in respect of grain and that arises because the marketing of grain today is a state monopoly. A farmer is not free to sell his wheat outside of the province where he lives for any price he might be willing to accept. I think those circumstances place wheat in a little different category from these other things that I have mentioned.

**Hon. Calvert C. Pratt:** Honourable senators, just to set the record clear as I see it, I would like to refer to one matter which the honourable senator from Churchill (Hon. Mr. Crerar) dealt with a moment ago. He referred to the British Wheat Agreement and the loss which the farmers of Canada suffered under that agreement, which I think extended over a period of three or four years. I had a close connection with this issue at that time, and being a resident of Newfoundland, which was then a foreign country as far as that wheat disposal was concerned, I can state from first-hand knowledge that the agreement did not result in the direct loss to the farmers of Canada which the honourable senator indicated.

When the British Wheat Agreement was made Canada had an assured market in Great Britain for, I think, practically the whole of the wheat requirements of that country. The very next day after that assured market was created by the signing of the agreement the price of flour to all foreign markets of Canada was increased.

In Newfoundland the report came out in the evening of the day on which the agreement was signed, and I remember it well. Next morning the quotations came in from the flour millers of Canada advancing the price to the same level as in all foreign markets, so that less than 400,000 people in Newfoundland paid an increased price which on 800,000 sacks, the equivalent of a year's requirement, would amount to an increase of about \$1 million. That price was increased the next year and again the following year, and there was a time when Newfoundland consumers paid an increased price equal to \$1,250,000 per year on a year's purchase of flour while the British Wheat Agreement was in force. Foreign prices had all gone up over the level that had previously prevailed, and that was the offsetting factor for the reduction to farmers under the British Wheat Agreement. It was the stabilizing effect of that agreement which permitted the advanced prices in foreign markets.

I thought I should make that clear, honourable senators. I have often heard it said that the farmers were penalized by that agreement. The amount of recovery by the increase in foreign prices was tremendous. I know that personally, because I was a member of a committee which took the matter up with the Newfoundland Government to try to get Newfoundland brought in under that agreement. Of course, our efforts were not successful, because the agreement applied only to Great Britain.

**Hon. Mr. Crerar:** May I say a word about that, honourable senators?

Before the British Wheat Agreement came into effect, at the beginning of the crop year in 1946, the first of August, the prices that governed were the wartime prices and the Wheat Board prices for wheat, which then were lower than the negotiated price with the United Kingdom. But as the honourable senator from St. John's West (Hon. Mr. Pratt) states, Newfoundland did not participate in the agreement. Consequently Newfoundland was in the same position as Holland or Denmark or any other country, and paid what was known then as the world market price for wheat. That explains why flour prices in Newfoundland advanced in the way they did after the war.

**Hon. Mr. Pratt:** The world market price went up as soon as the assured market in Great Britain was there by reason of the wheat agreement.

**Hon. Mr. Davies:** As one who knows nothing about the growing or storing of wheat, I should like to ask the honourable senator

from Rosetown (Hon. Mr. Aseltine) two questions. Who sets the price of wheat? And, does the price vary at all?

**Hon. Mr. Aseltine:** The Canadian Wheat Board sets the price; and it has varied, mostly downward, in the last few years.

On motion of Hon. Mr. Macdonald, the debate was adjourned.

## DIVORCE

### REPORTS OF COMMITTEE

**Hon. F. W. Gershaw,** for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 25 to 37, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to.

### BILLS—FIRST READINGS

**Hon. Mr. Gershaw** presented the following bills:

Bill N, for the relief of Joseph Alfred Victor Tasse.

Bill O, for the relief of Claudine Yvette Felicite Cavallero Neeley.

Bill P, for the relief of Evelyn Thelma Passineau Uyeda.

Bill Q, for the relief of Ronald Victor Turner.

Bill R, for the relief of Charles Frederick Church.

Bill S, for the relief of Sarah Sally Abramovici Schor.

Bill T, for the relief of Eunice Kennedy Standeven.

Bill U, for the relief of Kathleen Louise Blaylock Hall Dunning.

Bill V, for the relief of Mary Hilbert Madge.

Bill W, for the relief of Marthe Helene Le Bel Champion.

The bills were read the first time.

**The Hon. the Acting Speaker:** Honourable senators, when shall these bills be read the second time?

**Hon. Mr. Gershaw:** Wednesday next.

## PROPERTY QUALIFICATIONS OF SENATORS

### MOTION FOR SUPPLEMENTARY RETURN

**Hon. Mr. Haig:** Honourable senators, with leave, I move:

That the Clerk of the Senate be authorized to receive the renewed declarations of property qualifications from those members of the Senate who have not had an opportunity to make and to file the same in accordance with Rule 105, and to make a supplementary return accordingly.

The motion was agreed to.

## BANKING AND COMMERCE COMMITTEE

## ADDITION TO MEMBERSHIP

**Hon. Mr. Aseltine:** Honourable senators, with leave, I move:

That the name of the Honourable Senator Robertson be added to the list of senators serving on the Standing Committee on Banking and Commerce.

The motion was agreed to.

## PRIVATE BILL

BELL TELEPHONE COMPANY OF CANADA—  
MOTION FOR THIRD READING—  
DEBATE CONTINUED

The Senate resumed from Thursday, October 31, the debate on the motion of Hon. Mr. Golding for the third reading of Bill C, respecting The Bell Telephone Company of Canada.

**Hon. P. H. Bouffard:** Honourable senators, it is getting late, and I do not want to be very long. May I first excuse myself for the fact that, owing to uncontrollable circumstances, I could not be here on Thursday, when the third reading of this bill was moved. I wish especially to thank all honourable senators for the great courtesy they have shown me when dealing with this matter in my absence. All of them—those who were not entirely satisfied as to the meaning of the bill, as well as those who were—have shown me extreme courtesy, and it makes me the more appreciative of belonging to an assembly which is so kind to every one of its members.

Certain members of the committee which dealt with the bill expressed doubt whether the effect of section 2 would not be to interfere to a certain extent with provincial legislation, especially as regards the securities commissions which operate in practically every province for the prevention of fraud. Certainly any such intention never entered the minds of the company or any of its officers, including the eminent lawyer who drafted the bill—and whom, I believe, most of you have seen before the committee. He assuredly never believed that federal legislation could, in any way, shape or form, cancel or invalidate that provincial legislation which was declared by the Privy Council to be within the jurisdiction of the provinces. His contention that no provincial laws are violated is based on the case of *Lymburn et al versus Mayland*. In that case securities commission legislation was attacked as being unconstitutional, and the Privy Council decided unanimously that there was nothing unconstitutional about this legislation, and that all these provincial commissions entrusted with the supervision of sale of securities rightly

existed and operated in each province, notwithstanding the fact that federally incorporated companies would be subject to these commissions. Since that time there has been no judgment of any court in which so much as an attempt has been made to question the constitutionality of any provincial legislation relating to commissions regulating the sales of securities. I repeat, therefore, that this was not in the mind of those responsible for drafting the bill.

It may seem to some honourable senators that the validation of issues of this kind by the federal authority is an encroachment upon provincial legislation. I met today with the honourable senator from Mille Isles (Hon. Mr. Monette), who spoke on this matter at the last sitting of the Senate, and I assured him that nothing of the kind was intended. The company certainly feels that no legislation passed by the central Government would enable a company to avoid provincial laws. At any rate, I informed the honourable gentleman that I would be glad to second any amendment that would clarify this legislation in the minds of honourable senators. The company never intended to bypass necessary "blue sky" laws, which come under the exclusive jurisdiction of the provinces.

I would like to comment briefly on the possibility of not sending this bill back to committee. As honourable senators know, time is limited for the handling of private bills in the House of Commons. If before the session ends the company is not authorized to increase its capital stock it will not be able to go through with its financing and expend a proposed \$198 million on work during 1958. This will mean unemployment for many, and a large number of applicants for telephone service will not be able to get it. The company will not be able to make certain improvements needed to enable it to give the kind of service it would like to give. It seems to me that a debate could be held now in this chamber and, if necessary, an amendment could be made to clarify the special situation which has already been discussed. If the amendment met with the approval of honourable senators it could be adopted and the bill could be read the third time and sent to the House of Commons as soon as possible.

## BILL AMENDED

**Hon. Gustave Monette:** Honourable senators, I am pleased with the explanation just given by the honourable senator from Grandville (Hon. Mr. Bouffard). May I assure the house that I have no intention of delaying passage of this bill. Last Thursday when the honourable leader opposite (Hon. Mr. Macdonald) moved the adjournment of

the debate on third reading of the bill, I immediately agreed to withdraw my motion that the bill be referred back to the Standing Committee on Transport and Communications for further consideration. At that time I had not had an opportunity to discuss the bill with the honourable senator from Grandville, but we met today and went over the bill together. We fell into immediate agreement that there was no desire on the part of the Bell Telephone Company to avoid the authority of the provincial securities commissions, but I express my surprise as to the wording which appeared in section 2 of the bill, although I am sure that the company had no intention to disregard any authority. The bill makes only one condition as to the validity therein decreed of the issue as well as of the sale of capital stock, namely, that such issue and sale be in accordance with the approval of the Board of Transport Commissioners for Canada.

In view of the well-known rule in law that if you make an exception for one particular case you are not supposed to extend the exception to other cases, some honourable senators on both sides of this house felt that it appeared as though the company wished to disregard the authority of the provinces. There is no doubt that the authority of the provinces would have been maintained by the courts; but this would have entailed litigation and certain difficulties, and innocent parties would have been put to expense.

I explained my point of view to the honourable senator who sponsored the bill (Hon. Mr. Bouffard) and we came to an agreement which is embodied in an amendment that I wish to move. Therefore, honourable senators, I move, seconded by the honourable senator from Grandville:

That section 2 of the bill be amended by inserting after the word "stock," on page 2, line 6, the following:

Subject to any applicable legislation relating to the issue, sale or disposition of securities by corporations,

The last sentence of section 2 would then read:

Subject to any applicable legislation relating to the issue, sale or disposition of securities by corporations, the issue, sale or other disposition of capital stock by the company in accordance with such approval shall be legal and valid for all purposes.

**Hon. Mr. Croll:** Honourable senators, I move the adjournment of the debate.

**Hon. Mr. Macdonald:** Honourable senators, I would suggest that we might approve the amendment and then if the honourable senator from Toronto-Spadina (Hon. Mr. Croll)

wishes to speak on the bill he can adjourn the debate on third reading. If he is not prepared to speak tonight, perhaps we could still dispose of the amendment now.

**Hon. Mr. Croll:** I do not want to be misunderstood. If the house is prepared to sit longer, I am prepared to speak.

**Hon. Mr. Macdonald:** I suggest that we dispose of the amendment first.

**Hon. Mr. Croll:** Honourable senators, I have not yet got the full significance of the point of the amendment, and I should like to hear from some of the members who have been discussing the matter, to ascertain what their opinion is.

**Hon. Mr. Bouffard:** The purpose of the amendment is to make more clear that all legislation, whether provincial or federal, concerning the issue, sale or other disposition of the stock, shall continue to be valid and applicable. That is all that it seeks to clarify.

**Hon. Mr. Croll:** All right.

**The Hon. the Acting Speaker:** Honourable senators, the question is on the motion of the Honourable Senator Monette, seconded by the Honourable Senator Bouffard, to amend clause 2 of Bill C by inserting after the word "stock," in line 6 on page 2 of the bill, the following:

Subject to any applicable legislation relating to the issue, sale or disposition of securities by corporations,

Is it your pleasure to adopt the motion?

**Hon. Mr. Reid:** On division.

The amendment was concurred in, on division.

On motion of Hon. Mr. Croll, the debate on the motion for third reading of the bill was adjourned.

**DIVORCE**

**REPORTS OF COMMITTEE ADOPTED**

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 12 to 24, which were presented on October 31.

**Hon. Mr. Gershaw,** for Hon. Mr. Roebuck, Chairman of the Committee, moved that the reports be adopted.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

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## THE SENATE

Tuesday, November 5, 1957

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

Prayers.

Routine proceedings.

### OLD AGE SECURITY BILL

#### FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 19, to amend the Old Age Security Act.

The bill was read the first time.

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

Hon. Mr. Monette: Honourable senators, I move, with leave, that this bill be placed on the Order Paper for second reading tomorrow.

Hon. Mr. Macdonald: Am I to understand that the second reading of this bill will be the first item of business tomorrow?

Hon. Mr. Haig: No, I do not think so. It will be placed on the Order Paper for tomorrow.

The motion was agreed to.

### INTERNAL ECONOMY

#### REPORT OF COMMITTEE

Hon. W. M. Aseltine, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's second report.

The Clerk Assistant (reading):

The Standing Committee on Internal Economy and Contingent Accounts make their second report as follows:

Hon. Mr. Aseltine: Honourable senators, I suggest we dispense with the reading of this report. It will appear in the *Minutes of the Proceedings* tomorrow, and all senators will then have an opportunity to examine it carefully.

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

Hon. Mr. Aseltine: Next sitting.

### DIVORCE

#### BILLS—FIRST READINGS

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill X, for the relief of Elizabeth Dermer Boyd.

Bill Y, for the relief of Clarice Mendell Uditsky.

Bill Z, for the relief of Dorothy Elizabeth Allen Bellenger.

Bill A-1, for the relief of Mildred Weiner Gordon.

Bill B-1, for the relief of Theresa Mary Moran Redmond Cooke.

Bill C-1, for the relief of Siegmund Paul Fritz Matthes.

Bill D-1, for the relief of Lillian Boyce Suttner.

Bill E-1, for the relief of Helen May Verner Joyce.

Bill F-1, for the relief of Lila Redmond McCorrison.

Bill G-1, for the relief of Phyllis Freda Sabbath Isaacson.

Bill H-1, for the relief of Marguerite Lavoie Jolin.

Bill I-1, for the relief of Margaret Lillian Mackenzie Smallwood.

Bill J-1, for the relief of Edith Elizabeth Altherr Thompson.

The bills were read the first time.

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

Hon. Mr. Gershaw: Thursday next.

### PRAIRIE GRAIN ADVANCE PAYMENTS BILL

#### SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Aseltine for the second reading of Bill 14, to provide for advance payments for prairie grain prior to delivery thereof.

Hon. W. Ross Macdonald: Last evening we listened in this chamber to two honourable senators, both of whom, it can be said, are experts not only on the sale and disposal but on the growing of wheat. I do not presume to any knowledge concerning the growing of wheat, nor can I claim any expert knowledge of how it should be sold or otherwise disposed of. However, in the eighteen years during which I was in the House of Commons not a session went by but the subject of the sale and disposition of wheat was discussed, so I am not entirely ignorant about a matter which means so much to Canada.

I was very pleased, as no doubt were all honourable senators, to hear the honourable senators from Rosetown (Hon. Mr. Aseltine) and Churchill (Hon. Mr. Crerar) discuss the bill whose second reading is now under

consideration. However, so far as I am concerned this discussion left much to be desired. Quite a number of points that were raised were not cleared up to my satisfaction nor, I am sure, to that of many other honourable senators. I was glad to know that it is the intention of the honourable senator who introduced the bill to recommend that it be sent to committee. That course, in my opinion, is the right one, and no doubt in that way we shall get a lot of information which we desire to have, and possibly we may be able to improve the bill. When this "Act to provide for advance payment for prairie grain prior to delivery thereof" was introduced, it was hailed as a means of solving a great problem with which this country is faced. We were given to understand that at last a solution had been found to a great question which has occupied Parliament for many years, and that now we could turn our attention to something else. But it is evident, honourable senators, that the problem of the sale and disposal of wheat remains as insoluble as ever. It is with us today, and will remain, though this bill is passed, as acute as it has been over the years.

I think honourable senators will agree with me that there is only one solution, and that is to sell the wheat. We have to dispose of it. There are those who say we should curtail wheat production, but I do not line up with them. In the United States they had what they called a soil bank, but from what I understand that scheme did not work satisfactorily. I think it would be very difficult to say to western Canadian farmers that they are not to grow wheat on their wonderful wheat-producing lands. To my way of thinking the solution is to dispose of the wheat.

We have been doing fairly well in selling wheat over the years. It is true we have not sold as much as we have produced; but we have sold a considerable amount. The honourable senator from Rosetown when speaking last night gave the impression that we had not been able to sell our wheat. He was talking about the production of wheat, and he is reported at the bottom of the first column of page 95 of *Hansard* as saying:

As a result of the congestion the producers have not been able to sell their grain

Well, is that so? Then he went on to say: and so have not been able to get the necessary funds to carry on.

The fact is that every year millions of bushels of wheat have been sold. The honourable gentleman from Rosetown even said

so himself. I quote from his remarks in the second column of page 95:

The present situation as to wheat is something like this. There are 400 million bushels in country and terminal elevators and in transit, and there are 300 million bushels in storage on farms. The 1957 wheat crop amounts to approximately 350 million bushels.

That makes 1,050 million bushels. Then in the next paragraph he said:

It is estimated that 150 million bushels of wheat will be used in Canada

And of course it will be sold in Canada. and that 300 million bushels will be exported.

And of course that wheat too will be sold if it is exported. This means that during the coming year the estimated sale of Canadian wheat will amount to 450 million bushels. Therefore it is not correct to say that as a result of what has taken place the western farmers have not been able to sell their grain and so have not been able to get the necessary funds to carry on.

It is true they have not been able to sell their grain as soon as it is harvested, but over the years a huge quantity has been sold. Many hundreds of millions of dollars have come into Canada from the sale of Canadian wheat, and of course this money has gone to the farmers who produced the grain. That is as it should be. But I mention this to point out that we have not been entirely without the revenue which comes from the sale of three or four hundred million bushels of wheat every year.

Honourable senators, when the present administration came into power we all had great expectations as to what would occur as a result of the new trade policy. We looked forward to great things, and we thought that Canada's trade would be greater than it ever had been in the past. But what happened? We are more confused about this trade problem today than we have ever been before. We cannot see the daylight. I hope it is there, and that the problem will be solved. We find, however, that shortly after the new Government came into power the Prime Minister went to the Commonwealth Prime Ministers' meeting in London, England, and made a proposal that 15 per cent of our purchases from the United States should be diverted to the United Kingdom. We did not take any objection to that proposal, if it can be done, nor do I think the people of Canada took any objection, but that statement was scarcely in the press when shortly afterward another minister went to the United States and boldly and courageously told the Americans that we did not like the way they were doing business, especially their give-away policy with respect to wheat. Shortly after that there was a meeting at Mont

Tremblant, and we were all startled when a proposal was made that we should have complete free trade with the United Kingdom. That proposal did not come from our Government, but nevertheless it was made, and we were becoming perplexed. A short time later another minister, probably one who had been at those conferences, went to Washington, and again the Americans were boldly told that we did not like their way of doing business, especially their give-away policy in connection with wheat. Then there was a hurried trip by the Minister of Trade and Commerce to London. We thought something might come out of that. The minister returned and, despite our hopes, nothing has come out of it yet. Again, a minister went to New York with a hat in one hand and a club in the other, and he also told the American people that we do not like the way they are doing business, especially their give-away policy. That minister has scarcely returned home, when another minister is off to Geneva, and of course we hope something will come of this. And now what do we hear? Well, we hear that the ministers are going to China to sell goods to that country. Honourable senators, we trust these endeavours will produce the desired results, but I must say that none of us can see the daylight; it seems more like a Chinese puzzle to us than anything else. The problem is truly there.

Again, we were amazed just at the end of last week when we read that India was to get \$7 million worth of wheat under the Colombo Plan. Under that plan India or any other country does not pay dollars or sterling—in fact, does not pay anything—for what it gets. So what are we doing? I am in favour of the Colombo Plan, wholeheartedly in favour of it, but what are we doing? Are we now going to compete with the United States give-away policy in connection with wheat? Is that the proposal? We do not like it when the United States gives away wheat, and we have complained to them for doing so. Are we now saying that we, too, are going to give away wheat? If that is the policy of the Government I think we should know it. I repeat that I am strongly in favour of anything that we can do under the Colombo Plan. This year the former Government provided for an expenditure of \$34.4 million under the Colombo Plan. The present Government has increased that to \$35.4 million. How is that expenditure distributed? Honourable senators, as far as I can make out we have not given any wheat to India under that plan since 1953. We have been using that money for the payment of metals, for capital projects, and for sending people to India in order to give certain technical assistance. So the \$7 million which during the last few years

has been paid largely to Canadian industries for capital goods is now not going to be paid to them. I am not here to say that Canadian industries are more entitled to it than is the Wheat Board, but when we divert it from the industries to wheat it means that \$7 million less will be going into the industries of this country for wages and so forth. That is what the shift means. And I ask you, honourable senators, whether at this time, when the industrial picture and the employment situation is not too bright, is it advisable to make the shift now from industry to the Wheat Board. I say that is the only way in which this gift of \$7 million in wheat can be carried out.

Honourable senators, may I now turn to the bill itself? I was disturbed last night during the discussion on clause 10 of the bill relating to liens. Clause 10 reads:

Where the board has made an advance payment to a producer, the board has a lien for the amount thereof on the grain in respect of which the advance payment was made.

There is no information here as to whether this is a first lien or second lien, or whether it has priority over any other lien. Now, I understand—and if I am wrong some honourable senator from the west can correct me—that if a farmer neglects to pay his taxes the municipality has a lien on whatever he possesses for the payment of those taxes. If I am wrong I stand to be corrected, but if I am right I want to know which lien comes first, that of the Wheat Board or that of the township.

I understand provision is made under the Prairie Grain Producers Interim Financing Act that a bank can take a lien on the produce of a farmer; that I am told can be done under section 88 of the Bank Act. If that is so, which lien comes first, that of the township, that of the Wheat Board or that of the bank? This is a question which was not answered satisfactorily last evening; I hope that when the bill goes to committee the matter will be definitely settled, and that if necessary the bill will be amended.

One further matter was not, in my opinion, disposed of satisfactorily last evening: I refer to the affidavit which the farmer has to make before he gets his advance. Who draws the affidavit, and before whom is it sworn? Does the farmer have to go to a lawyer who prepares the affidavit for him and then acts as commissioner in the taking of the affidavit, for all of which the farmer has to pay the lawyer? I am not practising law in western Canada, so I cannot speak for myself. But does the farmer have to go to this trouble and expense?

**Hon. Mr. Aseltine:** No. All the elevator operators are commissioners for taking oaths and they can swear the affidavit.

**Hon. Mr. Macdonald:** And do they prepare the affidavits?

**Hon. Mr. Aseltine:** The affidavits are printed.

**Hon. Mr. Macdonald:** Thank you for that information.

Further, I should like to know how the additional expense in connection with the administering of this legislation will be handled. It is obvious that the board will have to take on a great many more employees, and additional expense will be incurred in connection with this legislature. Is that to be paid out of the Consolidated Revenue Fund, or will it be a charge against the farmers when they get their final payment?

**Hon. Mr. Haig:** It is going to be paid by the Government, of course.

**Hon. Mr. Macdonald:** I fail to see anything in this bill to that effect. All I see in that connection is that the Government will pay all interest charges, and any losses less 10 per cent. According to the bill, all other expenses are to be charged up against the money the board gets when it sells the wheat, and the farmer is going to have to bear his share.

Honourable senators, I feel that the farmers will be rather disappointed with this legislation. It was introduced because the Prairie Grain Producers Interim Financing Act was not satisfactory, in that the farmers were not able to borrow enough money. It will be recalled that in 1956 that act was amended to increase the limit of borrowing by farmers from \$1,500 to \$3,000. Under that legislation the farmers now can borrow up to \$3,000. But under the bill now before us a farmer must have 1,000 specified acres to qualify for an advance of \$3,000. If he has fewer than 1,000 specified acres he cannot possibly get \$3,000. Now, how many farmers in western Canada can qualify for 1,000 specified acres?

I think the honourable senator from Rose-town for the figures he put on page 98 of *Hansard* last evening. He pointed out that there was a total of 231,000 permit holders. He gave the breakdown of the number of permit holders for the 100-200 specified acre category, the 200-300, the 300-400 and so on up to the 500-600 specified acre category. I have added up these figures and I find that there are 146,333 farmers in the 300 specified acre category or lower. That is to say, out of 231,000 permit holders, 146,000—or about 65 per cent—have 300 specified acres or less. Now, a farmer with 300 specified acres will

get the 6-bushel quota, or a total of 1,800 bushels, and at 50 cents a bushel he can get an advance of \$900. And mark my words, that is merely an advance, not a gift, for this money has to be paid back. That farmer could go to the bank and borrow \$900 at 5 per cent for a year, at a cost of \$45. But he does not have the \$900 for the year. The longest time he can have it is nine months. An honourable senator suggests it is ten months, but I would say nine. It has to be paid back before the next crop year. He does not have the \$900 throughout the whole term of nine months because as he takes his wheat to the elevator he has to pay back part of the money. So we will say he has the \$900 for six months on an average, and at 5 per cent that would cost him \$22.50. So, all that about 65 per cent of the farmers of western Canada can get out of this legislation in dollar value in one year is \$22.50.

Now, honourable senators, I don't blame a lot of them at all for being disappointed. I think that during the last election campaign they were given to understand—I was not in western Canada at the time and I stand to be corrected if I am wrong—that there would be a change.

**Hon. Mr. Haig:** So there is.

**Hon. Mr. Macdonald:** They thought they would not have to avail themselves of the provisions of the Prairie Grain Producers Interim Financing Act but would be able to get money some other way. Formerly they told us they needed \$3,000, and we amended that act so that they could get that amount. They were not satisfied with that; they said they could not get along with it, but would take the \$3,000. And what do we find they can get now? We find they can obtain \$600, for a period of less than nine months.

How can they get along? Well, there is one thing I like about this bill, namely, that it does not repeal the Prairie Grain Producers Interim Financing Act. That act remains in force, and that is a very good thing. This is one reason why I am in favour of the bill. If the Interim Financing Act were repealed the present bill would be practically useless, but in combination with the Prairie Grain Producers Interim Financing Act the bill will be of some help to the farmer. However, I am sure it does not measure up at all to the expectations of those who feel they do need more money and need it soon.

Well, honourable senators, I repeat that this bill does not solve the problem of how to dispose of surplus wheat. As I said at the outset, the problem can only be solved by the sale of the wheat. I do not condemn

the Government for what it has done. I hope it will keep up its efforts and be successful this year in exporting the largest quantity of wheat that has been shipped from Canada in many years.

**Hon. John T. Haig:** Honourable senators, I promise the house I will not delay it long. As I listened to the address of my honourable friend my mind took me back to a night around the 24th of May, 1957, at a little town called Morris in Manitoba. Dear old Morris. At a meeting held there that evening a very distinguished parliamentarian who was supposed to know more about the grain trade and the Canada Grain Act than any other man in Canada—or, in fact, in the world—got up and told what wonderful things he had done for the farmers of Canada, especially those of Manitoba. When the ballots were counted on the 10th of June the Liberal party had elected one member, and that from a city seat. Not a single member of the Liberal party was selected from rural Manitoba. That speech did it. And he was not a Conservative either. He told much the same story as my honourable friend just now told us.

What are the facts of the case? Who started this wheat business? Who started this piling up of wheat? Did the Conservatives do it? No. It was started about five or six years ago when the crops were good and it was impossible to sell all the wheat that was produced. The fact is that today, after you sell 400 million bushels—you won't sell that much, but whatever you do sell—you will still have over 700 million bushels of wheat still on hand.

Now, my honourable friend says we are doing with India what the Americans are doing to the rest of the world in regard to the disposal of wheat. No, honourable senators, we are not. We promised the Indian people some \$35 million, and part of that money was to be paid over in the form of machinery from Canada. But, instead of taking all that money in machinery they are taking part of it in wheat. For goodness' sake, can't we give the farmers a little chance against industry? Can't we allot \$7 million out of the \$35 million to the producers of wheat? Must industry from Brantford and all the other industrial centres receive the whole of the \$35 million? Surely the farmers can have \$7 million of it. That is all we are doing. We are not giving it away, we are simply carrying out the promise we made.

Hundreds of people in Canada have suggested to the Wheat Board that we should give our wheat to the peoples of the world who are hungry.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Haig:** That is the argument they make. We are not even doing that. We are giving it to the people to whom we promised to give \$35 million cash value or cash equivalent. So that argument fails.

Now we come to the question of whether this bill will solve the surplus wheat problems. Of course it will not do that. How in the world does anybody expect that any body of men can dispose of a carryover of 700 million bushels of wheat when our average yearly sale to the world is now 300 million bushels? We can never catch up on that carryover as long as the crops remain good. The United States could not do it, so they are giving wheat away; and not only wheat, but oats and barley.

Honourable senators, the new Government has found the situation to be as follows. Today the farmers of the Prairie provinces are faced with this tremendous problem. I am reminded of an expression which I remember as well as though I heard it yesterday. When I was a boy in Manitoba, and a newcomer entered the district to farm there, my father, who for quite a few years was reeve of the municipality, would make it his business to meet him and when he came home my mother would ask, "Well Joseph, what kind of a man is this Mr. Smith?" If my father replied, "My dear, he is just as good as the wheat", it meant that he was all right, for that was the highest recommendation which could be given a man. But since then I have learned that to be "just as good as the wheat" is to be good for nothing, because we cannot sell our wheat and we cannot do anything else with it.

It is not my intention to criticize anyone or any body for adopting a wheat policy which is past and gone, but for goodness' sake let us not accuse the new Government of being responsible for the unsold grain which is piling up in the west. This Government did not pile it up. When I was Leader of the Opposition in this house I was bitterly opposed to the wheat legislation then recommended to us; in fact I used the strongest language I could think of about it. I predicted that it would be an absolute failure, that it would not enable us to sell on the world's markets against world competition. Some people in my part of the country tried to corner the wheat market, but they never succeeded. It is a commodity which grows almost everywhere on earth, and other foods can, in case of necessity, be substituted for it. The result is that people in other countries can never be reduced to a condition where they must buy wheat at almost any

price. When prices on the United States market varied from \$2 to \$2.50 a bushel I was sure the day would come when we should have to accept half that price. Honourable senators will recall that, at the time of the International Wheat Agreement, the British Government offered us \$2 per bushel. We demanded \$2.05.

**Hon. Mr. Horner:** That was a mistake.

**Hon. Mr. Haig:** It was an absolute blunder. We rejected the \$2, but the market price soon fell much below that figure. One cannot hope to succeed with tactics of that kind.

I repeat that the present Government cannot be blamed for either the accumulation of all this wheat nor for the failure of attempted solutions. I can speak with some authority of the position of many farmers in Manitoba and Saskatchewan, where conditions are much the same; in Alberta, with more mixed farming, the situation is rather different. Why do our farmers need the money which will become available if this bill is passed? First, to pay their taxes. Next, to meet the costs of fuel for their farm machinery. Third, to meet their grocery bills, so that their wives and children shall have the means of subsistence for another year. These are three "musts". If you ask why they do not look to the banks for accommodation, I will relate a typical case, and perhaps a personal reference may be pardoned. The girl at the desk in my office tells me that Mr. Brown is here to see me. I invite him in, and ask him what I can do for him. "Well", he says, "I owe you \$250 in interest on that mortgage of yours. I owe \$450 for two years' taxes; and I am in debt for one year's insurance on my buildings. Also there is an unpaid grocery bill. The whole thing amounts to \$1,500, and it has got to be paid. I went to the bank today, and under the new law"—referring to earlier legislation passed by a previous Government—"I may borrow \$1,500. The banker said he would lend it to me, but first he must deduct the \$500 I owe the bank. If I pay that \$500 and do not pay my taxes, I shall lose my land to the municipality. If I pay my taxes my grocer will go unpaid, and he will sue me. If I do not meet the interest on your mortgage you will foreclose. Will you give me one more chance?"

That illustrates the problem of the western farmer; and it is no chicken-coop affair; it is a difficulty of critical importance to him. He cannot handle it at all unless someone will come to his assistance; and I tell you that if, like me, you were brought up on a farm, and knew what it means when a family

are without adequate food or clothing and are reduced to eating grain cooked on the stove, you can understand why this advance is being demanded. Farmers say to us who represent the Government, "We know that you did not get us into this hole, that your party had nothing to do with it, but we are in the hole none the less, and we want your assistance to get us out."

Let me point out to my honourable friend the Leader of the Opposition (Hon. Mr. Macdonald) that his party did not oppose this bill when it was in the other place. Why? Because they were told by the Prime Minister that if they voted against the bill they would have to face the people of this country. I do not believe they would be willing to face the country on this issue. They cannot. They know that the Canadian people are absolutely opposed to the manner in which the wheat business of this country was handled under the former Liberal Government. There were other issues, such as pensions, which made them unpopular, but the greatest factor against them in the three Prairie provinces was their attitude to the wheat problem.

Our farmers are good people. In the first World War the record of volunteering from my province was equal to that of any in any province in Canada. We had a similar high record in the Second World War, and we were second to none in our contributions to patriotic funds and the support of measures on behalf of the armed services. Those who serve us in Parliament or in any other public capacity are as loyal to and as interested in Canada as are any others. I insist that we do not want something that we do not deserve. Our case is this. We say to the people of Canada: "For years and years you got wheat at a lower price than it cost the farmers to raise it. Under the wheat agreement our grain was disposed of at much below the world price." As the honourable senator from Churchill (Hon. Mr. Crerar) told us the other evening, the loss to the farmers of western Canada by reason of the British wheat agreement alone—and I defy contradiction—was not less than \$500 million. I forecast that result on the floor of this house when the agreement was under discussion. But only a few of us shared my opinion, and we were a small voice crying in the wilderness: everybody else laughed at us, but our prediction came true. You can't make people buy wheat if they don't want to buy it. That is fundamental. That is why the former Government was in trouble. It couldn't make people outside of Canada buy our wheat at \$2 a bushel when they

only wanted to pay \$1 a bushel. There is no law anywhere that could make them do it.

We want this bill passed in order to help the farmers of this country. But I will be quite honest with you. Nobody would welcome more than the Prime Minister of Canada the Senate's defeat of this bill. That is all he would want. Just do that and he will do the rest. If the men and women on the Opposition side of the house will just stand up and vote solidly to kill this bill, that is all he would ask them to do.

**Hon. Mr. Macdonald:** Nobody has suggested that.

**Hon. Mr. Haig:** Your speech suggests it.

**Hon. Mr. Macdonald:** No, no.

**Hon. Mr. Vaillancourt:** No.

**Hon. Mr. Haig:** Don't interrupt. I could have interrupted but I kept quiet. You know what happened to Mr. Howe at Morris when he started to talk. I am sure the Senate doesn't want to kill this bill. I have always been very loyal to this chamber and I feel we are able to perform a great service for Canada, but the Senate would be wrong to oppose the majority opinion of the other house on a subject that was an issue in the recent election which saw the Conservative party sweep the Prairie provinces, in comparison with what the Liberals did. This is legislation we promised the people of this country we would give them, and we want to carry out our promise. Recently the Liberal editor of an Ottawa paper wrote that the Diefenbaker Government was to date making a greater effort to carry out election promises than any government before it had done. The editor praised the present Government for this. We are trying to carry out our election promises, but we cannot hope to fulfil them all in a short session like this.

I do not ask honourable senators to pass this legislation because I am from Manitoba or western Canada, but simply because the people who have carried the load deserve this help. The money that will be advanced to these farmers will be paid back. Oh, there may be a few losses here and there but the legislation will be of help not only to the farmers of western Canada but to people generally in Ontario, Quebec, the Maritime provinces and British Columbia. Everyone will benefit from the lifeblood that will spurt all over Canada as a result of this new money being made available in the provinces west of the Great Lakes.

Honourable senators, for these reasons I would humbly ask you to support this measure. Don't let it be said that the Senate is divided on this question. Don't let the western farmers feel that we are oblivious

to their problems. My honourable friend the Leader of the Opposition (Hon. Mr. Macdonald) has raised some technical objections as to whether there will be a loss. The Deputy Leader of the Government (Hon. Mr. Aseltine) has promised to refer the bill to committee, and if there is any technical difficulty, which I rather doubt, it can be rectified at that time. We want the bill to be as legally proper as possible. I have a high regard for the legal proficiency of certain members on both sides of the house and we want the bill to receive their best consideration. I would like it to be said that the Senate wanted to vote a sum of money to the farmers of western Canada to enable them to carry on for another year.

**Hon. Mr. Macdonald:** Honourable senators, I rise on a question of privilege. The Leader of the Government (Hon. Mr. Haig) attributed to me a remark to the effect that we should defeat this bill. I made no such suggestion; on the contrary, I said that the bill would be helpful to the farmers but that it would not solve our wheat marketing problem.

**Hon. Mr. Aseltine:** Honourable senators, I now have the answer to the question raised by the honourable senator from Huron-Perth (Hon. Mr. Golding) with regard to the marketing of oats and barley. It is as follows:

CARRYOVER OF OATS AND BARLEY AS OF JULY 31, 1957  
(in bushels)

	All Canada Total	All Canada On farms	Western Provinces On farms
Oats .....	222,966,000	172,100,000	155,000,000
Barley .....	140,914,000	80,980,000	79,000,000

ESTIMATED CROP OF OATS AND BARLEY FOR 1957 CROP YEAR  
(in bushels)

	All Canada	Western provinces
Oats .....	388,311,000	240,000,000
Barley .....	223,358,000	216,000,000

**Hon. Mr. Golding:** I would like to thank the honourable senator from Rosetown (Hon. Mr. Aseltine) for this information.

**Hon. Mr. Haig:** Question!

**Hon. Norman P. Lambert:** Honourable senators, as has been said on this floor many times, the marketing of western wheat and other grains has been a hardy perennial in the garden of parliamentary debate over a long period of years. I think it would be easily found that pages of *Hansard* of both houses, as well as the statute books of this country, contain more references to the subject of the marketing of grain than almost any other subject with which we are called upon to deal from time to time.

During the past twenty years here I have taken part in most of the discussions connected with this question of grain marketing, and I must say that after every one of

these discussions I have always had the feeling that it carried a minimum of enlightenment to our parliamentary members as a whole and to a very large proportion of the Canadian electorate outside of Parliament.

Possibly one of the reasons for such an impression is that those of us who discuss bills of this kind are apt to miss a broad national perspective of our problem; to put it in another popular phrase, we are very often apt to lose sight of the forest in trying to count all the trees in it.

I do not mean by that to imply any criticism of or reflection on the presentation of this bill either here or in the other house. As a matter of fact, the honourable senator from Rosetown (Hon. Mr. Asetline) who presented this bill on behalf of the Government, is by virtue of his intimate experience and knowledge of the production and marketing of grain in his own part of the country thoroughly qualified to discuss the provisions of this bill and all their implications. He not only operates grain-growing farms himself, and at this time has no less than 50,000 bushels of unmarketed wheat in storage bins on his farms, but he also has intimate contact in an advisory capacity with many smaller farmers throughout his district in connection with their financial and business problems.

Similarly, I might say that the honourable senator from Churchill (Hon. Mr. Crerar), who spoke last evening on this subject, has had a much wider and more accurate contact with grain growers in western Canada, where he has lived for over fifty years, than I could possibly have.

Let me say at once that I am sure there is no disposition here, as indeed there was none in the House of Commons, to oppose the principle of this bill.

I had the privilege, in April last, before the dissolution of Parliament, to sponsor in this house on behalf of the Government of that day the bill already referred to as the Prairie Grain Producers Interim Financing Act, which provided for guaranteed bank loans to western farmers on the security of their unmarketed grain stored on farms. The bill before the house today will provide advances to the same farmers on the security of the Canadian Wheat Board. While this bill differs from the one that was passed last April, I submit that in principle it is aiming at the same object of giving temporary relief to the farmers who have quantities of grain stored on their farms and which they find it impossible to market or to realize upon at this time.

I do not propose to discuss the technique of the bill involving as it does the position of the country elevator agents, the banks,

the use of wheat board permits, cash tickets and storage tickets, and the possible application of prior lien notes against farmers. In my opinion, this legislation must be viewed as temporary emergency legislation, just in the same way as the former Government viewed similar legislation which I had the duty of presenting at the end of the last session.

The all important point which arises out of this kind of bill is how long the problem of grain marketing will be treated in this way. The economy of our whole country is surely involved in this question, and I submit that we have not yet done much more than temporize with it. For over 55 years now the Canadian Grain Act has represented the country's system of collecting grain and transporting the western farmer's grain to market. Twice in the historic crises of Canada's experience has the administration of that act been interrupted. In both cases the interruption has been caused by war and economic depression. At both times when the disruption of international machinery for serving normal requirements of the trading world occurred it became necessary for the Government of Canada to establish wheat boards to take charge of the marketing of our grain, instead of leaving it to the private and cooperative grain trade operating under the old Canada Grain Act in a free, open world market. Owing to the continued disruption of the world's economy, which was intensified by World War II, the Canadian Wheat Board has continued to direct the marketing of grain, both domestically and internationally. The Board of Grain Commissioners still administers the Canada Grain Act, but within limited scope as compared with pre-war days when the world markets were open and free competition was a controlling factor.

In connection with this bill, it is worth while emphasizing that while the Wheat Board, representing the Government, is the guarantor and financial backer in respect to farm stored grain, the Board of Grain Commissioners is still responsible for the administration of the laws and regulations which control the operations of country elevators and the position of the country elevator agent in relation thereto. In so far as the application of this legislation is concerned, therefore, the country elevator agent is going to be in the rather unenviable position of having two official bosses, as well as a third private boss in the person of his company, which owns the elevator and pays his salary and expenses. That is all by the way.

Turning again to the question of a basic solution of the grain marketing problem, I

believe that our troubles really arise from under-marketing rather than over-production. In saying this I am entirely in agreement with a very interesting statement made recently by an expert observer, a former member for several years of the present Wheat Board, who said:

The squeeze between the costs of things farmers buy and the prices received for their products remains troublesome—although possibly not so apparent to the farmers themselves as to the farm leaders, who watch the price indexes. The obvious and important squeeze, however, lies between production and market capacity. A good case can be made for the idea that our troubles arise from under-marketing rather than over-production. In the years immediately ahead, our efforts must be turned to marketing and consumption if our agriculture is to grow normally.

In that connection, I thought the Leader of the Government spoke pretty strongly, before he sat down, regarding the responsibility for the great mass production of wheat which remains unmarketed in western Canada. I thought he implied that that condition was due to the administration of the previous Government. I am not going to engage in any partisan arguments on that score, but I do submit very strongly that the record of yields over the years since 1952 shows an abnormal bountifulness of nature, in all but one year, which raised the average production of wheat from the thirty-year average of 17 bushels to the acre to something like 25 to 26 bushels to the acre. The present year has seen a considerable reduction in that amount. There has been an acreage reduction in western Canada of, if I am not mistaken, 5 million acres as compared with the previous year; and the yield per acre has been less than in the previous year. Therefore, to a certain extent, but not to any material extent, the position is somewhat improved over what it was a year ago. However, one must admit that with the amount of grain in storage in elevators and on farms, and with the new crop coming in, there are about two crops instead of one to be marketed.

But, whatever may be the purpose involved in the bountifulness of nature bestowed on this country, at least we are attempting here in this Parliament to deal with the matter in a rational way with a view to finding a solution to the problem. I think there is nothing to be gained in approaching the problem by indulging in any recriminations as to the character of political administration in relation to a problem which is economic in its broadest sense.

To follow up the quotation which I have just made, my firm opinion is that sufficient attention is not being paid in Canada to the positive, creative phases of the marketing

of surplus production. We are showing too great an inclination to criticize other people for lack of markets and lack of trade. To go over to New York or Washington, for example, with our hat in one hand and a club in the other, complaining about the way in which the commercial and financial economy of the United States is being run, is becoming a humiliating spectacle to many Canadians and, one suspects, increasingly irritating to many of our good friends in the United States.

**Hon. Mr. Macdonald:** Hear, hear.

**Hon. Mr. Lambert:** We are hearing much these days about pooling of resources between countries with common economic as well as common military interests. An announcement from Washington a week or so ago by President Eisenhower, joined in by the Prime Minister of England, and with an implied inclusion of Canada, indicated the pooling of scientific resources and research within these allied countries in the interest of national defence. We have read a good deal about the pooling of economic and financial resources under what has been known as the Western European Union affording a common free trade market for Britain and Western Europe.

We know full well what pooling of our resources with those of the United States meant during the last war, not only in an effective military effort, but in a financial and economic measure as well. Much of our ability to finance our way through that war on a pay-as-you-go policy, amounting to nearly 55 cents on the dollar, was due in a large measure at any rate to the fact that we were manufacturing things like aeroplanes and ships which were sold to the United States and paid for within 30 days of delivery. Not much is said about that arrangement now; but those of us who remember the negotiations that took place at Hyde Park and Ogdensburg between the late Prime Minister of this country and the President of the United States have good reason to be proud of the relationship that existed at that time, and also can take some encouragement from the suggestion that such a relationship is still possible. This is likewise a time of a real and pressing crisis, when it still may be possible to adopt a measure of the pooling of material resources at least, between this country and our good neighbour to the south. As I have said, we know what such a combined operation with the United States meant to us during the Second World War. I submit that Canada now might well afford to adopt a more positive and more liberal policy of pooling rather

than dividing our efforts in dealing with a common problem of vital concern.

In relation to wheat disposal, which is the subject of this bill, I should like to conclude the thought which I have been trying to express by suggesting that the Government of Canada might well endeavour to interest the Government at Washington in bringing about a joint North American wheat pool which would undertake to sell the surplus grain production of this continent to the best advantage of both countries.

In making that suggestion, I do so in the hope that I may have an opportunity later of developing more in the way of background and practical considerations bearing upon it. It is not a new idea in any sense. To my way of thinking, in the conditions that are tending to drive countries and areas of this world into a state of economic isolationism, not dissimilar from the conditions that obtained in the thirties and prior to the outbreak of war, it would be well for those who are in charge of the affairs of this country now to consider the most logical area in the western hemisphere for Canada to explore possibilities of dealing effectively with her economic and financial problems. With that suggestion I beg to conclude what I have to say in the debate on this bill, and to reassure my honourable friend the Leader of the Government that there is no partisan opposition to the principle of this bill, as far as I am concerned.

**Some Hon. Senators:** Hear, hear.

**Hon. J. Wesley Stambaugh:** Honourable senators, the senator who has just taken his seat seems to think that one should have 40,000 or 50,000 bushels of grain storage to qualify him to speak on this bill. If that is a necessary qualification, I must say I do not qualify, for I have no wheat in storage, although I am a *bona fide* western farmer. The principal reason why I have no wheat in storage is that I have been for some time raising oats, barley and flax, and I have had little difficulty disposing of these grains. But I am very much interested in the people who, like myself, are raising oats and barley. I might say that in my own case I do not expect to have to use the act this year. I think I will be able to finance my farming without coming under the act—for one reason because half of my crop is snowed under and I won't have to dispose of it anyway.

But I would like to direct my remarks to the honourable member from Rosetown (Hon. Mr. Aseltine) of whom I asked a question last night and received an answer which I find, on reading it in *Hansard*, is a little different from what I thought it was last night.

I wonder if I might just read an extract from my honourable friend's explanation. I quote from yesterday's *Hansard*, page 96, second column:

In the case of oats the producer gets for 100 specified acres a cash advance of 20 cents a bushel on 1,500 bushels, which gives him \$300, . . .

I mentioned last night that I could not see anything in the bill that would give the producer of oats, any more than the producer of wheat, the right to sell more than six bushels to the acre. I brought that question up and I understand the honourable member to say that an amendment would be introduced that would cover that.

**Hon. Mr. Aseltine:** I did not say that.

**Hon. Mr. Stambaugh:** I read in *Hansard* that you said an amendment could be introduced. I understood you to say "would", which is quite different. That is the reason I am on my feet again today, because there is nothing in the bill that would warrant me to think that a producer of oats could sell 15 bushels to the specified acre. Where do you get your information? Those on the Government side of the house must have some information that we on this side do not have. If it is the case that a producer of oats can get \$300 on 100 specified acres, the same as a producer of wheat, on six bushels to the acre, and the producer of barley can get the same amount, I have no objection.

**Hon. Mr. Aseltine:** That is the intention.

**Hon. Mr. Stambaugh:** Well, I cannot see that in the terms of the bill before us.

**Hon. Mr. Aseltine:** That is your argument.

**Hon. Mr. Stambaugh:** Can you see it in the bill?

**Hon. Mr. Aseltine:** Don't ask me. I will answer it when I come to it.

**Hon. Mr. Stambaugh:** I would like to have it on the record that you can see it in the bill, or that you give an undertaking that it is the intention to introduce an amendment to provide that a producer of oats and a producer of barley will be on the same basis as a producer of wheat and able to get the same amount of loan for 100 acres that a producer of wheat can.

**Hon. Thomas Reid:** Honourable senators, I have just a word or two to say, as a purchaser of wheat and not as a seller of it.

First of all, however, I would like to make one or two comments regarding the statement made by the honourable Leader of the Government (Hon. Mr. Haig), when he challenged us to vote against the measures and go to the country. Everyone realizes of course that the Government is just waiting

for such a move to be made by the Opposition. And as I see it, the Government is carrying out quite a few of the promises made during the election, and they are all good vote-catching promises that are being carried out.

I would like to remind the Leader of the Government that while I have been in Parliament, since 1930, the Liberal Government has done wonderful things for the three Prairie provinces, but those accomplishments did not always produce votes for the Government. Time and time again in the House of Commons I listened to discussions on wheat, and always was surprised at the splendid things the Liberal Government did for the Prairie farmers, but when it came to the voting somehow or other these things did not count. Oh, this would count now if you went to the country, because this is a very urgent matter indeed.

But, as I said, I am rising as a purchaser of wheat to plead again that the Government do something regarding the regulations of the Wheat Board. We have in Canada the greatest socialistic piece of legislation that ever this country has known, and the most tightly closed corporation.

We in British Columbia, and not only we, are prevented from buying wheat from farmers in another province, and are not even allowed to import any from the United States, although I could get wheat cheaper from across the line than from Calgary or Edmonton. So honourable senators can readily understand that the feelings of the people are very strong on this matter.

We say that if you are out to sell the wheat, for goodness' sake change some of the Wheat Board's socialistic regulations and let us buy our wheat freely from the farmers on the prairie. Honourable senators, I am going to rise on every possible occasion until we purchasers of wheat in British Columbia get some redress on this.

**Hon. R. B. Horner:** Honourable senators, I will take only a few minutes. Always when the discussions turns to wheat I feel it necessary to make a few remarks, and having been a practical farmer in Saskatchewan for almost 50 years, and having some knowledge of farming in Quebec as well, I take no back seat to anyone. I deplore this wide publicity we are giving to the world about the immense carryover of wheat. I always took that stand when I sat on the other side of the house and a similar discussion was taking place. What manufacturers or producers of other goods give out detailed information as to their inventories? We do not find that information noised about, but great publicity is given as to the number of head of cattle, for example,

that the farmers have: they are all counted and we are told beef should be cheaper because there are so many cattle, and so on. Honourable senators, a similar policy is not followed by producers of any goods which the farmer has to purchase. Details of their business are a close secret.

I think I can make some useful remarks. A large amount of wheat on the prairies is being fed at present to cattle, and I want to say that that method of disposal is a good one. We have found out that wheat can be fed pure to steers, just as corn is fed pure to steers in Iowa. The Intercontinental Packers in Saskatoon are buying wheat there now, and they can get all they want at 60 cents a bushel. The cattle fed on wheat are excellent. The farmers also are feeding wheat, and I think I am safe in saying that 100 million bushels of the estimated sales of 300 million bushels are being fed to cattle in the west. There is not a creature on the farm—whether chickens, pigs, ducks, geese or all down the line—for which wheat is not an almost perfect food. Nowadays an immense amount of grain is fed to cattle. In the first week they get a certain amount of oats and wheat. Then they are fed either crushed or rolled wheat by means of these huge self-feeders, which may hold a thousand bushels or more, and are equipped with blower and elevator: wheat mixed with other grain and straw is fed automatically. Very little roughage is required, and a great quantity of wheat can be absorbed in that way.

I do not wish to enter into an argument, but for the benefit of the honourable senator from New Westminster (Hon. Mr. Reid), and to remind him of what his Government did, I would recall what happened in 1937, just twenty years ago. At that time the marketing board was busy selling wheat at 70 cents a bushel. I mention this because some people seem to believe that our wheat is too highly priced, and that if it were offered more cheaply much more would be sold. But 50 cents per bushel makes a difference of only one cent on the price of a loaf of bread. I am rather inclined to agree with the idea of the honourable senator from Ottawa (Hon. Mr. Lambert), that there should be a North American pool. At the present time the United States farmer is getting, for wheat consumed within his own country, over \$2 per bushel. Our price for No. 1 Hard is down to \$1.60.

As regards Canadian wheat generally, a few of our crops have suffered from rust or frost, but also we grow wheat of very high protein content, perhaps the best in the world for mixing purposes.

So, looking at the situation over the years, I am sure another season like 1937 would

result in the disappearance of all our surplus and there would be no problem of disposal. I well remember that twenty years ago, when I left this house in July and travelled across Manitoba, Saskatchewan and Alberta to see what condition the crops were in, I found no crops at all; it had gone, burnt up with drought. Yet the board boasted that they were selling wheat at 7 cents a bushel. Afterwards the price rose to \$1.55. I held tickets on some of it, on which I had merely got the first payment. The then Government having sold the great bulk of the crop at 70 cents, and the price for the balance having risen to \$1.55, it was necessary to ship large quantities back to western Canada to provide feed and seed. Of course that was a mistake.

Then we have been reminded that by a reduction of only 5 cents per bushel we could have held Britain within the International Wheat Agreement. I remember that I met the head of one of the pools in the Chateau Laurier while the subject was under discussion in New York, and I told him they would have to accept a lesser amount from the United Kingdom. I made the same statement in this chamber, and said I hoped that the Government would not hold out for the additional 5 cents, and I knew the western farmers hoped so, too.

If there are any questions, I have no doubt that they will be dealt with by the honourable senator who introduced the bill.

**Hon. Jean-François Pouliot:** Honourable senators, I move, seconded by the honourable senator from Bruce (Hon. Mr. Stambaugh) that this bill be referred to the Committee of the Whole House.

I will explain the reason for this motion. When speeches on a subject of this kind are made, on either side of the house, they are rather academic, and the only information that we can get is through asking questions of the honourable Leader of the Government (Hon. Mr. Haig) or the sponsor of the particular bill, so that we may know the precise meaning of each provision of the bill. For a long time that procedure, which exists by virtue of the rules of the house, has been disregarded. This is a great mistake, because very often honourable senators have not had the opportunity of gathering the information to which they are entitled; moreover, even the largest standing committees of this house contain only a fraction of the total membership of the Senate. The result is that some of us are prevented from asking questions because we do not belong to the committee to which the particular bill has been sent. If this bill were sent to the Committee of the Whole, each senator—

**Hon. Mr. Aseltine:** Honourable senators, I rise to a point of order. The debate is not completed. This motion to refer the bill to the Committee of the Whole House should be made after the close of the debate.

**Hon. Mr. Euler:** And the motion has not been put.

**Hon. Mr. Pouliot:** If my honourable friends will permit me,—debate may be resumed upon the third reading after the bill is reported from the Committee of the Whole, so what is the use of having this discussion meanwhile? In committee we can ask for the information we want, and any honourable senator who is willing to answer can do so, or he can refuse to answer. But I am discussing a question of order with regard to this bill. Is there a motion to send the bill to any committee?

**Hon. Mr. Farris:** The time has not arrived.

**The Hon. the Speaker:** A point of order has been raised, that the debate on the motion for third reading is not yet completed.

**Hon. Mr. Haig:** I want to say just one word. I made a promise, which I want to carry out, to the honourable Leader of the Opposition (Hon. Mr. Macdonald), when he raised, and very properly so, certain questions. I promised that we would send this bill to a special committee, and I arranged with the Minister of Trade and Commerce that he and his deputy minister, together with the solicitor from the department who drew the papers, would be present at the meeting to explain why these particular words were used. While I do not want to force honourable senators to agree to this procedure, I think it would be a good idea, because everyone would be free to ask questions. I promise honourable senators that they will be given every facility to make inquiries and pass comments. If the bill is to be dealt with in Committee of the Whole I could have the deputy minister here but not the other officials. I do not think that would be as satisfactory. We are very anxious to answer the questions raised as to the legality of the bill. We want to be certain we are right about this feature, and I think my honourable friend from De la Durantaye (Hon. Mr. Pouliot), being a well-known lawyer himself, will understand my point.

**Hon. Mr. Pouliot:** I understand very well the point raised by the honourable Leader of the Government (Hon. Mr. Haig) and I appreciate his courtesy. I must tell him, too, that as Leader of the Government in the Senate he follows the great tradition of leadership established by past Government leaders in this chamber.

Honourable senators, the point of order raised a few minutes ago by the honourable gentleman from Rosetown (Hon. Mr. Aseltine) has to be ruled on before we can proceed further, and speaking to this point of order I want to say that I know of no arrangement which has taken place between the Leader of the Government and the Leader of the Opposition with regard to the disposition of this bill. As a private member of the Senate I am entitled to the same privileges as anyone else in this chamber, and I was very much surprised to be interrupted by the Leader of the Government, even though he spoke in a kindly way. He took the floor from me when I was arguing a very important point, the urgency of sending this bill to Committee of the Whole House so that each senator, being a member of that committee, would have an opportunity to ask for information that would enable him to come to a decision with regard to this legislation. I am open-minded about this bill and I have no prejudice. I know that every farmer, whether he raises stock or grows wheat, potatoes, oats or barley, is entitled to some consideration. I do not pretend to be trying to help His Honour the Speaker in deciding on this point of order, but I will do my best to help him understand my point of view, which I hope will be shared by honourable senators other than my seconder (Hon. Mr. Stambaugh), for whom I have a high regard. In answering my honourable friend (Hon. Mr. Aseltine) I must be very careful to discuss only the legal aspect of his point of order. As I understand it, we are now on the third reading of this bill.

**Hon. Mr. Aseltine:** No; second reading.

**Hon. Mr. Pouliot:** That is still better. Eloquent speeches have been made by members on both sides of the house, and these have been closely followed. But there are many facts that have not yet come to light which would be helpful to honourable senators in making a wise decision about this important measure. My honourable friend the Leader of the Government (Hon. Mr. Haig) has suggested that the bill be sent to a committee set up for the specific purpose of studying present conditions concerning grain growers. This is a bright idea, but something much more practical could be done. If the bill were discussed in Committee of the Whole the proceedings would be recorded in *Hansard*, whereas if it were considered by a special committee it might be that no stenographic report would be made and honourable members would have to take down their own hurried notes. Members who do not belong to the committee would be unable to attend—

**The Hon. the Speaker:** Will the honourable senator please bear in mind that he is supposed to be discussing the point of order raised by the honourable senator from Rosetown (Hon. Mr. Aseltine), and that he should not attempt to explain his own motion to refer the bill to the Committee of the Whole. The honourable gentleman should restrict his comments to the point of order to the effect that his own motion should not be proceeded with until after the bill has been given second reading.

**Hon. Mr. Pouliot:** I agree with the remarks of His Honour the Speaker.

**The Hon. the Speaker:** Then I would ask the honourable gentleman to confine his remarks to the point of order.

**Hon. Mr. Pouliot:** Both matters are closely connected.

**Hon. Mr. Aseltine:** I understand that His Honour the Speaker has ruled that the motion of the honourable member from De la Durantaye (Hon. Mr. Pouliot) is out of order.

**The Hon. the Speaker:** No, I have not done so.

**Hon. Mr. Pouliot:** No, and it is very unfair for the honourable senator from Rosetown (Hon. Mr. Aseltine) to anticipate a ruling and try to put words in the mouth of His Honour the Speaker.

**The Hon. the Speaker:** I might inform the honourable senator from De la Durantaye that his motion has not been ruled against, but I would ask him to confine his remarks to the point of order under discussion.

**Hon. Mr. Pouliot:** To show how conciliatory I am and how much good will I have, I will not insist at the present time that—

**Hon. Mr. Aseltine:** I might say that there is no motion before the house now—

**Hon. Mr. Pouliot:** In this I would ask the honourable gentleman's pardon.

**Hon. Mr. Macdonald:** I would rise to say there is a motion before the house, for the second reading of the bill.

**Hon. Mr. Pouliot:** I will graciously withdraw for the time being.

**Hon. Mr. Aseltine:** Unless anyone else desires to speak, I wish to say a few words in conclusion.

**Hon. Mr. Macdonald:** I should like to know if the honourable gentleman is closing the debate?

**Hon. Mr. Aseltine:** Yes.

**Hon. Mr. Davies:** Before the sponsor of the bill speaks, may I ask him to explain why there is a surplus of wheat? Is it because the Wheat Board is holding the wheat at a certain price, and that there is no market at that price? Could the wheat be sold if the board reduced the price, and would the farmers agree to that?

**Hon. Mr. Horner:** No, they would not.

**Hon. Mr. Aseltine:** Honourable senators,—

**The Hon. the Speaker:** May I remind the honourable senator from Rosetown (Hon. Mr. Aseltine) that if he speaks now he will close the debate on the second reading of this bill.

**Hon. Mr. Aseltine:** Honourable senators, I think yesterday I answered the question which has just been put to me, when I said that in my opinion the Wheat Board is not holding wheat or other grains at too high a price, and that if the board reduced the price and threw the grain on the market it would not result in greatly increased sales. If that were done, it would possibly mean a terrific loss to all concerned, not only to the farmer but to the economy of the country as well.

Like the honourable senator from Blaine Lake (Hon. Mr. Horner), I am not terribly worried about the fact that we have seven or eight hundred million bushels of wheat in the granaries of western Canada. I can point to other years when we had a surplus, followed by a series of poor crop years, and the first thing we knew was that we had no grain on hand at all and had to import seed from the United States. At that time we did not have feed for our livestock. Circumstances change, and I think it is a good thing to have some grain on hand.

I was somewhat surprised at the speech made by the honourable Leader of the Opposition (Hon. Mr. Macdonald), in which he referred to bank loans under the Prairie Grain Producers Interim Financing Act, which was amended last year to make the maximum amount of the loan \$3,000 instead of \$1,500. He is labouring under a wrong impression if he thinks anyone can go to the bank and get a loan of \$3,000. It just can't be done.

**Hon. Mr. Macdonald:** I was not labouring under a wrong impression.

**Hon. Mr. Aseltine:** The quota is six bushels to the specified acre, and before a man can borrow \$3,000 he must have one thousand specified acres.

**Hon. Mr. Macdonald:** Would the honourable gentleman kindly quote the section of the act?

**Hon. Mr. Aseltine:** No; I know it from experience.

**Hon. Mr. Macdonald:** There is nothing in the act to that effect.

**Hon. Mr. Aseltine:** A farmer could not borrow that much money so easily, for the banker would not give it to him. A farmer has to pay back the money by giving half of the receipts that he gets on the interim payment for the grain as he delivers it, and it has to be paid back by July 31, which is the end of the crop year. Therefore under that act, with a Government guarantee, no banker could make the loan so large that the man could not pay it back by delivering the quota that was set by the Wheat Board. That is an actual fact.

**Hon. Mr. Macdonald:** It is not in the act.

**Hon. Mr. Aseltine:** And anyone will tell you that. If the farmer had more grain than that he could borrow the money from the bank without a Government guarantee. But I submit that the honourable Leader of the Opposition is entirely wrong in his interpretation that anybody could go to the bank and get \$3,000 by way of a loan guaranteed by the dominion Government.

The honourable gentleman also stated that I said in my remarks—and he was perfectly correct—that we hoped that about 150 million bushels would be used in this country, and that we hoped to export about 300 million bushels. But that grain is not used up yet, nor is it exported, and the farmers who own that grain cannot get it into the elevator, so how in the world are they going to be financed in the meantime, unless they borrow money under this legislation? The very purpose of this legislation is to give the producer a right to go to the elevator and get a cash advance on his grain, and later on deliver the grain as quotas are set up and space is available in the elevator. As I said yesterday, this is no cure-all. It is not intended to solve this whole wheat problem; it is intended simply to enable the producer on the land to obtain money with which to pay his taxes, meet his store bills, buy coal, and pay other bills, which he cannot do under ordinary circumstances until there is space in the elevator and he is able to deliver his grain.

As the honourable Leader of the Government (Hon. Mr. Haig) has stated, this question of the six-bushel quota will be fully explained by the Minister of Trade and Commerce if the bill goes to a committee for consideration. I can give no further information on that right now, for I have not been able to see the minister since the debate yesterday, but he will be prepared to answer

the questions raised by the Leader of the Opposition on sections 10 and 11 of the bill, and if any amendments are necessary they will be made. No one in this chamber, or anywhere else, wants legislation to be passed that is not perfectly intelligible and understandable and which does not cover the situation in the best possible way.

I appreciate very much the suggestion of the honourable Senator from Ottawa (Hon. Mr. Lambert) for establishment of a joint Canada-American wheat pool to dispose of the grain surpluses of the two countries. There might be something to say concerning that. It is an idea well worth consideration and study, and I understand that he has agreed to look into it further and to speak on that subject at a later date.

**Hon. Mr. Burchill:** Will the honourable gentleman permit a question? Has any thought at all been given to accepting sterling in the sale of wheat?

**Hon. Mr. Aseltine:** I cannot answer that question.

**Hon. Mr. Burchill:** Would the honourable gentleman venture an opinion as to the advisability of accepting sterling for wheat?

**Hon. Mr. Aseltine:** No. I am sponsoring this bill, and I do not intend to make any statement that might bind the Government in any manner whatsoever with respect to sterling.

**Hon. Mr. Burchill:** I am just wondering whether the honourable gentleman has ever speculated on how much wheat could be moved if sterling were acceptable in payment.

**Hon. Mr. Aseltine:** No. In view of the fact that we are very closely tied with the United States at this time, that just cannot be done.

Honourable senators, I have no further remarks to make in this connection.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

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

**Hon. Mr. Aseltine:** Honourable senators, with leave of the Senate I move, seconded by the Honourable Senator Haig, that this bill be referred to the Standing Committee on Banking and Commerce.

**Hon. Mr. Pouliot:** Honourable senators, I move, seconded by the Honourable Senator Stambaugh, that the motion be amended by deleting the words "Standing Committee on

Banking and Commerce" and substituting therefor "Committee of the Whole".

**Hon. Mr. Haig:** Honourable senators,—

**Hon. Mr. Pouliot:** I do not wish to prevent my friend the Leader of the Government from speaking at this time, but I want to be sure that if he speaks now it will be with the understanding that I shall be permitted to speak after him. My point is that much valuable information can be brought out in discussion of this bill in the Committee of the Whole. I ask honourable senators to bear in mind, in the first place, that all senators are members of the Committee of the Whole; in the second place, all the questions asked and answers given will be recorded by the reporters, without any extra cost to the country; and in the third place, the discussion in the Committee of the Whole will be much better than that which would take place in the Banking and Commerce Committee, in that honourable senators will be well posted on all points and be in a position to ask important questions from the experts who do appear at the committee.

I will not say anything more, except to point to the fact that this is another instance where the Banking and Commerce is the overall committee. Yesterday it was asked to consider problems relating to water, today it is wheat. There is no end to it.

**Hon. Mr. Haig:** Honourable senators, usually I do not care to what committee a bill is sent, but in this instance, as I have pointed out, the minister and his experts will be before the standing committee, not before this house. I say quite candidly that I cannot promise honourable senators any better explanation or advice than they have received from the honourable senator for Rosetown (Hon. Mr. Aseltine). Some honourable senators would like further advice and information, and I agree they are entitled to it, but we cannot get it on the floor here. It is for that reason that I am anxious that the bill go to the Banking and Commerce Committee rather than to the Committee of the Whole.

In my experience in this house the two or three occasions on which measures have been considered in the Committee of the Whole have not been entirely successful. When a bill is considered in the Standing Committee on Banking and Commerce, all senators who attend can ask questions; whether they vote on it or not in committee does not matter, because they can vote on the bill when it comes back to the house. I urge honourable senators very strongly to refer this bill to the standing Committee on Banking and Commerce.

**Hon. Mr. Golding:** Would His Honour the Speaker permit me to ask one question of

the Leader of the Government? I should like to know if it is in order not only for a minister, but also for his officials, to attend a meeting of the Committee of the Whole.

**Hon. Mr. Macdonald:** I think I can answer that question.

**Hon. Mr. Aseltine:** It has never been done.

**Hon. Mr. Haig:** In my experience it never was a success. One of the difficulties is that we cannot get close enough to the problem in the Committee of the Whole. In a standing committee those senators who are eminent members of the legal profession, and whose opinions are respected, can exchange their views with our Law Counsel. That discussion takes place right in front of the members of the committee. It seems to me there are one or two questions on this bill which ought to be settled. For instance, I am anxious to clear up the question about liens on grain.

**Hon. Mr. Farris:** The witnesses cannot testify in Committee of the Whole.

**Hon. Mr. Stambaugh:** Honourable senators, on several occasions that I can recall we have had a Committee of the Whole, and on one occasion I myself moved that the house go into Committee of the Whole. My memory is that it was quite successful, and that everybody had a clear understanding of what was taking place.

If a minister can attend at a standing committee, why can he not come here for a Committee of the Whole? Many ministers have been here before.

Many honourable senators seem to feel there is practically only one committee, namely, the Standing Committee on Banking and Commerce, and the house sends most important bills to that committee. True, there is no standing committee on agriculture, but the custom has been to send agricultural bills to the Committee on Natural Resources, which is certainly nearer to agriculture than the Banking and Commerce Committee. This bill proposes to take business away from the banks and perhaps that is the reason why some honourable senators want to send it to the Banking and Commerce Committee. In any event, the appropriate committee, if the bill is not to go to the Committee of the Whole, is the Committee on Natural Resources.

**Hon. Mr. Macdonald:** Honourable senators, the honourable senator from Huron-Perth (Hon. Mr. Golding) asked whether the officials of a department can come to this chamber and be asked questions and give answers directly. There is no provision in our rules for such procedure. The only

person who could come here would be a minister, and that would be on invitation, for the purpose of explaining one of his bills.

**Hon. Mr. Croll:** Surely the honourable senator must be mistaken. I recall in the pipe line we had a deputy minister here to answer questions.

**Hon. Mr. Macdonald:** Excuse me, but my memory is perhaps a little fresher on that point than is my honourable friend's, for I piloted that bill through the house. The departmental official came here and sat in front of me, and on any of the questions which I could not answer I consulted with him and then gave the answer. The honourable senator from Huron-Perth wanted to know if officials could answer questions directly here.

**Hon. Mr. Golding:** No, no, honourable senators, that is not what I meant at all. I was long enough in the House of Commons to know that officials could come into the house but could not answer the questions. They gave the answer to the minister, and he gave it to the chamber. That is exactly the practice which I think could be adopted here. That is, officials could come into the chamber but they could not answer questions; they could give advice to the minister, and he would answer questions. Am I not right in that?

**Hon. Mr. Macdonald:** Oh, yes.

**Hon. Mr. Golding:** That is the question I wanted answered.

**Hon. Mr. Reid:** Honourable senators, while I was in favour of the motion for reference to the Committee of the Whole, I have to admit that in the standing committee we can ask questions directly of officials, whereas in the Committee of the Whole the minister becomes the mouthpiece of the officials. When a question is asked in Committee of the Whole the minister consults the official and then passes the official's answer back to us. That practice curtails debate.

**Hon. Mr. Paterson:** Is it the intention of the Leader of the Government to have the three officials available in the standing committee?

**Hon. Mr. Haig:** Oh, yes. I have informed the minister, the deputy minister and the solicitor of the department that we wish to have them attend the committee meeting, and they have all said they will come. In the Manitoba Legislature we had the same arrangement as we have here. When we were discussing the principle of a bill we went into Committee of the Whole, but when a bill was to be redrafted or clauses might

be changed—as in this case, where the Leader of the Opposition (Hon. Mr. Macdonald) raises the question of these liens—we always sent the bill to a standing committee, where the departmental solicitor could be asked questions and could write out any changes that he thought should be put into the bill, and we selected what we thought best. That is what we plan to do here. Honourable senators can ask any questions they wish in this chamber, but I want that legal position discussed by the lawyers in the standing committee, where we can ask questions and find out what we want to know. However, if the house decides the other way I will abide by the decision.

**Some Hon. Senators:** Question.

**The Hon. the Speaker:** The question, honourable senators, is on the motion of the Honourable Senator Haig, seconded by the Honourable Senator Aseltine, that the bill be referred to the Standing Committee on Banking and Commerce.

In amendment it is moved by the Honourable Senator Pouliot, seconded by the Honourable Senator Stambaugh, that the bill be not referred to the Standing Committee on Banking and Commerce but that it be referred to the Committee of the Whole presently.

Those who are in favour of the amendment will please say "Content".

**Some Hon. Senators:** Content.

**The Hon. the Speaker:** Those who are opposed to the amendment will please say "Non-content".

**Some Hon. Senators:** Non-content.

**The Hon. the Speaker:** I declare the amendment lost. The question is now on the motion to refer the bill to the Standing Committee on Banking and Commerce.

**Some Hon. Senators:** Carried.

**Hon. Mr. Pouliot:** On division.

The motion for reference to the Standing Committee on Banking and Commerce was agreed to, on division.

## ALBERTA-NORTHWEST TERRITORIES BOUNDARY BILL

### THIRD READING

**Hon. John T. Haig** moved the third reading of Bill J, respecting the boundary between the province of Alberta and the Northwest Territories.

The motion was agreed to, and the bill was read the third time, and passed.

## PRIVATE BILL

### BELL TELEPHONE COMPANY OF CANADA— THIRD READING

The Senate resumed from yesterday, the debate on the motion of Hon. Mr. Golding for the third reading of Bill C, respecting the Bell Telephone Company of Canada.

**Hon. David A. Croll:** Honourable senators, in rising to speak to this bill I should begin by saying that I have a soft spot in my heart for the Bell Telephone Company. It is said and I have often heard it repeated that people like to work for the Bell. That of course raises the company in my estimation because it indicates that it has good labour relations, that it is an enlightened and progressive company and that its leadership is good.

I appreciate that it is one of the great public service corporations of this country and its stock is the bluest of blue chips. It is a well regulated company and it has a long history of service. But in its field this company is a monopoly. Someone said to me today that it is a benevolent monopoly. My only answer to that is, "There ain't no such animal."

The bill before us today asks for authority to increase the company's capital stock, the increase to be used for two things: expansion and development at the present time and in the future, and payment of commission on stock sales. I suppose the purpose of the commission would be to make it easier to sell the stock. I really do not think the Bell Telephone Company needs that, but if it does I am not going to oppose it. I have no quarrel with the Bell Telephone Company; I am speaking to the principle of the bill.

I conceive the principle embodied in the bill to be increased capitalization—to put it more bluntly, the building of a billion dollar corporation—and in that context I intend to discuss it.

It is a matter of public knowledge, and certainly it is a matter of public record, that now pending before the Board of Transport Commissioners is an application by the Bell Telephone Company for an increase in rates. It is described, I think, as a 15 per cent overall increase. That application has stirred the people, who have expressed themselves in the way that people normally do, that is by getting in touch with their closest elected representative, the municipal councillor. Municipal councils throughout the two provinces concerned have decided on collective opposition to the proposed increase. This action will involve considerable expenditure on the part of the municipalities, which they cannot afford. They, in the same way as we, suffer from the common failing that though everybody tells them how to spend money, nobody tells them how to raise it.

I think it will interest this house to know that the Bell Telephone Company is doing well. I hope that it continues to do well. I will quote from an article on the financial page of the *Montreal Gazette* of October 31. I gather that, the market being what it is, everybody is reading the financial page of newspapers these days. The article reads:

BELL TELEPHONE PROFIT UP ONE PER CENT IN QUARTER,  
SIX PER CENT TO DATE

Though operating expenses and other charges rose at a somewhat greater rate than the gains in operating revenues and other income, net profit of the Bell Telephone Company of Canada in the first three or four months of this year increased by \$1.6 million, or 6 per cent, as shown above.

I bring this to the attention of the house because the rates have constantly increased. I cannot recall a reduction of rates, either voluntary or ordered. I have been led to believe that mass consumption or mass services and mass production usually lower the cost to the consumer. I wonder if we now must believe that that is true only in the competitive field. I wonder what the situation would be if the company had to meet competition to expand marketing opportunities. If it had to show more aggressiveness, would the story be different?

The Consumers Gas Company of Toronto, a very large corporation, has taken a somewhat different course. It needed expanded markets and it had to meet aggressive competition. Its rates, mind you, are set by the Ontario Fuel Board. Yet in Toronto, Ottawa, Brockville, Lindsay and other Ontario municipalities the company voluntarily reduced its rates on February 1, 1955, by \$2.5 million per year; on October 1, 1955, by \$550,000 a year; on October 15, 1956, by \$1 million per year; on September 30, 1957, by \$1 million per year,—a \$5 million reduction of rates in 31 months. So, in these energy-short fuel markets, prices in a competitive field were reduced.

**Hon. Mr. Hayden:** Because of natural gas.

**Hon. Mr. Croll:** It has not come in yet, and is not likely to be here for a year; yet the company started to reduce rates in 1955. The point is, it expects a certain amount of competition.

Our experience with monopolies and combines has not been good. There is, for all to see, a record of investigations, reports and prosecutions which indicates that we have required continuous tightening-up of the Combines Act, with increasing penalties. The corporations involved are many, responsible and respectable, the list of whose boards of directors reads like *Who's Who*, but who do not mind doing a little price fixing and trade regulating if it pays. Can one wonder that

the public are suspicious of a million-dollar corporation, and downright distrustful of a billion-dollar corporation?

It is eminently true that there are in this house a large number of honourable senators who can read and evaluate the implications of a financial statement. It is an achievement which I should like to share. As a matter of fact there are far more members of this house who can appreciate a financial statement than there are in the House of Commons, yet often after only two or three hours of unrecorded evidence before a Senate committee an important matter is disposed of, though I readily admit there is every opportunity to ask questions, and if they are asked, the answers are given. I always have the feeling that we really know very little about these great corporations, their corporate structure and their interlocking directorates. We deal with them piecemeal, one at a time, in air-tight compartments. We never see the overall picture. How can one say anything fruitful after such a quick capsule education?

Take a case in point, the pipe lines. They obtained charters from Parliament. We hear of profits that are described as amazing, as an avalanche of profits. We hear talk of watered stocks and other machinations, and that they are building private corporate empires. These same men who came before us last year and the year before are being referred to by responsible Canadians as buccaneers. If they are, we made this possible by giving them a licence to go free-wheeling in the economic world.

Honourable senators, I have here a clipping from the *Winnipeg Free Press* under date of October 31. It is rather long but I feel I must read it in order to give you the whole picture:

The public works committee of Winnipeg City Council wants the provincial Government to break the monopoly power held by the Winnipeg and Central Gas Company.

I quote from further on:

Gas pipeline companies are showing ominous signs of behaving as the equivalent in these times of the railroad barons of an earlier generation.

I quote again from further on:

A pipeline company has to have a franchise and it needs a lot of capital. Having once got its franchise and its capital, it may feel itself in an impregnable position to exploit the advantages of monopoly and make a mockery of the utility-board type of control.

The worst example comes from British Columbia. There the pipeline company, Westcoast Transmission, appears to be on very friendly terms with the Social Credit Government of Mr. Bennett. It is a peculiar set-up. Westcoast has a licence to sell gas at the border to a U.S. firm, Pacific Northwest Pipeline Company. Pacific Northwest owns, through a trustee—J. P. Morgan Inc.—the largest block—nearly a quarter—of the shares of Westcoast. Pacific Northwest is itself controlled by El Paso

Natural Gas Company, operating in the southwestern States. And Westcoast is connected with Inland Natural Gas Company, to which it sells gas for distribution in the interior of B.C. What has been created is in fact one vast interlocking gas empire extending from the San Juan basin in New Mexico to the Peace River.

The arrogant power of this empire has been openly displayed in the case of the little B.C. town of Prince George. There local businessmen some time ago organized a small utility company to distribute gas. The Westcoast pipeline company, however, subsequently made an exclusive contract to sell to its own associate, Inland, in the B.C. interior. The Prince George company can therefore exercise its local franchise only via Inland.

The main pipeline does not, of course, go through the town. It is all of  $4\frac{1}{2}$  miles away. But Westcoast insists that Prince George can have gas only if Inland first has the gas for those  $4\frac{1}{2}$  miles. Westcoast will sell to Inland, and Inland to Prince George. And what will the markup be for those  $4\frac{1}{2}$  miles? A cool 50 per cent.

Westcoast sells to Inland at a demand charge of \$3.21 per 1,000 cubic feet a month and a commodity charge of 20 cents per 1,000 cubic feet for gas actually used. This is the same basis on which Pacific Northwest sells gas from the same source after it has been moved more than 400 miles further, into the United States. But for moving it  $4\frac{1}{2}$  miles the charges are raised from \$3.21 to \$5.00—56 per cent increase—and from 20 cents to 30 cents—50 per cent increase. Indeed, Westcoast's gas will get to the Prince George Company at more than three times the cash price at which Westcoast sells it across the border to its associated company, Pacific Northwest. The cash prices are, of course, on a different load factor. But on an equivalent basis, the Prince George price is still more than twice the export price.

One may well ask how this can possibly be. One of the conditions of Westcoast's licence to export at all is supposed to be that it shall not charge more to Canadian customers than it charges for exports. The trick is that its customer, it claims, is Inland, to whom it sells at the same price as the export price. What Inland does to the price in the next  $4\frac{1}{2}$  miles is, legalistically, no business of Westcoast's. Legalistically, the president of Westcoast has nothing to do with his brother, the president of Inland.

It must be said that such arrogant goings-on as these would probably be impossible in any Canadian province except one run by the Social Credit Government of B.C. But it is a clear warning of what the gas companies are liable to attempt, in whatever measure they can get away with it.

There are those, of course, who conclude that the thing to do is to have pipelines publicly owned. That is not a wise conclusion. There is every reason to think that public ownership would reduce efficiency and create more problems than it solves. Public opinion will be driven to look kindly on public ownership only if it seems to be the only alternative to the gas companies getting away with murder.

**Hon. Mr. Reid:** What about the telephone companies?

**Hon. Mr. Croll:** I will be back to the telephone companies. I am now dealing with large corporations. The article goes on:

It is up to the government at all levels—federal, provincial and municipal—to ensure, under the spur of a vigilant public opinion, that companies on which a monopoly has been conferred don't get away with anything more than a proper return

for efficient operation. That is the only way to preserve the great advantages of private ownership by fair service to the public.

This house can readily understand that at the present time the public is concerned. It is disturbed and angered and there is serious talk of nationalization. There is no use saying that is socialism. If you do it will be very hard for the Senate and anyone else to explain away the Canadian National Railway System, the Trans-Canada Air Lines, the Canadian Broadcasting Corporation, the Ontario and Quebec Hydro systems, the crown corporations and, as one senator indicated today, the Canadian Wheat Board. These are proof that we are not bound by any particular philosophies or doctrines, but that we are realists in a realistic world. The *Toronto Telegram*, which has been the spokesman for arch conservatism for a very long time, had this to say on November 2 of this year, in an editorial entitled *Own The Gas Line*:

The Government, instead of Trans-Canada, could operate the Northern Ontario section it now owns. It could, as CCF leader Coldwell said in the house the other day, "restore to the people of Canada ownership and control of that part of the pipeline alienated from the people by money provided by this Parliament".

A little farther on the editorial says:

The *Telegram* supported it then and advocates it now, not as a socialist principle but because it believes nationalization would still best serve the interests of the people of Canada.

The demand will continue to grow because there is a growing feeling that natural monopolies belong to the people. The people are not unaware that the communication system in the province of Saskatchewan belongs to the people there, as it does also in the province of Alberta. In Great Britain the communication system is publicly owned. All these systems give good service at reasonable rates. Communication has taken on new importance in this atomic age.

Let me give a further illustration. In this country we have great service corporations, the banks, which are incorporated under an Act of Parliament. They are supervised and watched over by the Inspector General of Canada and the Department of Finance. They are influenced and gleamed at by the Bank of Canada. Every ten years they come to Parliament, which examines them, and they lay bare their souls—if a corporation has a soul. We find that is profitable to Canada, as well as good and healthy for the banks. By that method the public has a proper understanding and appreciation of banks and their function. The act is revised in the light of present needs and requirements, having the best interests of the people at heart. The latest review of the

Bank Act did the banks a great deal of good in the field of public relations, and it broadened their services; the result was to reaffirm confidence and give the people a better understanding of what the banks do. Confidence and understanding are the greatest asset a bank can possibly desire. As a result of the hearings the banks have never stood higher in public esteem.

Now, my friends may well say, "But there are boards and commissions to whom these various corporations must answer." That is true. But in the main they are administrative bodies which make rules and regulations and give day to day direction and have some control of rates. They do not even scratch the surface. These boards do the best they can, and they do what the law says they must do, but there is no planning or direction. We in Parliament often find ourselves in the position where we endorse these decisions almost like a rubber stamp.

I think this house knows that capital is increasingly concentrated in big corporations which have every incentive to buy out their smaller competitors, to expand staff and operations, to obtain a better economic gain and to build private corporate empires. If we look across the border we see small corporations being gobbled up and used in many instances as a promotion vehicle by big corporations. We have recently witnessed such a performance which affected the Maritimes, and about which they are much concerned and very dubious. I am not at all sure that the moving of a head office of a small corporation to Bay street or St. James street gives an added stature or value, or improves employment opportunities for the people of small communities. I have a feeling that it merely brings the treasury within easy reach.

We have to fight bigness and keep the economy competitive. The Combines Investigation Act is useful against a large number of small corporations, but it is not useful against large corporations.

Honourable senators, I have no immediate solution to the problem that I present, but I have this suggestion to make: that we should at the very first opportunity appoint a joint standing committee of this house and the House of Commons on public service corporations incorporated by Parliament, to study, examine and make recommendations with a view to the maximum development of the entire country. Great corporate empires are being built up without Government control or direction, yes, even without Government knowledge, and in years to come we may have to pay a very heavy price for our failure to act or for our neglect to correct. Public service corporations grow and grow; they become bigger and bigger and more and

more powerful. That is not a healthy situation. We know too little about them. We may wake up on some cold morning and find that the resources and the services that we consider vital to our security and our economic life are controlled in Britain, the United States or Germany, or acquired by dummies or agents in Switzerland, for a principal who may well be behind the Iron Curtain.

What we know about these corporations is not the best word, and should not be the last word. What we do here affects to an increasing degree an increased number of people. Should we not know how public service corporations are dealt with in the United States and in Great Britain? Should we not profit from their long and varied experience and avoid their mistakes? We are only in our infancy: we have a long road ahead of us, and it looks like a bright one. Thus I repeat my suggestion, that the two houses should jointly interest themselves in the development, regulation and control of public service corporations.

It is high time we took some steps, and this is an appropriate occasion to sit back and take stock of the position of these corporations which are too important to our future to leave to uninhibited private enterprise, and which to an increasing degree affects an increasing number of people. I believe that such a committee could render great service.

Honourable senators, I leave this thought with you: If it is good for the country and good for the banks that the Parliament of Canada should examine their activities periodically, then it ought to be equally good for the country and for these public service corporations to have the Parliament of Canada examine them periodically. I seriously suggest to this chamber that action be taken for the purpose of creating a joint standing committee on public service corporations.

**Hon. Mr. Reid:** Would the honourable senator answer a question? Last evening he said he did not thoroughly understand the true significance of the amendment. I am wondering if he has now caught the significance of the amendment, and if so would he please explain it. That is why the bill was held up last evening.

**Hon. Mr. Croll:** No. The bill was held up because I wanted to speak to it.

**Hon. Mr. Reid:** Because you wanted to make this speech?

**Hon. Mr. Croll:** Yes. I would have made it last evening had I been permitted; I was even prepared to make it last Thursday. I did not just think this up over night.

**Hon. Mr. Bouffard:** Well, it is done! Question!

**Hon. Mr. Lambert:** May I ask the honourable senator a question? I just entered the chamber in time to hear the concluding sentences of his remarks, in which he used the word "uninhibited" with reference to private enterprise corporations. Would he mind explaining what he means by "uninhibited"?

**Hon. Mr. Croll:** Uncontrolled by Government through its agency.

**Hon. Mr. Lambert:** That is different.

**Hon. Mr. Croll:** It is the same thing.

**Hon. Mr. Lambert:** "Uninhibited" suggests something else.

**Hon. Mr. Vaillancourt:** Honourable senators, may I be permitted to say a few words on the question of monopoly? While I am opposed to monopoly as a general principle, it sometimes happens that it is better to have a good monopoly than to have competition in a certain field. May I give an illustration?

I recall that some years ago in a certain part of Quebec we had two telephone systems, and companies, doctors, lawyers and so on were obliged to subscribe to the two systems. That demonstrates my point that in certain fields it is sometimes more costly to have competition than to have a monopoly.

The motion was agreed to, and the bill as amended was read the third time, and passed.

### PRIVATE BILLS

#### INVESTORS TRUST COMPANY— SECOND READING

**Hon. W. M. Aseltine** moved the second reading of Bill K, to incorporate Investors Trust Company.

He said: Honourable senators, I do not think it will take me more than a few minutes to explain Bill K, which is for the purpose of incorporating Investors Trust Company.

The application is made to Parliament by certain individuals from the city of Winnipeg, Manitoba, who are the heads of Investors Mutual of Canada Limited and Investors Syndicate of Canada Limited. The bill is in the usual form for a bill of this kind. I am informed that it has been approved by the Department of Insurance.

The capital stock in the trust company is to be \$3 million. The head office is to be located in Winnipeg; and the company will not be allowed to do business until \$1 million has been subscribed and at least that amount paid thereon.

I should perhaps say that Investors Mutual of Canada Limited was incorporated in the forties, under the Dominion Companies Act, and has carried on business since that time, subject to certain amendments to its charter. Its assets now exceed \$150 million; it is the largest investment fund in Canada.

**Hon. Mr. Reid:** It is not a monopoly, is it?

**Hon. Mr. Aseltine:** No, I do not think so; it is an investment organization.

Investors Syndicate of Canada Limited, which I mentioned, is a company which works with Investors Mutual Limited and is principally in charge of the investments of Investors Mutual Limited, also has large capital and extensive assets. They have invested many millions of dollars in national housing loans and have carried on business of an investment nature for many years. I should add that Investors Syndicate of Canada Limited is incorporated in the province of Manitoba under the Companies Act of that province, and is not a federal company.

The chief object of these two companies in desiring to form a trust company is that they may be enabled to offer and fully administer a corporate pension plan for any employer who wishes to set up a plan of that kind. This is operated by way of a money purchase scheme, with the money being made available and on hand at the retirement date. A recent amendment to the Income Tax Act allows self-employed persons to provide for their own retirement income. It will be one of the functions of this trust company, if it is incorporated, to carry on that kind of business.

Moreover, incorporation of the trust company would facilitate the business of the two companies I have mentioned. It is not intended to engage in ordinary trust company business at present, but of course that power is included in the Trust Companies Act, under which corporations of this kind are formed.

That is all the information I have in this connection, honourable senators. If the bill is read a second time today I would like to have it referred to committee for further study, and as Mr. Cooper, one of the head men of the company, has been here for some time, I would also move that Rule 119 be suspended in so far as this bill is concerned.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

**Hon. Mr. Aseltine:** I move, honourable senators, that this bill be now referred to the Standing Committee on Banking and

Commerce and that the provisions of Rule 119 in respect thereof be suspended.

**Hon. Mr. Connolly (Ottawa West):** Would the honourable gentleman say in what respect and to what extent rule 119 is suspended? When would the committee meeting be held?

**Hon. Mr. Aseltine:** My honourable friend has piloted so many private bills through the Senate that I thought he would not need any explanation of that rule. However, it is a rule that provides for one week's notice of the meeting of the committee.

**Hon. Mr. Connolly:** I know, but when do you propose that the committee should sit?

**Hon. Mr. Aseltine:** Well, I thought the bill might get to committee some time this week.

**Hon. Mr. Haig:** Honourable senators, I may say that I know these two investment companies very well, and all the men connected with them. The companies sell securities to people in offices and so on, and at that they are highly successful. They are very satisfactory to deal with and very reliable. The president is the director of several of our larger companies, and he and the other officers are considered very fine people. As I said, I know them quite well. In fact, they came to me with the bill, but I told them that Senator Aseltine was much smoother than I with the Senate in getting legislation like this through it. However, I think he is slipping a little, but I hope he gets it through.

The companies' lawyer has been here for a week, and the president arrived just a day or two ago in order to be available to answer any questions asked in committee.

I am sure we would be making no mistake in approving of this bill. Several of my friends are agents for the companies. They sell subscriptions to investment plans, and you pay them so much a month for a number of years or whatever period you select. Now the companies want to broaden out and make pension plans available. A lot of Winnipeg people who are self-employed would like to be able to purchase a pension under a plan of that kind. It is for that purpose that this bill is being introduced.

The motion for reference of the bill to the Standing Committee on Banking and Commerce, and for suspension of the provisions of Rule 119 in respect of the bill, was agreed to.

MEXICO TRAMWAYS COMPANY—  
SECOND READING

**Hon. John J. Connolly** moved the second reading of Bill M, respecting Mexico Tramways Company.

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He said: Honourable senators, it is because of Rule 119 that I think that even at this late hour I should explain this bill. It will take but a few minutes and I am not suggesting that the time prescribed by Rule 119 be abridged.

The company known as Mexico Tramways Company was incorporated by letters patent in 1906 under the name of the Yucatan Power Company Limited. By chapter 125 of the Statutes of Canada, 1906, the company changed its name to the present name and it was also authorized by that special act to operate tramways.

The head office of the company is in Toronto.

In 1945 the Mexican Government took over by public decree all the company's enterprise and assets in Mexico City. Up until 1952, or for seven years, the company attempted, through the courts, to get compensation. Finally, in 1952, compensation was granted. I understand that the amount of the compensation paid by the Mexican Government was some 14 million pesos.

Perhaps honourable senators would like to know that the issued share capital of the company is 265,312 shares. There are 26 Canadian shareholders, owning 1,282 shares; there are 47 American shareholders, owning 166,000 shares; there are 493 European shareholders, owning 5,894 shares; and there are some 92,000 shares presumably held in the United States but in bearer form.

**Hon. Mr. Croll:** Can you tell us what is the Canadian equivalent of a peso?

**Hon. Mr. Connolly:** The peso is worth, I think, 12 to the Canadian dollar. That is approximately the value.

**Hon. Mr. Stambaugh:** I think it was 8.5 cents last year.

**Hon. Mr. Connolly:** That is right, which makes about 12 pesos to the Canadian dollar.

What is proposed by this measure is this: this company of course has no tramway enterprise in Mexico or any place else. It now holds moneys in the form of investments—the moneys that were paid to it after the negotiations following the expropriation. The company proposes now to surrender the powers that were granted to it by the Parliament of Canada in 1906. It now becomes an investment company and it is proposed within six months of the time that this bill is passed, if it should be passed, to change its name and acquire the powers required under the Canadian Companies Act to carry on as an investment company. I should add that another provision of the bill will protect the right of third parties and, as well, the rights

of the shareholders and all people interested in the company after this measure receives the approval of Parliament.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Ottawa West), the bill was referred to the Standing Committee on Miscellaneous Private Bills.

#### DIVORCE

##### REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 25 to 37, which were presented on November 4.

**Hon. Mr. Gershaw**, for Hon. Mr. Roebuck, Chairman of the committee, moved that the reports be adopted.

The motion was agreed to.

#### BANKING AND COMMERCE COMMITTEE

On the motion to adjourn:

**Hon. Mr. Aseltine:** Honourable senators, the Banking and Commerce Committee, to which the Prairie Grain Advance Payments Bill was referred, will meet at 10.30 tomorrow morning. The committee's proceedings on that bill will be taken down in shorthand by the official reporters of the Senate and a verbatim report will be printed.

The Senate adjourned until tomorrow at 3 p.m.

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## THE SENATE

Wednesday, November 6, 1957

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

Prayers.

## OLD AGE ASSISTANCE BILL

## FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 20, to amend the Old Age Assistance Act.

The bill was read the first time.

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

Hon. Mr. Haig: Honourable senators, I move that this bill be placed on the Order Paper for second reading at the next sitting.

The motion was agreed to.

## BLIND PERSONS BILL

## FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 21, to amend the Blind Persons Act.

The bill was read the first time.

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

Hon. Mr. Haig: I move that this bill be placed on the Order Paper for second reading tomorrow.

The motion was agreed to.

## DISABLED PERSONS BILL

## FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 23, to amend the Disabled Persons Act.

The bill was read the first time.

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

Hon. Mr. Haig: I move that this bill be placed on the Order Paper for second reading tomorrow.

Hon. Mr. Macdonald: Honourable senators, may I ask the honourable Leader of the

Government (Hon. Mr. Haig) if it is intended that these three bills which have received first reading today shall be the first orders of business tomorrow?

Hon. Mr. Haig: I thank the honourable gentleman for his inquiry. The honourable senator whom I have asked to explain these bills is not here today and will not be present before Monday. Tomorrow I shall ask that the second readings of these bills be deferred until Monday next. The bill respecting old age security will be introduced today by the honourable senator from Mille Isles (Hon. Mr. Monette). That is the only new piece of Government legislation which will be taken up today and tomorrow.

The motion was agreed to.

## PRIVATE BILLS

ALASKA-YUKON PIPELINES, LTD.—  
FIRST READING

Hon. P. H. Bouffard presented Bill X-1, respecting Alaska-Yukon Pipelines, Ltd.

The bill was read the first time.

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

Hon. Mr. Bouffard: Tuesday next.

RIO DE JANEIRO TRAMWAY, LIGHT AND  
POWER COMPANY, LIMITED—REPORT  
OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce presented the report of the committee on Bill E.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (E) intituled: "An Act respecting The Rio de Janeiro Tramway, Light and Power Company, Limited", have in obedience to the order of reference of October 30, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

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

Hon. Mr. Connolly (Ottawa West): Next sitting.

SAO PAULO ELECTRIC COMPANY, LIMITED—  
REPORT OF COMMITTEE

Hon. Mr. Hayden presented the report of the Standing Committee on Banking and Commerce on Bill F.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (F) intituled: "An Act respecting Sao Paulo Electric Company,

Limited", have in obedience to the order of reference of October 30, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

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

**Hon. Mr. Connolly (Ottawa West):** Next sitting.

BRAZILIAN HYDRO ELECTRIC COMPANY,  
LIMITED—REPORT OF COMMITTEE

**Hon. Mr. Hayden** presented the report of the Standing Committee on Banking and Commerce on Bill G.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (G) intituled: "An Act respecting Brazilian Hydro Electric Company, Limited", have in obedience to the order of reference of October 30, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

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

**Hon. Mr. Connolly (Ottawa West):** Next sitting.

BRAZILIAN TRACTION, LIGHT AND POWER  
COMPANY, LIMITED—REPORT OF COMMITTEE

**Hon. Mr. Hayden** presented the report of the Standing Committee on Banking and Commerce on Bill H.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (H) intituled: "An Act respecting Brazilian Traction, Light and Power Company, Limited", have in obedience to the order of reference of October 30, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

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

**Hon. Mr. Connolly (Ottawa West):** Next sitting.

INVESTORS TRUST COMPANY—REPORT OF  
COMMITTEE

**Hon. Mr. Hayden** presented the report of the Standing Committee on Banking and Commerce on Bill K.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (K) intituled: "An Act to incorporate Investors Trust Company", have in obedience to the order of reference of November 5, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

**Hon. Mr. Aseltine:** With leave of the Senate, I move the third reading now.

The motion was agreed to, and the bill was read the third time, and passed.

PRAIRIE GRAIN ADVANCE PAYMENTS  
BILL

REPORT OF COMMITTEE

**Hon. Mr. Hayden** presented the report of the Standing Committee on Banking and Commerce on Bill 14.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (14) intituled: "An Act to provide for Advance Payments for Prairie Grain prior to Delivery thereof", have in obedience to the order of reference of November 5, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

THIRD READING

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

**Hon. Mr. Aseltine:** With leave of the Senate, I move the third reading now.

The motion was agreed to, and the bill was read the third time, and passed.

AUTHORITY TO PRINT COMMITTEE  
PROCEEDINGS

**Hon. Mr. Hayden** presented a further report of the Standing Committee on Banking and Commerce on Bill 14.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce report as follows:

Your committee recommend that it be authorized to print 800 copies in English and 200 copies in French of its proceedings on the Bill (14), intituled: "An Act to provide for Advance Payments for Prairie Grain prior to Delivery thereof":

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

**Hon. Mr. Hayden:** With leave, I move that the report be adopted now.

The motion was agreed to.

PRIVATE BILL

OTTAWA AND NEW YORK RAILWAY  
COMPANY—REPORT OF COMMITTEE

**Hon. Hartland de M. Molson, Acting Chairman** of the Standing Committee on Transport and Communications, presented the committee's report on Bill D.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (D) intituled: "An Act respecting Ottawa and New York Railway Company", have in obedience to the order of reference of October 30, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

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

**Hon. Mr. Connolly (Ottawa West):** Next sitting.

### DIVORCE BILLS

#### FIRST READINGS

**Hon. F. W. Gershaw,** for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill K-1, for the relief of Jean Marc Beauceau.

Bill L-1, for the relief of Moe Boxerman.

Bill M-1, for the relief of Marilyn Joan O'Bryan Watson.

Bill N-1, for the relief of Irene Elsa Rubin Cohen.

Bill O-1, for the relief of Sally Baker Golding Rohrlich.

Bill P-1, for the relief of Jerzy Dzynaw.

Bill Q-1, for the relief of Pauline Mechanik Winterfeld.

Bill R-1, for the relief of Gennie Loza Jarvis.

Bill S-1, for the relief of James Keith.

Bill T-1, for the relief of Michal Rybikowski.

Bill U-1, for the relief of Beverley Joan Abbott Reid.

Bill V-1, for the relief of Mark Astman.

Bill W-1, for the relief of Karl Schubert.

The bills were read the first time.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the second time?

**Hon. Mr. Gershaw:** Monday next.

### SPEECH FROM THE THRONE

#### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from Thursday, October 31, consideration of Her Majesty the Queen's speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. Thomas Reid:** Honourable senators, the opening of Parliament by Her Majesty the Queen, accompanied by His Royal Highness the Prince Philip, was one of the great historical events in our history, and one which will long be remembered by those fortunate enough to be present on that occasion. It was a thoughtful decision, especially in a country extending some 4,000 miles, to televise not only the opening of the session but events of the entire three or four days when Her Majesty was here, and so provide an opportunity to Canadians in all provinces to see and follow the events as clearly, if not more so, as if they had been here in Ottawa.

I notice some suggestion has been made recently in the other place to have the proceedings of that house televised. I trust the Government will not take such a suggestion seriously. In my opinion, televising of the proceedings of Parliament would tend to make actors out of the members; although of course it might help to bring about a better attendance there as no member would like to be called upon by one of his constituents to explain why he was not present when the proceedings were televised.

Before proceeding to the main part of my speech, may I at this time extend my sincere congratulations to the Leader of the Government in the Senate (Hon. Mr. Haig), who at long last finds himself a member of the cabinet and the Leader of the Senate. In the words of Longfellow:

All things come round to him who will but wait.

We wish the honourable leader well, good health, and that he may long continue in the position he now holds.

Likewise, Mr. Speaker, I tender to you my congratulations, and I say to you sincerely that you have already made a very favourable impression on all honourable members of this chamber.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Reid:** Honourable senators, may I say a word or two regarding world affairs. No doubt most Canadians were pleased to hear the statement which was made after the conference between the Right Honourable the Prime Minister of Great Britain, the President of the United States and the Right Honourable the Prime Minister of Canada, that the three countries have now agreed to pool their scientific knowledge. Perhaps we can give credit to the Russian satellite

*Sputnik* for the decision to pool all scientific knowledge, a decision which in my opinion was long overdue.

As to the satellite, let me say that until we solve our human weaknesses and problems on this earthly planet of ours I will have no great enthusiasm for devoting time and talent toward landing on the moon or one of the other planets. It reminds me of a foolish idea that was experimented with as far back as 4,000 or 5,000 years ago, when some men set out to build the Tower of Babel, which they hoped would reach up to the heavens. So, there is nothing new in the idea. Krushchev's truculence today should, I believe, serve as a warning to all of us of what the Soviets would be tempted to do, once they felt they had a preponderance of power. The advent of *Sputnik* has encouraged the Russians to aggravate the cold war with brazen threats and barefaced lies. To the cold war practice of divide and conquer they are now trying to add fear. I am really surprised that some naïve scientists believe the Russians will pass on scientific information. So long as Russia devotes all her resources to military purposes, seeking to achieve complete mastery of the world by building up the greatest war machine the world has ever seen, so long must the Western democracies prepare to meet the most deadly weapons. However, the North American continent seems to be more concerned with acquiring additional luxuries and an easier way of life. Canada and the United States have a great many scientists and trained men, but they are largely wasting their time on luxury goods and making money for big concerns. At times I wonder how many of our scientists are employed in turning out such articles as new varieties of soap suds and new chrome-trimmed chariots. We should face the fact now, that we cannot have all these luxuries and at the same time compete successfully with Soviet Russia. Our desire for a more luxurious way of life could, in my opinion, be our downfall. I sincerely trust that our military efforts will be expanded while, in my opinion, there is yet time.

I should like now to discuss for a few minutes the recently announced conference which is shortly to take place between the dominion and the provinces. Premier Frost of Ontario has said that at the conference he is going to demand for Ontario 15 per cent of the revenue from income and corporation taxes, and 100 per cent of the revenue from succession duties. At present, I understand Ontario is receiving 10 per cent of the revenue from these taxes and 50 per cent of the succession duties. Mr. Frost points out that Ontario's financial needs are short by \$100 million.

Honourable senators who have watched this system of distributing the income of Canada among the provinces know that not one province has ever been satisfied. As a matter of fact, the distribution has been used politically by most provinces against the federal party in power. With respect even to the Government of the province of British Columbia, when the premier there compared the province's share of \$40 million out of income tax collections with the federal share of \$385 million, he used to say the province was being robbed. Today the premier of that province is still saying the same thing. If you look back you will find, I think, that only one province has ever given credit to the dominion for collecting taxes and dividing them as fairly as is being done. That province is New Brunswick.

Note, however, honourable senators, that although the provinces cry about being robbed, none of them are willing to withdraw from the agreement and collect their own taxes. We used to hear a great deal about provincial rights. But the cry now is about provincial wrongs, and most of the provinces today, if not all of them, are bewailing the fact that they do not receive a larger proportion of the total tax revenues. I am confident that if at the conference the dominion government accedes to the request of Premier Frost of Ontario, every other province will say, "Me too", for each and every province will come with both hands out to get more from the federal treasury.

The provinces like the present system. It is the finest thing that could have happened for them, because taxation now is centred at Ottawa and if people complain of high taxes the provinces say, "Why, it is the federal Government that is taxing you." But they fail to point out that the provinces are reaping the benefits. As I have said, we used to hear a great deal about provincial rights under the British North America Act. That subject, like free trade, has now disappeared from discussion, no matter in what part of Canada you are. The provinces do not mind about their rights, so long as they can hand their responsibilities on to the dominion Government. They are willing to give up any birthright they ever had. Old age security and health are now being firmly loaded on to the dominion authorities. And I read in the press that at its convention last week the British Columbia Young Liberals seriously advocated that the dominion Government pay part if not all of the salaries of teachers. Now, we all know that there never was and is not at present any responsibility on the part of the federal Government to pay for or take care of education.

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

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

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

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

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

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

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

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

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

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

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

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

a satisfactory arrangement is arrived at it will avoid the carrying out of the threat made by General McNaughton to the Americans, in case no solution can be arrived at between the two parties, namely, to divert the waters of the Columbia River to the Fraser. As Chairman of the International Pacific Salmon Fisheries Commission, I say that were that proposal to be carried out it would wipe out the entire salmon population of the Fraser River, because the diversion of the waters of the Columbia would involve the building of ten dams on the Fraser to retain water there during the various dry periods of the year. There is no doubt that, as the negotiations proceed, the Government of British Columbia will be drawn into the picture. Personally I would rather that the British Columbia Power Commission had the handling and development of power from the Columbia than that it be undertaken by a private concern. I say so because, as I look over the rates for electric power in Canada, I cannot but conclude that we in British Columbia are paying a heavy price for our electricity. The cost of electric light and power in, for instance, the city of Ottawa, which is supplied by the Hydro-Electric Power Commission of Ontario, is only one-third of what we have to pay in Vancouver and the Fraser Valley.

I now come to what I have particularly in mind apart from the development of the Columbia River and the preservation of our salmon. I am pleased that this commission has been set up; and one circumstance I would like it to look into is the fact, having reference to the natural gas line from Alberta through British Columbia to the boundary, that the United States firm which obtains natural gas from this source is getting it far cheaper than it is being supplied to us in British Columbia. I dug into this matter a little and was astonished to find that someone, presumably some official, has been very derelict in his duty, because the regulations which were passed to control matters of this kind have been ignored. By reference to the *Canada Gazette* of July 13, 1955, it will be seen that, "the price charged by a licensee for power or gas exported by him shall not be lower than the price at which power or gas respectively is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada". Yet we find that a United States company can buy gas from the West Coast Transmission at something like 24 cents per 1,000 cubic feet, while the British Columbia Electric Company in the province of British Columbia is paying 31.72 cents per 1,000 cubic feet. That arrangement may have even greater advantages for the United States

company, as I understand it has to meet competition in the line of fuel, not only with gas but with oil plus electric power. But with us in the Fraser Valley there is no competition in either of the two fields. British Columbia Electric controls all the electricity; now it controls the natural gas, so there is no competition there. The point I want the commission to look into is why this American company has been allowed to obtain gas from Alberta passing through our province at a far less rate than it is being supplied to us in British Columbia. I repeat that to my mind this is a violation of the regulation, that someone has not done his duty, and that the matter should be fully investigated. I trust that the Government will put what I have said before the recently appointed Energy Commission.

Without going at length into this matter, I would remark that in my opinion the Government did right to stop the export of natural gas until the whole subject has been reviewed. Reliable authorities estimate that inside of three years the demand in Canada for natural gas will double. If that be so, every assurance should be given that supplies will be available to all our people. The fact must not be overlooked that, once supplies are made available to customers outside the country, a serious international issue could arise if later on it should become necessary to deprive them of this service in order to meet the needs of our own people.

My last reference will be to the subject of narcotics, which is still very much to the fore in our province, particularly in Vancouver. It will be remembered that the report of a committee of the Senate was presented in 1956, and in the following year we passed a bill dealing with this matter. I say frankly, without fear of contradiction and not because I had the honour of being chairman of the committee, that that committee did one of the finest jobs which the Senate has ever done. Although its work was completed within the year, its studies were exhaustive, and I doubt whether one iota of further evidence could have been procured. The problem is still serious in British Columbia, but while some people claim there has been an increase in drug addiction, the departmental officials feel otherwise. The fact is that the greater number of convictions has been due solely to the fact that since our report was published the police and other authorities have been more active in picking up narcotic users.

While we advocated and were successful in having heavier penalties written into the bill, we also recommended in our report certain treatment for the addicts. Every member of our committee fully realized that it was no

cure to simply put drug addicts behind bars. However, we realized that the question of treatment was a provincial matter, and, so we recommended that the provinces should establish treatment centres for drug addicts. I am pleased to note that, with some financial assistance from the provincial Government, a small centre has been started in Vancouver. I believe it has only eight beds, but it will give assistance to drug addicts who voluntarily apply for treatment. I sincerely trust that this experiment will prove successful.

Honourable senators, I want to seriously warn certain people in British Columbia—people who do not know what they are talking about—who are making irresponsible statements and advocating the setting up of a system whereby drug addicts could obtain supplies at government clinics. Some of them claim this system works in Great Britain. I would point out to them that it is remarkably strange that Great Britain, which is a member of a fifteen-country committee set up by the United Nations Narcotic Commission, is actually opposed to the establishment of clinics where drug addicts could get free drugs. In all the meetings held by this fifteen-country committee, Great Britain has never once advocated such a system. We maintain that giving free drugs to addicts would be similar to giving whisky to an alcoholic every time he wanted it. If he wanted two bottles you would give him two, and if he wanted three you would give him three, and so on. An opinion poll was conducted in Vancouver and it is rather interesting to learn the number of people who favour the setting up of a system which would give drug addicts free supplies or drugs at cost. Sixty-six per cent of the men and 75 per cent of the women polled thought that this system would be a cure-all. A minister of the gospel on Vancouver Island wrote quite an article advocating the giving of free drugs to addicts, "just as," he said, "they do in Great Britain".

**Hon. Mrs. Hodges:** Would the honourable senator mind repeating the figures he just gave?

**Hon. Mr. Reid:** Perhaps I should read the question that was contained in the poll. It is as follows:

One suggestion to fight drug addiction, an addicts' crime, is to take large profit out of the illegal drug trade. To do this the Government would set up clinics, supervised by doctors, at which addicts could register and legally receive drugs at cost. Do you favour this suggestion or not?

To this inquiry 66 per cent of the men and 75 per cent of the women replied in the affirmative.

**Hon. Mr. Horner:** Was this poll conducted amongst drug addicts or the population generally?

96702—10½

**Hon. Mr. Reid:** The population generally. Honourable senators, in view of these statements which are leaving an erroneous impression, and in view of the seriousness of the matter, I thought I would take a few moments to place this matter before the Senate and the Government. I wish to take this opportunity to say to the Government that I trust when they get time they will examine the report made by the Senate's Special Committee on the Traffic in Narcotic Drugs in Canada. Some have said that that report was the best document ever put out on the subject. I know that representations are being made to the new Minister of Health and Welfare and to the new Minister of Justice to supply free drugs to drug addicts under some supervised system, but your committee recommended very strongly against such a thing.

Honourable senators, that is all I have to say this afternoon.

**Hon. Calvert C. Pratt:** Honourable senators, I wish to speak for a short while to the motion for an Address in reply to the Speech from the Throne. But first I should like to congratulate His Honour the Speaker upon his appointment to the Chair of this house. I hope, sir that you will find it interesting and enjoyable to preside over the deliberations in this chamber, and I am sure your administration of your high office will be completely satisfactory to the members of this house.

I also want to offer my best wishes to the mover (Hon. Mr. White), and the seconder (Hon. Mr. Méthot) of the Address in Reply. They are new members of this house, and I hope that they and the other new members will have a long and useful career in the Senate. May I take the liberty of personally offering my congratulations and extending a welcome to them. There is a lot of use, and great use, for the Senate in the government of Canada. This is a modest chamber, perhaps over-modest and retiring in its self-appraisal, and certainly so in its public relations. In these days, when public opinion is greatly influenced by headlines, TV panel discussions and political shouting, such services as the Senate performs are not as widely known as they should be. The sphere of usefulness is here just the same, and it is up to us all to do our part to develop it.

Honourable senators, the opening of Parliament this session has been an event which we shall all remember with great pride and pleasure. For me, as for most of us no doubt, it brought a revival of that feeling of emotion and loyalty which in my young days

always prevailed in the family circle when we were told of the Royal Family, and what the King and Queen and the members of the Royal Family meant to us. I well recall the delight and pride in my own home, when I was a very small boy, over the honour of my father and mother being entertained at a dinner in Newfoundland with the Duke and Duchess of Cornwall and York, who were later to become Their Majesties King George V and Queen Mary. The only phase of it that I can really remember is my mother's recounting of the conversation between herself and the Duchess about the mutual feeling they shared with regard to their respective children. That is my outstanding recollection of that memorable event. So it is, honourable senators, to this day, and we have grown into a deep regard and affection for the Royal Family largely because, with all the stress and strain of Court and official life, they maintain the quality of greatest mutual appeal, that is, a happy and devoted family life.

Honourable senators, I am sure it is a matter of general satisfaction that the Speech from the Throne reveals that a concentrated effort will be made toward greater development of Commonwealth trade. With that, closer Commonwealth relations of a general character should naturally follow. At this time, with the Commonwealth being constantly enlarged by British colonies in all parts of the world growing into self-governing dominions, such association becomes all the more valuable to us. It is an outstanding feature of world progress that self-government is developing rapidly, and particularly in areas where roots of British colonial government were deeply planted. While that development certainly has not come along by a straight and direct road, it is nevertheless a remarkable tribute to the British colonial system that the foundation for self-government has been well laid. I have always felt that the people who most freely use the word "colonialism" in a condemnatory manner are those who know the least about what is going on outside of their own villages and backyards. That, of course, is a natural view for me to have, being a resident of Newfoundland, and sharing with all other Newfoundlanders the pride we have in our country, which used to be Britain's oldest colony. It is just over a hundred years ago that Newfoundland obtained self-government, and so that movement has gone on. Self-government did not mean any weakening, but rather the strengthening, of the ties with the Old Country. It helped develop with Great Britain and other members of Empire and Commonwealth broader and more useful associations.

The world needs now, more than ever before, close relationships such as are found in the Commonwealth; it also needs the broader concepts of responsibility, one towards the other, for the development of mutual interests that are found there. Having said that—and I mean it thoroughly—I would say further that we must not allow ourselves to be blinded by idealisms or choked by platitudes. The difficulties of growing together are very real. Self interest will always be accepted as a first law of life. It is in the gradual, and very gradual reconciling of self interest with mutual interest, and thus broadening our points of view, that the most beneficial progress can be made.

Honourable senators, I should like to take this opportunity to refer to a most interesting gathering that I was privileged to attend a short time ago, under the auspices of Mount Allison University, at Sackville, New Brunswick. Under the sponsorship of Dr. Ross Flemington, the President, and other officials of that university, a three-day Canada-West India conference was held. This followed a similar conference which took place in the preceding week at Kingston, Jamaica. At those gatherings the premiers of the West India colonies, and some of our provincial premiers, were in attendance. Many of the high officials of government as well as leaders in professions and industry were there. Both Canada and the West Indies were well represented. The main purpose was to learn as much as possible of the conditions as they might develop under the forthcoming Federation of the West Indies, and to consider how the relations between Canada and the West Indies might be strengthened and improved. In those assemblies were representatives of six islands and groups of islands, which under the guidance of Great Britain are forming themselves into a Federation. It is anticipated that another unit of the British Commonwealth of Nations will thus come into being.

I am sure our colleague, the honourable senator from Fredericton (Hon. Mrs. Fergusson), who took a prominent part in the proceedings, will agree with me that these gatherings were most useful from every point of view. For myself, personally, I might venture to say that the most outstanding impression I came away with was that the will to get together for mutual benefit did not seem to be weakened because of the difficulties and differences. I can tell you that these difficulties and differences were certainly not underestimated and will call for a tremendous amount of give and take and mutual reconciliation to ensure the federation working to full advantage. For example, those

islands have tariff walls between each other; they have their immigration regulations, and for very real reasons, which only a close study of the conditions could reveal. There are circumstances which would make it appear on the face that the difficulties are almost insurmountable; but as I have said, it was fully demonstrated that the will to get together is there, and I think they are certainly well on the way in their thinking and acting toward close associations within the Commonwealth. I feel that the natural resources of those Islands and of Canada offer an opportunity for wider co-operation in trade and mutual helpfulness than has been availed of in the past. In these days when extreme nationalism is asserting itself in so many parts of the world, and in so many instances coming up in violent and threatening ways, it is indeed something to be proud of that we are part of a world-wide community of nations as expressed in the British Commonwealth.

I look back with great satisfaction to my good fortune in being in London in 1931, and sitting in the House of Commons during the whole of the closing day of the debate on the Statute of Westminster Bill. That historic occasion, and the bill itself, put into legal form what had developed and been in practice over the years. That momentous debate was a stock-taking event which I shall always remember. I like to think of the Commonwealth as a starting off position for us in international relations, and of course it is just that. It is not a goal, and never can be, in this world of constantly changing conditions.

I shall now pass from the subject of Commonwealth relations to another relationship which I feel strongly about, and that is with the United States.

I was very pleased to hear the honourable senator from Ottawa (Hon. Mr. Lambert) put forward in his remarks yesterday a suggestion that the Government of Canada should endeavour to interest the Government at Washington to bring about a joint North American wheat pool, which would undertake the sale of the surplus grain of this continent to the best advantage of both countries. The acceptance of such a plan would be a definite drawing together of mutual interests, which could well establish a pattern for the development of future relations. I think the idea is an excellent one.

The honourable senator from Shelburne (Hon. Mr. Robertson) has forecast in a notice on our Order Paper a most interesting discussion involving the enlargement of our trading areas through the development of trade with a large group of nations. If the

Senate, with the co-operation of the Government, can pursue a thorough discussion of such a subject, it will have made a tremendous contribution toward the development not only of Canadian trade, but of the harmonizing of various interests throughout the world.

It is always puzzling to me that so many people in their public and personal expressions seem to think that a closer relationship with our neighbour to the south is a contradiction of close relationship with the Commonwealth. I know we have to face difficulties and adverse trends of one form or another, not only looking south from here, but abroad in the Commonwealth, and even with respect to some branches of trade in looking across this country from province to province. We run up against world trading difficulties of the worst kind when matters of foreign exchange are involved. That is a difficulty which we do not have to meet on the North American continent.

We have at this time, unfortunately, an unbalanced trading position with the United States, to which I shall refer in a moment. Our economy must inevitably be tied in more closely with the United States, with its 170 million people living, one may say, with us in the same land, than with any other part of the world. If our relationship with the United States becomes bad in economic matters, we shall slide down hill so fast that we shall be crushed at the bottom. Here we have two populations with natural products running all the way from the northern areas down to the near tropics. Such products logically interlock one with the other for common use. What would be the use of our great forests, except for American purchases of our forest products amounting to \$1½ billion? Eighty-two per cent of our total exports of these products go to the United States. Newsprint exports alone amount to more than \$600 million a year; iron ore and iron products amount to a quarter-billion dollars; non-ferrous metals and products amount to a half-billion dollars; agriculture and animal products to \$376 million.

Of our fresh and frozen fish 98½ per cent of our exports go to the United States, for there is no other available country with refrigeration distributing facilities to use that product. That, I would say, is one of the greatest sources of development, reaching down to an immense number of people, which can be accomplished by drawing the American people toward us rather than driving them away, as some seem to wish to do.

It is alarming to see such a question in the headlines: "Whither Canada, Commonwealth Nation or U.S. Protectorate?". I call that sheer rubbish!

**Hon. Mr. Lambert:** Hear, hear.

**Hon. Mr. Pratt:** Surely, honourable senators, we can be a loyal Commonwealth nation and a close Commonwealth trading partner, without feeling we are being pushed into that position by such a frightening alternative as a "United States Protectorate". We have to use sense and work reasonably, and at times firmly, with the United States, particularly to improve our economic relationship. We can have, and we should work toward, a practical and close working partnership in both directions.

I am perfectly aware of the need for pushing for and urging upon the United States Government a more liberal policy in tariffs. When referring to this subject on a previous occasion in this chamber, I stated that it was ridiculous to talk complacently about the longest undefended national boundary in the world as if it epitomized the very essence of good relations. At that time I used the expression, and I repeat it now, that we have a tariff shooting war constantly going on right along the whole border between Canada and the United States. It is lamentable how the United States tariff swings against us in this industry or that, without the least consideration for our whole trading relations.

As an example of that condition, and an example of absurd practices, may I cite an instance to the house? There has always been a tariff on Canadian frozen fish going into the United States. Three or four years ago someone introduced into the trade a pre-cooked, ready-for-the-table product called "fish sticks". As soon as it began to sell widely someone thought of the bright idea of putting a prohibitive duty on it so as to protect cooking labour—and I can describe it in no other way—in the United States. The idea was channeled through official lines at Washington, and who over there knew anything about it? Certainly the American public did not know about it. In that country there is an abysmal ignorance of Canadian problems and Canadian trade relations.

I have travelled a great deal in the United States all my life, and even now when I visit the areas outside the big cities I find the two most talked of Canadian subjects are the Mounties—that of course is because of our tourist trade advertising—and the dome railway cars which travel through the Rockies—they being a feature of railway advertising. Now, I do not criticize that situation, but I say it illustrates the need for sound Canadian publicity among the American people. I do not suggest for one moment that we should blame them for their lack of knowledge in this respect; indeed, the blame should be attached to ourselves for having failed to make them better

informed about us. The setting exists for a close and practical relationship in trade matters, but we do not develop it.

How many people in the United States are aware that in addition to the known import tariffs there is a frightful deterrent to trade by reason of tariff interpretations? For instance, the valuing of goods in relation to the selling prices, and in some instances in relation to transportation costs, creates tremendous obstacles. How many people in that country know that by reason of the excess of imports by Canada from the United States over our exports to that country last year, we provided a full livelihood for large numbers of their people? The United States last year shipped to Canada \$1,348 million more in goods—and they were mostly manufactured goods—than Canada shipped to the United States. The actual overall financial deficit, including goods, services, interest and so forth, was \$1,640 million. Calculated on the relation of the total population of the United States to the value of their gross national product, that deficit provided a full living for more than 650,000 American people.

I know it is easy to talk about what should or should not be done to develop a fair measure of understanding by the United States people about Canada. My purpose in bringing out these facts is to show how very little we have done to make even a start on a solution of our common problem. I would like to suggest that as a beginning of organized effort, and I repeat just as a beginning, all the Canadian consulates in the United States—there are eight of them, apart from Washington, and probably there will be more very soon—should have specially appointed and specially trained information officers with adequate staff. Those officers should operate in close relationship with our Department of Trade and Commerce and should be amply financed to put over a wide publicity program of worth to Canada.

From the beginning there might grow a useful and wide movement to make Canada and Canadian problems better known to the American people. The way to get fair and favourable treatment from Government is to have an understanding, as well as a favourable, public. I do not think that that would be too hard a task if we just got busy and applied ourselves. I have no doubt that under the impetus of such a movement we should have far more of our leading citizens in many walks of life speaking of Canada and Canadian interests in all parts of the United States than we have at present.

It is true, of course, that the flow of capital investment into Canada has been a balancing

factor in financing the excess of imports over exports. Its main benefit is the extension of industry throughout Canada. With that investment comes also a great measure of benefit from the industrial research which is part of modern industry. That is a phase of this problem which is not very often talked of, but it is a very real factor. In 1955 Canadian industry spent on research, exclusive of Government research, \$65 million. That amount is minor compared with what was spent in the United States. I could not get the exact comparative figures, but the amount that industry has been spending on industrial "research and development" in the United States, apart from ordinary capital investment, runs between \$3 and \$4 billion a year.

Let us think for a moment not only of motor cars, household appliances, radios, and such like, but of hundreds of other things which are ordinary necessities of life to us and which are made in Canada by reason of our mutual industrial interest with the United States, the transfer of American patents to Canada and also American capital.

I cannot see the need for the extreme alarm that is expressed over the flow of money into industry from across the border. European capital built up American industry and made America a debtor country for over two centuries of its development. As a matter of fact, outside capital was a predominant feature of American development during the period when the population of the United States was treble that of Canada, and even greater. I think that a wider spread of Canadian shareholders in American financed enterprises here would be a good thing. But on the other hand the need for new money for development in such a country as this is absolutely tremendous. We can never progress by a shoestring effort, so why should we try?

This outside capital when it comes into Canada buries itself in the industry of Canada; it is subject to Canadian laws; corporate earnings are taxed and public revenue is derived from the transfer of profits.

I know that the present is a difficult time to reconcile feelings. We have differences with our neighbour over their wheat disposal policy. We have a right to drive hard for a better understanding on tariffs and tariff applications. I want to say this, that the time to drive hard for improvements such as I suggest and which are necessary to our economy is right at this time when our neighbour has such a valuable trading advantage.

It is up to us to be on our feet and do the very best we can to follow along a policy

such as I have indicated, or any more far-reaching policy that can reasonably be developed. We should lose no time in making ourselves better known and our problems better understood by the American people, right down the line.

I hope a lead-off in this, as I have suggested, under the guidance of the Department of Trade and Commerce, will be found to have merit. I feel, as I intimated just now, that one of the great advantages of such an organized movement would be that it would afford an opportunity for industry, labour and professional organizations within our dominion to actively co-operate.

While that is going on we should, of course, cultivate our Commonwealth and general international relations, as I have suggested. What we need for the development of Canada is a properly balanced economic program, with a wide view of our outside relations, and not a throw-over of American relations for those of the Commonwealth any more than a throw-over of Commonwealth interests for those of America.

On motion of Hon. Mr. Wall, the debate was adjourned.

## DIVORCE BILLS

### SECOND READINGS

**Hon. Mr. Gershaw**, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill N, for the relief of Joseph Alfred Victor Tasse.

Bill O, for the relief of Claudine Yvette Felicite Cavallero Neeley.

Bill P, for the relief of Evelyn Thelma Passineau Uyeda.

Bill Q, for the relief of Ronald Victor Turner.

Bill R, for the relief of Charles Frederick Church.

Bill S, for the relief of Sarah Sally Abramovici Schor.

Bill T, for the relief of Eunice Kennedy Standeven.

Bill U, for the relief of Kathleen Louise Blaylock Hall Dunning.

Bill V, for the relief of Mary Hilbert Madge.

Bill W, for the relief of Marthe Helene Le Bel Champion.

The motion was agreed to, and the bills were read the second time.

**The Hon. the Speaker:** Honourable senators when shall these bills be read the third time?

**Hon. Mr. Gershaw:** Monday next.

## OLD AGE SECURITY BILL

### SECOND READING

**Hon. Gustave Monette** moved the second reading of Bill 19, to amend the Old Age Security Act.

He said: Honourable senators, I ask your indulgence. This is the first time I have risen to address you in support of an important bill, and while I feel moved by what is for me the gravity of the occasion, I am none the less appreciative also of the good will and dignity of this house.

I have been asked to give a few words of explanation of the bill. I shall not occupy you very long, because I suppose that every honourable senator knows the content and purpose of the bill. It may be sufficient to mention that it contains three important features. First, it provides for the increase of the monthly pension from \$46 to \$55. Second, it reduces from 20 to 10 years the basic minimum period of residence which entitles the applicant to a pension, but with an accessory provision that if there has not been continuity of residence for 10 years the applicant may establish his eligibility by proof that he has been in Canada for double the time of his total periods of absence within the 10 years preceding the application. The third feature of the bill provides for the extension from three months to six months of the period which qualified pensioners are entitled, without loss of pension, to spend outside Canada in any calendar year.

This measure, honourable senators, evidences the desire of the Government to honour a pledge which during the last election was solemnly given to the Canadian people, and specifically to our senior citizens. The principle of honouring a solemn promise is one which, I believe, will be approved by everyone concerned.

The bill amends the Old Age Security Act. It has been said in some quarters that the Government is not bringing in a new principle, but one which was embodied in the act that it is now being sought to amend. That is true. The amendments in no way violate a principle which was made law as a result of the work of an all-party committee which, in 1950, was formed to study ways of improving existing legislation. This committee presented recommendations which were adopted by the then administration. As I have said, the proposals emanated from a committee representative of all parties, and they served as the basis of a law whereby a citizen of Canada who has attained the age of 70 years or more is entitled as a matter of right to a pension. That was the principle.

I think honourable senators will agree that this legislation does not go against the existing law. The purpose of the bill is to increase the pension from \$46 to \$55 per month, and to reduce the residence requirement from 20 to 10 years, which I think is a reasonable period in view of the fact that a person wishing to avail himself of old age security benefits need not be a Canadian citizen. As honourable senators know, the present Old Age Security Act does not contain the usual requirement as to citizenship found in similar legislation in other countries. The bill does not amend that principle; it merely requires that the old age pensioner should have attained the age of 70 years—which is a requirement under the present act—and have resided in Canada for a total of 10 years.

It has been said that it will cost approximately \$96 million per year to increase the pension from \$46 to \$55 per month.

Honourable senators, I do not think I need say anything further except that the legislation before us points out the insufficiency or inadequacy of the present pension. Honourable senators may have different opinions as to what the monthly pension payment should be, but this is a security measure and the pension goes as a matter of right to any citizen who qualifies under the act. As it is generally felt that the present pension rate is not sufficient, I earnestly hope that honourable senators will agree to passage of the bill. It would be an act of justice in the case of people who immigrate to this country, some of whom are perhaps loath to do so because of existing pension rights in their native land. Immigrants who reside here for 10 years and remain good citizens will benefit under the bill, which will no doubt enhance Canada's reputation in other countries.

**Hon. Mr. Reid:** Did the honourable senator state that a person need not be a Canadian citizen to come under the act as it is now?

**Hon. Mr. Croll:** That is right.

**Hon. Mr. Monette:** A person need only reside in this country a certain period of time.

**Hon. Mr. Reid:** Well, when the legislation was first introduced a person had to be a Canadian citizen in order to benefit.

**Hon. Mr. Croll:** No.

**Hon. Mr. Monette:** The honourable senator knows that similar legislation in other countries requires that the pensioner be a citizen of the country in which he is drawing the pension. That is not the case under our act. The bill simply reduces the residence requirement from 20 to 10 years; it does not

alter the principle. I think I made this point clear before and I do not need to elaborate on it.

**Hon. W. Ross Macdonald:** Honourable senators, at the outset I would like to congratulate the honourable gentleman from Mille Isles (Hon. Mr. Monette) on the splendid presentation which he has made of the first bill he has undertaken to explain in this chamber.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** We have been given a very clear understanding of the bill, and I hope we can look forward to hearing the honourable gentleman address the house for many years to come.

Honourable senators, in rising to speak at this time I want it to be clearly understood that I am not opposing the bill. I do not want somebody to say after I sit down that I am against it.

**Hon. Mr. Haig:** Don't look at me.

**Hon. Mr. Macdonald:** I want that to be clearly understood. At the same time I want it to be understood that, so far as I am concerned, and other honourable senators with whom I have spoken, I expect that when a bill is presented to this house for our consideration it will be fully explained to us. We want to reserve the right to examine every measure critically, so that we may know what it is all about. It is always possible that we might be able to improve proposed legislation, so I do not think when we critically examine a bill we should be accused of holding it up.

I do not believe any of us will take much objection to this bill. The honourable senator from Mille Isles said that the present act was the result of an all-party understanding and decision. I think I can assure him that this amending bill will receive the approval of both parties in this house. The provisions of the bill, which have been explained to us fully, increase the amount of the pension from \$46 to \$55 per month. This is in accordance with the history of the legislation. The sponsor of the bill went back to 1950. I will go back to 1925 or 1926 when the original legislation was introduced by the administration of that day, and when it provided for a payment of \$20 per month, subject to a means test. That does not seem like very much money now, but in 1925 \$20 was equivalent in value to probably \$45 to \$55 today. I believe that at that time a person did have to be a naturalized citizen to qualify under the act.

**Hon. Mr. Reid:** He certainly did, when the legislation first came in.

**Hon. Mr. Croll:** I was not here in 1925, so I do not know.

**Hon. Mr. Reid:** Why did you answer my question then? Keep quiet unless you know.

**Hon. Mr. Croll:** In 1950 a person was not required to be a citizen. I was a member of the committee handling this legislation and I know.

**Hon. Mr. Reid:** I said that when the legislation first came in a person had to be a citizen of Canada.

**Hon. Mr. Aseltine:** Order.

**The Hon. the Speaker:** Order.

**Hon. Mr. Macdonald:** I will now thank these two honourable senators for assisting me.

We come down to 1950, when a universal old age pension of \$40 a month was made available to all citizens of 70 years of age and over. That amount was increased to \$46 a month earlier this year. In accordance with the plan of increasing the amount from time to time, it is now proposed to increase the payment to \$55 a month. I think we are all in favour of that proposal.

The next interesting feature of this bill is that residence in Canada for a period of only ten years is required. The previous provision required an applicant to have resided in Canada at least 20 years. Why the period has been reduced to ten years and not to 15 or five, I do not know, but it strikes me as somewhat strange that a person coming to this country can be naturalized after being a resident for five years, and when naturalized, can have all the privileges of citizenship with the exception only of the right to get the old age pension. He has the right to vote; he can come to and go from this country; he can get a passport. In fact, the Citizenship Act provides that a person who has been in Canada for five years is domiciled here—that Canada is his place of domicile. He is not automatically a citizen after five years' residence unless he applies to the court, but he has a domicile here after having been here for five years, and can apply for citizenship and obtain all the rights of a citizen with the exception, as I have said, of the right to claim an old age pension.

Still another interesting point is that when a person comes to this country with children of 16 years of age and under, as soon as they arrive on the shores of this land they receive the family allowance, yet for some reason or other the parents cannot qualify for the old age pension until they have lived here ten years. Honourable senators, I know it is not within the power of this house to reduce

the period of residence to less than ten years, because that would mean a charge on the Treasury and I am not saying that it should be done, but I think it should receive the consideration of the Government. If a person becomes naturalized in five years, why should he not be eligible for the old age pension then, if otherwise qualified? If a person does not want to become naturalized, it might be a different thing, but if he becomes naturalized and obtains every other right as a citizen, why, I ask, is he debarred from the old age pension? Now, I do not think it would amount to very much in dollars and cents. How many people come to this country at the age of 65? Very, very few.

**Hon. Mr. Reid:** They would not contribute very much.

**Hon. Mr. Macdonald:** If they come here at the age of 65 the chances are a hundred to one that they come to be with their younger children—and their younger children are paying taxes, and paying their share toward a future old age pension.

**Hon. Mr. Quinn:** But the younger ones often bring their older parents.

**Hon. Mr. Macdonald:** Yes; that is the point I am trying to make. May I say that, as far as I am concerned, I am glad there is to be a reduction from 20 years to ten years in the qualifying period.

With regard to the other provisions of bill, I have nothing to say except that I am in accord with them.

Honourable senators, unfortunately it will not be possible for me to be present on Monday next when the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act may be considered. I had hoped that those bills would be discussed today, but the senator who is to explain them is unable to be here. I wish to say now that having read the three bills, I am in favour of their provisions, as indeed I am in favour of the provisions of the bill now before the house, and I hope all four bills will receive unanimous support in this house.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Haig:** In view of the fact that the honourable gentleman cannot be present on Monday, I can assure him that the three bills to which he has referred will not receive the consideration for third reading until Tuesday next.

**Hon. Mr. Macdonald:** Thank you.

The motion was agreed to, and the bill was read the second time.

### THIRD READING

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

**Hon. Mr. Monette:** Honourable senators, with consent I move, seconded by the Honourable Senator Méthot, that this bill be read the third time now.

The motion was agreed to, and the bill was read the third time and passed.

### INTERNAL ECONOMY

#### REPORT OF COMMITTEE—DEBATE ADJOURNED

The Senate proceeded to consideration of the second report of the Standing Committee on Internal Economy and Contingent Accounts.

**Hon. Mr. Aseltine,** Chairman of the Committee, moved that the report be adopted.

**Hon. Jean-François Pouliot:** Honourable senators, I have a few remarks to make with regard to this report, and I hope they will be favourably considered by the Leader of the Government (Hon. Mr. Haig). They are about the char staff of the Senate. They do their work very well, but I am always sorry when a differentiation is made between the employees of the Senate and the employees of the House of Commons. These Senate employees are doing a painstaking job very well; they have to come here at all times, and look after the Opening of Parliament, and have to move all the furniture. We live in the Senate. We are in a house of Parliament which is well kept, and we owe it to them; at least, we count on them; and they have to count on every dollar that they make. There is a difference of \$18 per year between the amount that is paid to them and the amount paid to similar employees of the House of Commons. When a member of the char staff has a large family and has to send his children to school, he needs every cent of his salary. The char staff of the House of Commons receive a salary of \$2,832, plus \$150, which makes a total of \$2,982; in the Senate the annual rate for char staff is \$2,964, or \$18 less than that paid by the House of Commons.

I submit this case to the honourable Leader of the Government. He may think it a small thing, but if it is small it is so much the easier to grant. I hope my defence of the members of the char staff on this side will receive favourable consideration.

**Some Hon. Senators:** Question.

**Hon. Mr. Croll:** Honourable senators, is there not some explanation or some reason why there should be a difference between

the compensation of people in the Senate and those in the House of Commons who do the same work?

**Hon. Mr. Haig:** They are paid exactly the same.

**Hon. Mr. Croll:** It has been said there is a difference between the two salaries. It seems to me these two staffs should be paid the same amount, but it is said they are not.

**Hon. Mr. Macdonald:** There is a difference between the amount paid to members of the House of Commons and that paid to honourable senators.

**Hon. Mr. Croll:** That is hardly comparable. These people do exactly the same work, some at this end of the building, and others at the opposite end. The question is, why do they not receive the same compensation?

**Hon. Mr. Aseltine:** Honourable senators, may I say that since the last session of Parliament the Civil Service Commission and the Treasury Board have made an intensive study and review of the various rates of compensation throughout the public service, with the result that most members of that service are now receiving higher rates of pay. Among the few who perhaps have not yet benefited are our own temporary and sessional employees. As many of you undoubtedly know, they do not come under the Civil Service Act; consequently, any change in their remuneration must be authorized by the Senate. For that purpose your committee examined salary improvements of other similar services and, based upon wage scales now in effect in the other branch of Parliament, have submitted for your consideration revised rates for our temporary and sessional employees consistent with the revisions made by the other house. That is all I know about it.

**Hon. Mr. Pouliot:** I thank my honourable friend from Toronto-Spadina (Hon. Mr. Croll) for having supported my request. I am sorry that a discrimination exists. It is no encouragement for these men on the Senate side to do more work than those on the Commons side. I believe the Civil Service Commission is not doing everything it could; and the proof of it is that the commission has placed before us for our approval a scale of pay in which there is discrimination between the staffs of the two houses. I hope my honourable friend the Deputy Leader of the Government (Hon. Mr. Aseltine) will see that justice is done for the Senate staff.

**Hon. Mr. Macdonald:** Honourable senators I believe most of us concur in the sentiment

expressed by the honourable senator from De la Durantaye (Hon. Mr. Pouliot). However, it is my understanding that, with the adjustments that are made in this report, the char staff in the Senate will be paid on the same basis as the char staff in the House of Commons.

**Hon. Mr. Pouliot:** They will not.

**Hon. Mr. Macdonald:** That is the information which was given to those senators who attended the meeting of the Internal Economy Committee the other day, and that is what we understood to be the case.

**Hon. Mr. Haig:** Honourable senators, I purposely made some inquiries about this alleged discrimination between the two staffs. The matter came before me officially today and I had to take some action. Before doing so I decided that it was better for me first to learn the facts. As a result, I now know that the salary rates here are exactly the same as they are in the other house. I trust our officials to give us the correct information, and I am told positively that the rates of pay are exactly the same.

The question was raised in committee that perhaps some employees in the House of Commons had to work harder than comparable employees on the Senate side. The official present said that that was not his problem, that it was up to us to deal with it—and he indicated the honourable Leader of the Opposition (Hon. Mr. Macdonald) and myself. I am reliably informed, and I am satisfied, that the rates of pay are the same on both sides.

**Hon. Mr. Croll:** Honourable senators, the senator who raised this question (Hon. Mr. Pouliot) is, as we all know, a very painstaking gentleman, and I am sure he was careful in this instance. May I suggest that this report be allowed to stand until my honourable friend can determine exactly whether there is any difference between the two rates of pay? I am sure this house would not want to have a distinction made between two staffs who are doing the same work, one at this end of the building and the other at the opposite end. May I suggest that the matter be allowed to stand until tomorrow?

**Hon. Mr. Haig:** We have to trust somebody.

**Hon. Mr. Croll:** Honourable senators, I move adjournment of the debate.

On motion of Hon. Mr. Croll, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Thursday, November 7, 1957

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

Prayers.

## ROYAL ASSENT

## NOTICE

The Hon. the Speaker: Honourable senators, I have the honour to inform you that I have received the following message from the Secretary to the Governor General:

GOVERNMENT HOUSE  
Ottawa

November 7, 1957.

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 7th November, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,  
Sir,

Your obedient servant

Lionel Massey,  
Secretary to the Governor General.

The Honourable  
The Speaker of the Senate,  
Ottawa.

## LAND USE

## COMMITTEE QUORUM REDUCED—AUTHORITY TO PRINT PROCEEDINGS

Hon. R. B. Horner, Acting Chairman of the Special Committee on Land Uses in Canada, presented the committee's first report.

The report was read by the Clerk Assistant as follows:

Your committee recommended:

1. That their quorum be reduced to seven members.
2. That they be authorized to print 800 copies in English and 300 copies in French of their day to day proceedings, and that Rule 100 be suspended in relation to said printing.

The Hon. the Speaker: Honourable senators, when shall this report be considered?

Hon. Mr. Horner: With leave, I move that the report be adopted now.

The motion was agreed to.

## PUBLIC BILLS

## SUSPENSION OF RULES

Hon. John T. Haig moved, pursuant to notice:

That from this day until the end of the present session Rules 23, 24 and 63 be suspended in so far as they relate to public bills.

The motion was agreed to.

## ADJOURNMENT

Hon. Mr. Haig: Honourable senators, I move that when this house rises today it stand adjourned until Monday next at 8 o'clock in the evening.

The motion was agreed to.

## PRIVATE BILLS

## RIO DE JANEIRO TRAMWAY, LIGHT AND POWER COMPANY, LIMITED—THIRD READING

Hon. Mr. Connolly (Ottawa West) moved the third reading of Bill E, respecting The Rio de Janeiro Tramway, Light and Power Company, Limited.

The motion was agreed to, and the bill was read the third time, and passed.

## SAO PAULO ELECTRIC COMPANY, LIMITED—THIRD READING

Hon. Mr. Connolly (Ottawa West) moved the third reading of Bill F, respecting Sao Paulo Electric Company.

The motion was agreed to, and the bill was read the third time, and passed.

## BRAZILIAN HYDRO ELECTRIC COMPANY, LIMITED—THIRD READING

Hon. Mr. Connolly (Ottawa West) moved the third reading of Bill G, respecting Brazilian Hydro Electric Company, Limited.

The motion was agreed to, and the bill was read the third time, and passed.

## BRAZILIAN TRACTION, LIGHT AND POWER COMPANY, LIMITED—THIRD READING

Hon. Mr. Connolly (Ottawa West) moved the third reading of Bill H, respecting Brazilian Traction, Light and Power Company, Limited.

The motion was agreed to, and the bill was read the third time, and passed.

## OTTAWA AND NEW YORK RAILWAY COMPANY—THIRD READING

Hon. Mr. Connolly (Ottawa West) moved the third reading of Bill D, respecting Ottawa and New York Railway Company.

The motion was agreed to, and the bill was read the third time, and passed.

## SPEECH FROM THE THRONE

## MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from yesterday consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

Hon. William M. Wall: Honourable senators, may I be permitted to join in the thoughts and sentiments that have been ex-

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

(Translation):

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

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

(Text):

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

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

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

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

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

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

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

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

Whatever the amounts of the increases may be, we must face the problem of reconciling potential expenditures with potential revenues, and this problem is of concern to the average Canadian citizen.

We might search for clues regarding the relationship of expenditures and revenues in the last treasury statement. In September proper, as I understand it, our revenues rose by \$21.5 million. We saved \$20 million in defence spending, and \$30 million in a kind of temporary technical saving in our transfer payments to provinces. Yet, because of the previous increase in commitments and the natural growth factors in expenditures, such as the family allowances, which went up by \$4.6 million, and Veterans Affairs, which went up by \$4.8 million, the net result on balance was that we had a monthly surplus of only \$6.7 million, which, if continued for twelve months without other significant changes, would give us a probable annual surplus of some \$80 million.

Putting it another way, for the six months from April to September 1957 total revenues went up by \$100 million to \$2,476,100,000, but the expenditures rose by \$144,600,000. That is, there was a differential of \$44.5 million between the expenditures and the revenues as far as increases are concerned.

So, what is the pattern? Our expenditures are rising faster before the full yearly impact of the last budget's changes and before the impact of probable expenditure increases I have tried to indicate.

What I am trying to say is that care and caution are needed as we attempt to assess all the financing implications of the legislation inferred from the Speech from the Throne and now in the process of presentation to Parliament.

Will this legislation and other probable developments I have indicated increase still more the rising curve of expenditures? Will we at the same time maintain our expenditures for urgently needed defence preparedness?

What about repayments on our national indebtedness? Will the slowing down of the rate of increase in our gross national income bring a further relative differential between the faster rising expenditures and the slower rising revenues? Will the downward trend in surplus during the first six months of the current fiscal year, which dropped by \$41,300,000, be accelerated? What, then, is likely to happen to the \$152 million surplus estimated by the former administration for 1957-58?

In raising these budgetary problems I would not like to leave the inference that I am opposed to legislation which proposes to

make additional expenditures for worthy national purposes, especially for those in favour of which there appears to be a majority consensus of Canadian public opinion.

When I express concern about the budgetary procurement of the necessary funds I am, however, mindful of the statement in the Speech from the Throne which makes reference to "changes in certain of the taxing statutes". Will these taxation changes turn out to be in fact substantial reductions in the tax burden? It remains to be seen whether taxation reductions will be a reasonably prominent activity of the present Parliament.

I come now to the problem of dominion-provincial fiscal relations in the financial area. All Canadians will follow with sympathetic interest the deliberations of the planned November conference of federal-provincial representatives, hoping that new understandings of the problems involved may bring realistic and still more satisfactory agreements involving the allocation of taxation powers and revenues.

I believe that most Canadians find centralized tax collection efficient, equitable and fair. They do not favour interprovincial differences in tax rates or a multiplicity of tax-collecting bodies. They recognize that our commercial and industrial institutions are at present concentrated in two provinces, and they favour the principle of equalizing interprovincial inequalities of *per capita* income through redistributive public spending. I believe we have accepted the concepts of the average national standard of public services and the average provincial *per capita* tax burden, despite the fact that we find both yardsticks hard to define and difficult to equate. I believe that the average Canadian wants the federal Government to do something about inter-class income redistribution and counter-cyclical fiscal policies, in order to dampen or level out economic fluctuations. I believe that we do want to provide for cyclical stability of provincial income by arranging for a kind of built-in stabilizer in any tax rental agreement. For us in Manitoba this stabilizing factor is very important.

I have ventured to express these few generalizations because I am a firm believer in the basic principles of the present tax-rental agreements as worked out by the former administration. I am thinking especially of the income corrective factor which is part and parcel of the equalization grant structure so important to the six less financially-favoured provinces. The formula for tax sharing tentatively suggested by Ontario—the so-called 15-15-50 formula—

could bring relative financial advantages to the four more wealthy Canadian provinces, and would need—I emphasize this—to be counterbalanced by sequential changes to upgrade the effect of these corrective or equalization grants. The six provinces that at present are less-favoured financially regard as crucial the equalization principle of the present tax rental agreements and I believe they would resist any attempts to dilute the financial benefits flowing from this recognition of fiscal need.

A letter of Premier Campbell, reported on page 592 of *Hansard* of the House of Commons, underscores the position that the Manitoba Government plans to take at this November fiscal conference. I quote from his letter, dated September 26:

I am sure that you and your colleagues are familiar with the traditional position which the province of Manitoba has taken with respect to the tax agreement system. Our province has consistently been a foremost advocate of the principle of equalization—a principle which was fundamental to the former tax rental agreements and which has continued to be recognized in the present arrangements. We will certainly not willingly accept any abandonment of this principle, or the adoption of any formula which failed to continue to provide to the less wealthy provinces a position relative to that of the other provinces at least as favourable as that which they hold under the present arrangements.

And note the next paragraph:

At the forthcoming conference, therefore, we will look forward to hearing proposals put forward respecting revisions in the present tax-sharing formula which will give greater recognition to this principle of equalization and result in the provinces obtaining a larger share of the tax resources available to government in Canada.

One last point before I leave this problem of dominion-provincial fiscal relations. I have often wondered why we continue to make such extensive use of conditional or matching-grant payments to provinces. Why is it not possible to evolve a comprehensive transfer payment formula, recognizing the element of our national obligation in such important provincial responsibilities as health and welfare, highways, education and perhaps, municipalities? Why should this formula not be fixed for a fairly long period and be self-adjusting with respect to population and *per capita* income? And why should these payments not be unconditional or outright grants with no federal Government control or supervision of how the spenders do the spending?

I should like to turn now briefly—and I think you will expect me to—to the problem of the increased urgency in the developing crisis in education at all levels.

Soviet satellites 1 and 2—*Sputnik* and *Novoputnik*—can be regarded as symbols of the tremendous advances made by the U.S.S.R. in the fields of science and applied

technology. They focus our attention on the relative status of the Western democracies in the scientific, technological and military fields. *Sputnik 1* had something to do with the conference between Prime Minister Macmillan and President Eisenhower and with the plans now being evolved to pool the scientific brain power and the creative resources of the North Atlantic Alliance. Perhaps these developments should focus our attention on the increased urgency of the continuing crisis in Canadian education generally. Although much has been spoken about the developing crisis in education, and although a greater awareness of these problems has brought many helpful advances, the fact remains that still greater efforts are needed.

How else are we to meet the challenge of the breadth of horizons that are before us in Canada? Permit me to quote from an address delivered by the editor of the *Winnipeg Free Press* on October 19, 1957. It is a challenging statement, and I want you to share it with me:

Never have people had a better foundation on which to build—in the strength and soundness of our basic institutions, the richly diverse cultures that have come to us from all over Europe, the richness of our physical resources. If there is a country in the world that should be capable of leading a great new Renaissance, of doing so before the end of this century in the lifetime of men and women now in their twenties and thirties, surely that country is Canada.

Surely Canadians have more chance than people anywhere to rise to new triumphs of the human intellect, to lead the march of mankind to higher standards of tolerance and kindness and understanding in the life of man with man.

The speaker drew political inferences from this statement. I am more concerned with its educational implications. I believe that a basic key to the eventual realization of these horizons is the education of our younger generations—our most valuable national resource. This challenge to education is not only internal, to meet adequately what we may regard as purely internal purposes of our national development; the challenge is also external, for we must meet head-on the challenge of the Communist world, whose dictatorship, self-anointed, has decreed top priority for massive and disciplined educational endeavours to train the available brains needed to steer their vast Communist-directed, industrial, commercial, scientific and military potential first to outstrip the West—and then?

What are some signs of the crisis in education? We must examine this educational challenge to us in the context of these disturbing realities:

1. There is a continuing shortage of scientists, engineers, technicians and other

professionally-trained personnel. This problem has been raised over and over again in the last few years.

2. There is a continuing scarcity of well-qualified teachers.

3. There is an ever more pressing need for physical plant, equipment and staff, especially at secondary, college, and university levels.

We must ask ourselves whether our shortages of highly trained personnel are not direct results of the waste and neglect of human abilities resulting from many thousands of Canadian boys and girls dropping out of school and not completing their education. After 26 years of teaching I must tell you that hundreds of them passed through my hands and it made my heart sore to think of the contribution they could have made to Canada had they stayed in school; but their sights were not there.

Honourable senators, a great part of this problem is a financial one. What are the figures? Of ten thousand boys and girls in Canada who enter elementary school, 6,800 get to Grade 8. We lose 3,200. Between Grade 8 and Grade 9 we lose another 1,500 because only 5,300 enter Grade 9. Out of that number 2,500 reach junior matriculation, but only 400 to 500 of them enter university and 300 to 400 gain their first degree.

According to the Dominion Bureau of Statistics, about 60 per cent of Canadian boys and girls between 15 and 19 are not attending school. The question is: How many of these drop-outs are gifted children for whose adequate educational development as our potential leaders we have not done enough?

The Russians have one student at university for every 150 of their population; we have one in 250. Per 1,000 pupils enrolled, the Americans graduate at university level roughly 6 to 8 per cent, and the Canadians graduate 3 to 4 per cent. The Russians are apparently graduating more than the Americans. If these figures are indeed valid, what conclusions must we draw?

There is evidence, honourable senators, to indicate that over 50 per cent of our higher-education drop-outs are due to financial difficulties. Let us look at our overall financial aid and scholarship programs for Canadian students. In Canada we have 71,000 students at university, with roughly 10,000 getting financial aid in the form of scholarships or bursaries. In other words, of these 71,000 students, 15 per cent receive financial aid. In the United States 75 per cent of the university students receive financial aid, and in the United Kingdom the figure is 72.9 per

cent. This means that compared with Canadian university students, almost five times as many university students in the United States and the United Kingdom are getting financial aid.

The Canada Council met recently in Ottawa and announced that its first major effort to advance Canadian culture would be through the distribution of approximately 300 scholarships and fellowships to students, teachers, artists, and members of other professions who might be able to make a worthwhile contribution in the arts, humanities and social sciences.

This is welcome news, but we must do more, for what we need are more good students in our institutions of higher learning. I believe we need to establish and to fund thousands of new scholarships and bursaries through governmental efforts and through private enterprise efforts. Why indeed should we not have comprehensive educational foundations in every province in Canada? These could, would and should supplement our national efforts.

Honourable senators, I want to bring to your attention the campaign of the National Federation of Canadian University Students for an annual scholarship-bursary program to cost \$5 million in order to bring 10,000 scholarships of \$500 each. Related to need and to our overall financial ability, this appears to be a necessary, worthy and attainable goal. However, it would raise to only 30 per cent the number of students receiving aid as compared to the 75 per cent in the United Kingdom and the United States respectively.

An alternative federal scheme of 5,000 "Canada Scholarships" has been mooted and discussed, which scholarships would pay something to the student and something to the university, for the need of the university too is important. The plan would probably call for a federal expenditure of \$10 million per annum. Can we afford this? Perhaps a more pertinent question might be, "Can we afford not to afford it?"

Honourable senators, before I leave this topic I think it is important to keep in mind the trends in the relationship between our total educational expenditures and our gross national product. This percentage relationship is a very useful yardstick in assessing our total efforts on behalf of education. I am told by the Dominion Bureau of Statistics that related to gross national product—that is, our ability to pay—the total educational expenditures were about 4 per cent to our credit during the depression years—1933, for example—and that this percentage dropped and is now slowly struggling up. In 1950 it was 2.49 per cent, and I am informed that it

is 2.75 per cent at present. Recognizing the current urgency of doing more for technical and scientific education, surely the needs of education generally could become one of the key problems to be discussed at the Dominion-Provincial Conference in November.

Honourable senators, with your indulgence I should like to take a few minutes to discuss the problem of submerged people within the U.S.S.R. Honourable members may have been made increasingly aware lately that October 1957 marks the Fortieth Anniversary of the great October Socialistic Revolution—the Russian Communist Revolution on the territory of Russia proper.

Much propaganda will be directed to Canadians and to other democratic peoples telling us how the Soviet peoples are actively preparing to celebrate the glorious 40th anniversary of the Soviet state with new and important achievements to crown great successes in developing the socialistic economy since the great October Revolution.

Ukrainian communist leaders will solemnly reiterate how the Ukrainian people gained their independence and freedom in struggle and labour with the help of all the peoples of the Soviet Union, and first of all with the help of the great Russian peoples. But they will fail to mention that Ukraine has been a land of fear, of political straight-jacketing, of concentration camps, of genocide, of artificial famine, of religious persecution, and of persistent cultural russification. It is my purpose to bring to your attention, honourable senators, the understanding and the sequential hopes and aspirations of some 400,000 Ukrainian Canadians speaking, as it were, on behalf of their Ukrainian kith and kin, who we believe are presently denied their liberties in their homeland.

As a matter of historical fact this particular October anniversary marks the Bolshevik coup which actually took place on November 7, 1917, or on October 25, 1917, according to the old Julian Calendar, which was then used. This coup which overthrew the Provisional Government of Kerensky eventually turned out to be a counter revolution by Russian Communists and their fifth column adherents against Ukraine and other non-Russian peoples, many of whom had by this time declared for freedom and self-determination through their own national revolutions. It is a matter of historical record that the revolutionary break-up of Czarist Russia began much earlier—in March of 1917—for the Czar abdicated on March 15, 1917, three days after the historic episode in Petrograd when two garrison regiments, composed chiefly of Ukrainians, refused to fire on

a mass demonstration of workers and in effect rebelled actively against the Tsarist Government.

During these momentous revolutionary years there were in fact two separate and eventually divergent and opposing currents:

1. The Russian Revolution proper, on the territory of Russia for a change of government—over which the Communists eventually seized control, and

2. The Revolutions for national liberation on the lands of Ukraine, Finland, Estonia, Lithuania, Latvia, Byelo-Russia; among the Poles in Russia and among the Caucasian peoples and the Moslem peoples of Asiatic Russia. The national liberation movements were a natural consequence of a breakdown in the initial confidence of the non-Russian peoples in a Russian federal democracy, which had prompted many of them to be satisfied originally with a kind of limited national autonomy in a federal relationship with Russia. This idealistic coexistence was soon disillusioned by the reappearance of historic signs of Russian imperialism in somewhat new forms and under the new communist leadership.

Let me give you a resumé of key happenings in the Ukraine revolution for national determination. I place them on record as symbolic of similar events in the attempts of other non-Russian peoples to gain national freedom and full independence.

After nearly three centuries of political partition and foreign domination; after long decades of economic, social and cultural deprivation—after the so-called dark ages under Czarist Russia when it seemed that there had been complete obliteration of the Ukraine as a separate national entity—the Ukrainians seized the first available opportunity to declare their independence and to begin the building of a democratic and Christian nation.

On March 12, 1917 there was trouble in Petrograd, when two regiments of the army garrison, composed mainly of Ukrainians, revolted with demonstrating workmen. On March 15 the Czar abdicated. On March 17, two days later, the Ukrainians formed their Ukraine Central Council, amidst huge public manifestations of Ukrainian national consciousness and desire for independence. In May 1917 the All Ukrainian National Congress met in Kiev and proclaimed the Ukraine a free nation within the Russian federation. But on January 22, 1918 they had had enough, and there followed the Ukraine's declaration of national sovereignty—complete sovereignty, total independence and separation from Russia. On January 22, 1919 occurred the political unification with Western Ukraine.

These sample events portray, if you will, the long awaited process of the then gradual dissolution of the old Russia Empire into its natural national component parts. This process was not completed in 1919, with consequences which have gradually forced the Western democracies into a position of gravest peril *vis-à-vis* the Communist Empire as it now exists. It could be argued—and I hope it is not argued again in like vein at some future time to come—that in refusing to extend President Wilson's doctrine of the self determination of nations to the peoples of the former Russian Empire who had declared their independence, the Western democratic world saved the communist October counter revolution. It could be argued that the Western world, by supporting the adventures of Denikin, Wrangle, Haller and others, so weakened the democratic movements for national liberation of the nations of former Czarist Russia, and that of Ukraine, that the Western world really aided the Russian Communists to maintain the communist counter revolution in Russia. Be that as it may, because of internal weaknesses and external difficulties the Russian Communists were able to reconquer the colonies of the former Czarist Empire, and among these the largest and the most promising, the Ukrainian National Republic, which ceased to exist on November 20, 1920.

This is the historical context of the problem of the submerged nations and oppressed peoples within the U.S.S.R. Slowly but surely their fate was submerged behind a cloak of silence, sometimes naïve, sometimes platitudinous and pontifical, and sometimes conspiratorial. This problem is not a myth, nor is it misguided chauvinism, or unrealistic adventurism, or imperialist bourgeois intrigue, as the communists term it. The fact is that the spirit of democratic Christian-oriented nationalism has continually challenged and will continue to challenge the Soviet system because its primary and central defect is the presence of subjection and absence of freedom. I believe that this unsatisfied spirit of democratic nationalism and Christian liberalism is the Achilles' heel of the threatening Soviet "monolith".

I should like to remind honourable senators at this point that just two weeks ago, October 23, 1957, we had the first anniversary of the Hungarian nationalist uprising. It seems appropriate, timely and significant to remember those momentous events in Hungary at this particular point. They bring to mind the fate of an additional 100 million non-Russians ensnared in what we have justly described as the compulsory satellite system of the so-called People's Democracies.

During our special parliamentary session of November 1956, when we assessed the meaning of the tragic yet glorious events which had occurred in heroic Hungary, and when we asked ourselves what we as free, liberal democrats could or would do, it was my privilege to move the Address in reply to the Speech from the Throne. At that time I reminded honourable senators of the equally significant and equally determined struggle for a larger measure of individual freedom and justice on the part of those peoples who have been aptly termed the "submerged nations" within the U.S.S.R., those 100 millions of minorities who have been oppressed longer and therefore sublimated, decimated and Sovietized more effectively.

At that time too I wondered how we in fact interpreted our moral obligation to help these submerged and effectively muzzled peoples—keying myself to a statement by the Right Honourable Louis St. Laurent on this principle in our foreign policy:

Our aim is that the people of Eastern Europe should be free to choose their own form of government, a basic right they have not enjoyed for many years.

Translating this moral obligation to the people of Eastern Europe into constructive, sober and realistic policies is not an easy task. Our first obligation must be to build our own democratic society so constructively that it will remain free and imregnable, as we prepare to assist the victims of Soviet tyranny when they regain their freedom. However, we must keep in mind that the communist leaders openly and directly preach their slogans of communist peace and Soviet democracy and freedom, going over the heads of freely-chosen leadership and appealing directly to the so-called progressive elements in the population of any country. The July issue of *International Affairs*, printed in Moscow, expresses this continued communist challenge in these words:

The great revolutionary teachings of Marxism-Leninism will continue to chart the road of struggle for the overthrow of imperialism, for peace, democracy, and socialism for all the workers of the capitalist world.

Surely, honourable senators, the free world should believe with as much vigour that the future belongs to democracy, to liberty and to justice. Surely the free world should at least speak as often and as openly that it is our wish and our determination to bring to the submerged and enslaved peoples the freedoms which we have won and in which we believe so deeply. Is it not in our interests to forge a more positive, more constructive policy which will bring us the friendship, nay the gratitude—the real,

warm, deep and abiding gratitude—of democratically-minded, freedom-seeking allies who are to be found in their millions everywhere?

I should like in conclusion, honourable senators, to read just two sentences from a book written by Louis Fischer entitled *Russia Revisited*, which describes in a forceful and direct manner the conditions as they exist in Russia at the present time:

Freedom must win. It is only a matter of time, and the value of time depends on what we do with it—and with ourselves.

**Hon. Senators:** Hear, hear.

On motion of Hon. Mr. Beaubien, for Hon. Mr. Robertson, the debate was adjourned.

### CANADIAN VESSEL CONSTRUCTION ASSISTANCE BILL SECOND READING

The senate resumed from Tuesday, October 31, the adjourned debate on the motion of Hon. Mr. Haig for the second reading of Bill I, to amend the Canadian Vessel Construction Act.

**Hon. John J. Connolly:** Honourable senators, the Canadian Vessel Construction Assistance Act is the type of legislation to which I would think members of this chamber might well give special consideration. The honourable Leader of the Government (Hon. Mr. Haig) is to be commended for arranging that this measure be introduced in the Senate, where it can get the careful and detached type of consideration that this chamber can give to bills of this character.

I may say by way of apology that my own interest in the measure stems originally from the fact that during the Second World War I had an association with the Honourable Angus Macdonald, when he was Minister of National Defence for Naval Services. The main concern of the Navy in those days was the convoy system in the North Atlantic, a system which was the lifeline for supplies and food to the beleaguered sections of Europe. I believe that the achievement of the Canadian Navy in that period was one of which even a great maritime power would have been proud.

**Hon. Mr. Macdonald:** Hear, hear.

**Hon. Mr. Connolly (Ottawa West):** There was a close association during all that time between the Navy with its fighting ships and the Merchant Service with its freighters and tankers. There was an association too, and a mutual interest, in the work that was done on behalf of both the Naval and Merchant services in the construction yards where repairs and improvements were carried out, and as well in the very difficult

problems connected with the building of both Naval service ships and Merchant Navy ships. The wartime construction and repair of ocean-going craft was a big industry in Canada. The way it was handled and the achievements it made were, I think, a tribute to Canadian enterprise and management and to the great skills developed by Canadian workers in the yards.

Honourable senators perhaps may have forgotten that in that period some 400 naval vessels were built in Canada, and, as well, some 400 merchant vessels, 10,000 tonners—ocean-going craft. The industry employed some 75,000 people; today there are still 15,000 working in and about Canadian shipyards. The operation of these wartime merchant craft was the responsibility of a special Crown company called Park Steamship Limited. At the war's end about one-half of these 400 ships were sold abroad by War Assets Disposal Corporation or its successor. Some of these went to mutual aid, but many of them were sold to be used on foreign register by foreign purchasers. About half of them, or 200, were sold to Canadian operators in Canada. I think I should mention that the prices the Canadians paid for these ships were the market prices which prevailed at that time. In some cases there were favourable credit terms: roughly 25 per cent down and 3.5 per cent interest per annum on the balance, which was to be paid in seven years. It was Government policy to employ this method of trying to preserve a nucleus of a Canadian merchant service.

At the present time some 26 ocean-going craft are under the Canadian flag and on Canadian registry. There are some 70 craft on United Kingdom registry, but owned by Canadians. I understand that of the 96 ships which remain under Canadian ownership, some 70 are still original wartime ships built in Canada.

Honourable senators also are aware that in the wartime operation of the merchant service, economics were a rather secondary consideration, because the important problem at that time was survival. The problem was to get the supplies to the places where they were needed. But in the peacetime operation of a merchant service, economics are a primary consideration, and of course the operation and even the building and the maintenance of these ships must meet the competition encountered in the world markets.

I think it is also understood that costs in Canada for construction or conversion of ships, or for their repair and operation, are greater than they are abroad. Shipyard costs in Europe and Asia are much lower

than in Canada. I understand, as a matter of fact, that in Canada the cost for work in a shipyard, for building or for repairing, is approximately 1.5 times what it is in many of the European yards, and perhaps the United Kingdom yards are a good example. I might also mention that the Japanese shipyards are in that class. When I speak about European yards I mean yards in the United Kingdom or in Holland, Germany, Norway, Italy and France.

**Hon. Mr. Quinn:** Do costs not vary to some extent between shipyards in Germany, Holland and Great Britain, let us say?

**Hon. Mr. Connolly (Ottawa West):** Oh, yes, there is a variation, but I use the United Kingdom as a fairly good example. I think that, as a matter of fact, the costs in Japanese yards are lower still.

As honourable senators know, the maintenance of a nucleus of a merchant service for Canada is the main problem of the Canadian Maritime Commission, about which I would like to say something in a moment. There are two plans in the policy being pursued by that commission. I think we should remind ourselves about both plans in considering this measure.

The first plan is called the Replacement plan. The purpose of that plan is to maintain in the first place some semblance of an efficient Canadian-owned merchant service.

The second purpose of the Replacement plan is provide efficient ocean-going ships for those which are growing obsolete.

The third purpose is to provide employment in Canadian yards and to preserve some of the skills which were developed in this country under wartime conditions and later.

In speaking about these skills, although I step outside of the field of the discussion on the merchant service when I do so, it is worth while saying that there are some very exceptional skills available in Canadian yards. For example, in the yards of the Halifax Shipyards Limited, in those of the Davie Shipbuilding Company Limited in Levis, in the Marine Industries yard at Sorel, in the Canadian Vickers yard at Montreal, in the Yarrows Limited and the Victoria Machinery Depot Company's yards on the west coast, some of the most efficient modern destroyer-escort vessels have been built. These ships for the most part have been built for the Canadian Navy and, in their class, they are second to none anywhere.

The other plan with which the Maritime Commission is concerned is known as the Transfer plan. It results from an understanding between the Governments of Canada and the United Kingdom, or their officials, and it permits the operation of Canadian-owned ships under the United Kingdom flag, under

operating conditions more favourable than those which prevail in Canada.

Perhaps I should say a little more about these plans, because they are important to an understanding of this measure.

The Replacement plan, I think, can be described as the brain-child of the officials of the Maritime Commission. It provides that no sale of a Canadian-owned vessel off the Canadian register can be made without the approval of the Canadian authorities. That consent is given only if the proceeds of the sale are used for the replacement of that ship in a Canadian yard. Funds are usually deposited in an escrow account which is maintained for the purpose in one of the commercial banks. The result of this policy is that more than 16 ocean-going ships have been built or ordered or bought in Canada. Canadian shipyards have benefited from these escrow funds to the extent of about \$62 million since the end of the last war. Some \$3 million of escrow money has been spent abroad, in foreign yards, under conditions which I am afraid I do not know too much about. That is something which might be inquired into at the committee stage of the bill. There are still some \$12 million or \$13 million available in the escrow fund. Perhaps I should say, because I know some honourable gentlemen in the chamber are interested, that, of the fund of \$62 million, some \$29 million was used for the replacement of lake and coastal craft. But that branch of the policy, I understand, has been discontinued.

Now, as to the Transfer plan. Apparently the operators of Canadian vessels found, after the war, that operation under the conditions involved in operating under the Canadian flag became too costly. So an agreement was made with the United Kingdom authorities to transfer to the U.K. register such Canadian craft as it was desired to transfer, to be operated under the U.K. flag. The important consideration in this arrangement is that the United Kingdom authorities agreed that the profits which the shipping companies made from the ships so transferred could be repatriated to Canada, in dollars, to be taxed here. The ships are subject to recall to Canadian register at the instance of the Canadian Government. Should a wartime emergency arise, and if the ships are put in some type of allied pool—as has happened before—they are to count as a Canadian contribution to that pool.

**Hon. Mr. Isnor:** Do I understand there are transfers from the United Kingdom, or are the transfers of our ships to the U.K. register?

**Hon. Mr. Connolly (Ottawa West):** I understand that the transfer plan works only in connection with transfers from the register in Canada to the U.K. register.

Honourable senators might ask how much more expensive it is to operate a ship under the Canadian register than under the U.K. register. I am informed that the additional cost is about 50 per cent per annum; or expressed in dollars, it amounts to about \$100,000 per annum for each 10,000-tonner.

**Hon. Mr. Euler:** Is that because of labour costs?

**Hon. Mr. Connolly (Ottawa West):** Labour is one factor, perhaps the principal one.

May I say a word or two about the Commission. As honourable senators will remember, it was established in 1947. Its first Chairman was J. V. Clyne, who was later appointed to the Supreme Court of British Columbia. He was a well-recognized expert in the field of Maritime law.

**Hon. Mr. Macdonald:** Who appoints the commissioners?

**Hon. Mr. Connolly (Ottawa West):** The Government. The next Chairman was Mr. J. C. Lessard, who for a while was Deputy Minister of Transport and later retired from that post, and is now Vice-President of the St. Lawrence Seaway Authority. The third and present Chairman is Mr. L. C. Audette, Q.C., a member of the Montreal bar, who has had a very distinguished naval career. May I also mention Captain E. S. Brand, the Executive Director of the Commission. It was because of his work in the Canadian Naval Service during the war that I developed an interest in this field. Some years before the war Captain Brand retired from the Royal Navy and joined the Canadian Navy. He was head of the Trade Division, so called, and in that post it was his responsibility to see that a proper liaison was worked out between the merchant service and the naval ships engaged in the convoy system. To him I am especially indebted for my introduction to maritime matters when I was with the Navy Minister. He certainly knew his business; and he was one of the very fine staff officers available to the Canadian Navy during the last war.

In general, I think, it may be said that the shipbuilding industry and the shipping industry acknowledge the value to Canada and to the Canadian merchant service of the Maritime Commission.

Now, as to the bill. As honourable senators know, it is a fairly technical measure. It may almost be described as a method of granting income tax relief; and anything connected with income tax is bound to be a little too complicated for most of us, including myself.

The great benefit to the Canadian merchant service under the Canadian Vessel Construction Assistance Act is that, for new

ships built in Canadian yards, the depreciation rate is 33½ per cent per year, straight line. The other depreciation rate, the normal depreciation rate under the Income Tax Act, is 15 per cent on a diminishing balance. So it is of great advantage to have the provisions of the Canadian Vessel Construction Assistance Act available to encourage the replacement of old ships in Canadian yards.

As I understand this bill, the main difference between it and the measure introduced at the last session of Parliament, and which at that time had first reading, is that by the new amendment—which I think is a good one—it becomes possible for shipyards to build a ship on speculation, to build for inventory, to build for sale to a Canadian owner. If that is done, and none of the special depreciation is taken before the vessel is sold, the new Canadian owner gets full advantage of the depreciation provided by the Income Tax Act. I think that is a good thing.

The second difference between the bill introduced last session and this one arises out of provisions of the Income Tax Act with reference to the recapture of depreciation. The Income Tax Act provides that when a depreciable asset is sold, the excess of the selling price over the depreciated value becomes income which is taxable. In the case of a ship the tax is usually applied at the corporate rate because the ship is usually owned by a corporation.

Let me give an example to illustrate that. Let us say that the selling price of the ship in question is \$1 million and the ship has been depreciated under the depreciation rules in the Income Tax Act, to a value of \$400,000 at the time of sale. Thus the excess over the depreciated value at the time of sale becomes \$600,000. These are usually large companies whose corporate rate is 49 per cent; for practical purposes let us say 50 per cent. Fifty per cent of \$600,000 would be \$300,000.

Under the present act this tax must be paid in the year in which the sale is made. If within a period of seven years after the sale, the ship is replaced by a ship built in a Canadian yard, the person who pays the \$300,000 tax is entitled to a refund. But he must apply for it. There is delay. The procedure is cumbersome; even though he escapes the tax.

Let me give another practical example, taking again the selling price of the ship at \$1 million. Let us suppose that the seller does not desire to replace his ship. Incidentally, this happens perhaps more frequently than cases where the seller does replace. The ship is sold abroad, let us say,

and the \$1 million goes into escrow. The seller desires to assign his \$1 million. Let us say for the sake of argument that the discount allowed is 20 per cent. The party desiring to build a new ship wants to buy the \$1 million credit in the escrow fund. He can get it for \$800,000. Under the present law he must find his \$800,000 immediately to pay off the owner of the escrow funds. Having done so, he gets the \$1 million credit for the replacement. The point is, however, that he must find the \$800,000 right away. It may take two or three years before his new ship can be delivered. During this time he loses interest on the \$800,000 he had paid out. The amendment under discussion eases that situation.

Honourable senators, going back to my original illustration, the tax on the ship that is sold for \$1 million amounts to \$300,000. The effect of the amendment is that the \$300,000 tax can be segregated and paid by the seller of the ship into the Consolidated Revenue Fund as security for the tax due. The \$300,000 is under some control by the Canadian Maritime Commission. The balance of the \$1 million, namely, \$700,000 would go into the escrow fund in a commercial bank and also would be under the control of the Canadian Maritime Commission. If the man who has the \$1 million credit now in two funds does not desire to replace the ship personally, he could assign his interest in his \$1 million and, again, say, for \$800,000.

Let us say he assigns it to me and I am going to replace that ship. I go to the Canadian Maritime Commission with a contract from a Canadian yard to build me a ship for, say, \$1 million, which may be deliverable in 12, 24 or 36 months. I know of the credit of \$700,000 in the escrow fund. I know that the \$300,000 security for tax due on that \$1 million sale is being held in the Consolidated Revenue Fund. Under the amendment, the Canadian Maritime Commission will say to me, "You have a contract and you are obligated to spend \$1 million to build a ship in Canada. On the strength of this contract, which binds you, if you pay \$100,000 to the man who owns the \$700,000 in the escrow fund, we will release that \$700,000." So the fellow who sold the obsolete ship then has his \$800,000 and he goes home.

As the progress payments on the new ship come due I will make my payments and do my financing as I am required to do it. At the same time the Canadian Maritime Commission will take the money in the Consolidated Revenue Fund,—the \$300,000 which is now no longer payable as a tax. That is a benefit by way of tax relief which comes out of this act. The ship is replaced and there is no recapture, as I said earlier. So the Commission

will make progress payments out of the \$300,000 on my new ship as it is built, as I make my payments on my remaining \$700,000. Finally the ship will get completely paid off. I will not have the heavy onus of financing \$800,000 at the beginning of my contract. I shall do my financing as my contract payments fall due.

Honourable senators, that is a very complicated explanation. But it is about the simplest type of explanation one could give. The amendment is a relieving piece of legislation in the interests of replacing Canadian-owned obsolete ships by ships constructed in Canadian yards.

There are other improvements to the act. Under the present act the 33½ per cent of straightline depreciation is available only to ships now on the Canadian register. The amendment proposes that this benefit will be extended to ships which replace wartime ships, even though these replacements may themselves go on the U.K. register.

**Hon. Mr. Reid:** But the replacement ship must be built in Canada?

**Hon. Mr. Connolly (Ottawa West):** Yes.

**Hon. Mr. Pratt:** To a person who wishes to avail himself of the provisions of this act, how long a period is allowed between the time he sells a vessel and purchases another to replace it?

**Hon. Mr. Connolly (Ottawa West):** Seven years. Under the present act the freedom from recapture, which I have discussed at such length, is available to only two classes of ships. I will not attempt to describe what these classes are. By the amending bill, these benefits are extended to every ship and every individual ship.

**Hon. Mr. Farris:** Why is there a tax of \$300,000? Is this not the case of the sale of a capital asset?

**Hon. Mr. Connolly (Ottawa West):** You are discussing the \$300,000 tax? The rule under the Income Tax Act applicable in this case is the rule I mentioned earlier on the recapture of depreciation. Perhaps I should go over that example again, for obviously I did not make myself clear. Let us say this wartime ship was originally purchased from War Assets Disposal Corporation for, say, \$750,000. The Income Tax regulations allow 15 per cent per annum depreciation on a reducing balance. Let us say that at the time of sale the ship has been depreciated down to \$400,000, and then the sale takes place. Say the market is favourable and it is sold for \$1 million. The difference between the \$400,000 and the \$1 million, under the present Income Tax Act—and this applies to all depreciable assets—becomes income and is

taxable. In this case, because there is corporate ownership, the tax would be approximately 50 per cent. So the rule about the sale of a capital asset does not apply completely in the case of the sale of a capital asset which is a depreciable asset.

**Hon. Mr. Lambert:** May I interrupt for a moment? I take it that the point the honourable senator made was that the principle which was applicable to war assets applied not only to ships but to everything else during the war. In other words, wartime depreciation was allowable annually on a foundry, or a garage that was turned into a foundry, as well as on ships. After the war, if there were a transaction in connection with such an industry, then the measuring rod of depreciation was adjusted. In other words, the proprietor had credit for his depreciation during wartime years, but after that if he proposed to enter another field of enterprise with his plant he had to pay back whatever had been advanced to him by the Government. I understand the same principle applies to ships.

**Hon. Mr. Connolly (Ottawa West):** In answer to the honourable senior senator from Ottawa, I think I can say that generally the policy was to allow special depreciation during war time for assets that would be depreciated during the wartime period, and that the special rates which were allowed at that time were altogether different from the rates which would normally apply in peacetime. There is a recognition of that here, too, I think. The normal depreciation rate on an ocean-going ship is 15 per cent on a reducing balance. The special rate allowed here, because of the special circumstances under which this industry operates, is 33½ per cent.

**Hon. Mr. Lambert:** Would it be possible for a man to advance \$100,000 and, by arranging for the payment out of \$700,000 from the escrow fund, build a ship which in fact is worth \$1 million?

**Hon. Mr. Connolly (Ottawa West):** I doubt that, because in the example given, while he has put up \$100,000 and is going to get the benefit of \$300,000 tax credit, he must find the other \$700,000 to complete the payments for his ship. What he does not have to do is to pay out the \$700,000 at the beginning of the transaction. I think that is the only advantage that comes from it.

Honourable senators, the other change I think noteworthy, and which perhaps should be referred to, is that under the present act the tax benefit is only available to an owner if all the ships in a given class are replaced. Under the amendment, and using the same

example, what is proposed is that he gets these tax benefits as each individual ship is replaced.

Those are the main changes made in the Canadian Vessel Construction Assistance Act.

If I had a general conclusion to draw with reference to this general problem, I would say that in a country like ours, which is dependent upon more and greater markets abroad, we have to ensure that adequate transportation facilities should be available during peacetime. In the face of world competition—and that is what the shipping industry is faced with—and in the face of foreign currency devaluation, as well as of our own high living standards, particularly labour costs, the economics of operating a Canadian merchant service in this country are definitely all against us. But I do not think that should necessarily lead us to the conclusion that we should scrap the whole merchant service. We are constructing, for instance, in the valley of the St. Lawrence, a great seaway which has been described as the eighth sea of the world. Perhaps there will be maritime opportunities for Canada in the future which we cannot yet assess. It may be that the merchant service will play a very important part in that future.

But in wartime I think the situation is altogether different. We are concerned, as the honourable senator from Winnipeg (Hon. Mr. Wall) said earlier, about new weapons, the progress of Russian research, and the question of the adequacy of our own defence, not only in the Commonwealth, but in NATO and in the west generally. I know this is not the time to discuss ballistic missiles which apparently can be shot from one continent to another, nor is it the time to discuss the value of conventional arms, or the usefulness of conventional armed forces. We have to be very quiet and very reasoned in our approach to that kind of problem. Some time perhaps this chamber could discuss the Canadian Navy—perhaps all of the Canadian armed services—in the light of new developments. That is something that we might usefully do. In the meantime, I submit it is realistic to think that either in a limited emergency, or even in a worldwide emergency, the transportation of wartime supplies and of civilian supplies will always be necessary for a country like Canada. For that, ships are needed.

**Hon. Mr. Lambert:** May I ask the honourable senator a question to clear up one point? I assume the Canadian Maritime Commission has nothing to do with the building of naval ships now?

**Hon. Mr. Connolly (Ottawa West):** No, it never had.

**Hon. Mr. Pouliot:** Honourable senators, I have listened with great interest to the able presentation that the sponsor of the bill has just made.

**Hon. Mr. Connolly (Ottawa West):** I am not the sponsor of the bill.

**Hon. Mr. Pouliot:** Then may I refer to him simply as the honourable gentleman? I am wondering if he has received any protests about this bill from persons who indulge in trafficking in second-hand ships. Some 20 years ago I visited the shipyards of the Clyde, where I saw the stern of the once-famous Canadian icebreaker *Mikula*. Since then I have realized that all those who traffic in second-hand ships are highly patriotic citizens who immolate themselves on the altar of their country.

**Hon. Mr. Isnor:** Like the honourable senator who has just spoken, I appreciate, as we all do, the full background which the honourable senator from Ottawa West has given in explaining this bill. He has covered the ground in a very comprehensive manner. He answered many questions I had intended asking him because of my interest in shipbuilding on the Atlantic coast.

I was wondering whether he could give us some information on the second party to the British Commonwealth Shipping Agreement. Could he enlarge on how that agreement comes into the picture at the present time? An explanation in that respect would complete the very fine picture already given.

**Hon. Mr. Pratt:** Honourable senators, may I also put a question to the honourable senator from Ottawa West (Hon. Mr. Connolly)? The depreciation on Canadian-built ships of 33½ per cent in the first year is beneficial, but does my honourable friend know what the depreciation is on ships which are purchased abroad and are brought into Canada?

The reason I raise that point is that, although we all strongly favour the maintenance of the shipbuilding industry in Canada, because it is a very important and vital industry, the movement of commodities and the transportation of the products of Canada are also very important. In fact, the development of the fisheries and the acquisition of suitable boats, and also the economical movement of such goods, is more important than any part that the shipbuilding industry can have in this connection. With all due regard to the protection of the shipbuilding industry, there should undoubtedly be a liberal attitude toward those people who are going to invest their money in ships which, for one reason or another, have to be purchased outside Canada and brought in. There are many types of ships. For instance, in relation to our

industries in Newfoundland, we have boats built for special purposes, boats which are not constructed in a shipbuilding yard as it is envisaged here. Ample protection and encouragement should be extended to the industries which need these ships.

I would take this opportunity of stating that Newfoundland coastal transportation, which is a fundamental feature of the in-shore fishing industry, is facing up to a critical position, with wooden freighters being lost and no replacements being made because of the high cost of construction. Encouragement should be given to the procuring of these boats from whatever source they can be economically obtained. It is one thing to support an industry for the building of ships, but it is quite another and perhaps a more important thing to adequately support the industry which requires the ships.

**Hon. Mr. Burchill:** Honourable senators, may I be allowed to put a question—on the assumption, of course, that the honourable senator from Ottawa West (Hon. Mr. Connolly) is going to reply to these observations?

**Hon. Mr. Connolly (Ottawa West):** I shall endeavour to do so.

**Hon. Mr. Burchill:** What class of vessels do the regulations discussed here apply to? Do they apply to coastal vessels as well as ocean-going vessels, or are there restrictions as to tonnage, size and so forth?

**Hon. Mr. Lamberti:** Honourable senators, may I put a further question? I presume it is the intention of the sponsor of the bill to have it referred to the Standing Committee on Transport and Communications.

**Hon. Mr. Haig:** If we ever get to that stage.

**Hon. Mr. Lamberti:** I certainly can congratulate the honourable Leader of the Government (Hon. Mr. Haig) upon the excellent presentation from this side of the house of the bill of which he is the sponsor, and I extend to my honourable friend from Ottawa West (Hon. Mr. Connolly) that compliment on his lucid explanation of this bill. I followed his remarks with a great deal of interest.

The point I should like to emphasize now, and which I hope will be dealt with in committee, if not in the house, is this: Does the economic demand for ships in the trade of this country justify this legislation? And, in that connection, does the bill cover the construction of ships for internal use on the internal waterways of this country—viewing that as a separate class of traffic—as distinct and separate from trans-oceanic shipping? I think those two points should be made clear.

**Hon. Norman McL. Paterson:** Honourable senators, as I am in the shipping business, perhaps I can make a contribution to the discussion on this bill.

I should like to point out the value of the 33½ per cent depreciation. It is most important to shipping in Canada to keep a shipyard alive. If we did not have shipyards it would be impossible to dock a ship when she strikes a rock; it would be impossible to dock her every four years for inspection, which is absolutely necessary.

Some years ago—I think it was in the time of Jim Conmee—the Port Arthur Shipyard was bonused so much a foot for keeping the water over the sills at the shipyard. That arrangement went by the boards long ago, because it became quite profitable to build ships during the last war. However, since the war it has been a hand-to-mouth business to keep the shipyards alive. We have found it is in the best interest to build some ships.

About three years ago I built a ship at a place called Newport, in Wales. Apropos of what the senator from Ottawa West has said, the ship built in Wales was a very well built ship, but not built anywhere near the specifications for delivery; further, the builders were almost a year longer on the construction than they said they would be. The ship is 254 feet long, with 42 foot 6-inch beam, and is the full size of the Lachine Canal. In fact, she is built so close to the size of the canal that to get her out when the gates are open it is necessary to go full steam ahead in order to push the water around the sides. That ship was built at a cost of \$700,000.

The next ship I built was constructed in Collingwood, at a cost of \$900,000. It was a ship of exactly the same size as the one built in Wales, with a little different engine equipment, but quite as satisfactory as the one built to our own specifications for our class of business.

I built a third ship at Collingwood, which is now being tested out. Perhaps I should apologize to this honourable house for having named her *Senator of Canada*. My son asked me to suggest a name, and offhand I said *Senator*. When he went to register the ship he found there was a tug registered somewhere as *Senator*. Also an ore carrier for the Columbia Steamship Company, in the United States, which ship I think has since been scrapped, was called *Senator*. We were told that if we called our ship *Senator of Canada* the registration would be accepted. So that is her name, and she is on steam trials today. She is quite a large ship, carrying 508,000 bushels of wheat and 16,000 tons of iron ore.

This vessel was built in the light of the requirements of the grain business and the iron ore business.

These shipbuildings have kept the Collingwood shipyard pretty well alive; and it was more satisfactory for us to build them in Collingwood than to build them in my home area, Port Arthur and Fort William. I will not go into details of why that is so, because my remarks might be publicized. But in any case I would like to say that this matter of depreciation has been of inestimable value to all shipyards in Canada. It has kept them alive and kept men employed, and the yards are so necessary to the lake and river navigation that I welcome this bill or any bill designed to help in the present situation.

**Hon. Thomas Reid:** Honourable senators, may I ask the honourable senator from Thunder Bay (Hon. Mr. Paterson) a question? I understand from the sponsor of the bill (Hon. Mr. Haig) that in order to benefit from this legislation a ship had to be built in Canada. Now, you said this bill would be of great assistance to the shipbuilding yards here, and then you stated you had a ship built in Wales. I would like to know how this bill is going to help in your case.

**Hon. Mr. Paterson:** We do not get the benefit of special depreciation on that ship built in Wales. We take the ordinary 10 per cent depreciation.

**Hon. Mr. Reid:** Then this bill does not help in that case at all?

**Hon. Mr. Paterson:** No, it does not help.

**Hon. Mr. Kinley:** Honourable senators, I have had some experience in shipping matters, and while listening to the questions my mind has been directed to the question of whether or not the economic situation in Canada justifies this bill.

As far as I can see it, this bill does not give anything except a remission of taxes, and if a vessel does not make a profit I do not see what good an allowance for depreciation is going to do. A vessel is expected to operate at a profit, and if it does the owner is entitled to write off depreciation and thereby reduce his taxable income. But if, owing to the economic situation, a vessel incurs a loss in its operation, how will the vessel owner benefit from this measure? I would like to receive a few words of explanation on this point.

**Hon. Mr. Connolly (Ottawa West):** Honourable senators, I must have unanimous consent to speak again.

**Hon. Senators:** Agreed.

**Hon. Mr. Connolly (Ottawa West):** Honourable senators, I do feel this about questions which have been asked,—they justify my belief expressed originally, that this is the kind of measure which the Senate can discuss with profit to the industry and to Canada's interests on the high seas. And again I would say to the Leader of the Government in the Senate that we are deeply indebted to him for having had this bill brought here first for consideration.

I am very pleased indeed that the honourable senator from Thunder Bay (Hon. Mr. Paterson) spoke, because he took a great deal of the load from my shoulders in his very practical demonstration of what the effect of this measure will be.

I think, if I may paraphrase him, the great advantage is that it will encourage the shipbuilding industry in Canada. It is of importance not only to the companies which might benefit from this legislation but to all ships which come here. That is going to be more important as we handle an increasing volume of foreign trade.

The honourable senator from De la Durantaye (Hon. Mr. Pouliot) spoke about people who are trafficking in second-hand ships. I should point out that this measure is not designed in any way to deal with passenger craft. This measure is designed or at least the policy of the Maritime Commission is designed—to assist the operation and the construction of Canadian-owned vessels. It has nothing to do with passenger ships.

The honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) asked a question about the British Commonwealth Shipping Agreement. The Leader of the Government has indicated that this measure will be referred to a Standing Committee, and there is a great deal to be said in favour of that, particularly as it will afford an opportunity to deal with all the questions that were asked. However, I will make this general statement in reply to my honourable friend's question: I understand that the British Commonwealth Shipping Agreement has to do with arrangements for the operation of merchant vessels registered in any country of the Commonwealth signatory to the agreement. It is part of that arrangement which makes it possible for ships of Canadian registry to be sent to the United Kingdom to be operated there under the United Kingdom flag and registry.

The honourable senator from St. John's West (Hon. Mr. Pratt) asked about the rate of depreciation allowed for ships that are not built in Canadian yards under this plan. The honourable senator from Thunder Bay referred to a 10 per cent depreciation. I was

under the impression that it was a 15 per cent depreciation on a reducing balance, but perhaps there is some connection between 10 per cent straight-line and 15 per cent reducing balance.

Another honourable senator suggested that this measure was for the protection of the shipyards and the shipbuilding industry. I would rather say it is for the encouragement of the shipyards and the shipbuilding industry.

It is true that the use of escrow funds does not extend to vessels engaged in the coasting trade or in lake trade. Maybe it should. Perhaps more extensive legislation should be designed to give encouragement to that branch of the industry, and if this debate has disclosed nothing more than an interest in the problems, it may be justified.

**Hon. Mr. Pratt:** Are we to understand now that this legislation applies only to foreign-going ships?

**Hon. Mr. Connolly (Ottawa West):** Yes.

**Hon. Mr. Pratt:** And not to coasters or lakers?

**Hon. Mr. Connolly (Ottawa West):** That is right. I think perhaps that answers also the question put by the honourable gentleman from Northumberland-Miramichi (Hon. Mr. Burchill). He asked if this legislation applies to ocean-going vessels only.

**Hon. Mr. Burchill:** It does not apply to lake or coastal vessels?

**Hon. Mr. Connolly (Ottawa West):** No, it does not apply to lakers or coasters.

Finally, the honourable senior senator from Ottawa said he wondered whether there is economic justification for a measure of this kind.

**Hon. Mr. Lambert:** In trade, I said.

**Hon. Mr. Connolly (Ottawa West):** In trade. I suppose it would take a good deal of time to discuss that point, and if I did it on the floor of the chamber I would need to make a different kind of preparation. But I hope that the bill will go to committee, and perhaps some of the officials of the commission may be able to amplify that viewpoint.

**Hon. Mr. Haig:** Honourable senators, if I speak I close the debate. I sincerely thank the honourable senator from Ottawa West (Hon. Mr. Connolly) for his valuable contribution. He knows more about the subject matter of the bill than I do, and I know a lot more about it than I did before he spoke. It is my intention, if the bill receives second reading, to propose that, as it deals with

financial matters, it be referred to the Committee on Banking and Commerce.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Haig, the bill was referred to the Standing Committee on Banking and Commerce.

### INTERNAL ECONOMY

#### REPORT OF COMMITTEE ADOPTED

The Senate resumed from yesterday debate on the motion of Hon. Mr. Aseltine, seconded by Hon. Mr. Horner, for adoption of the second report of the Standing Committee on Internal Economy and Contingent accounts.

**An Hon. Senator:** The honourable senator from Toronto-Spadina (Hon. Mr. Croll), in whose name the order stands, is not here.

**Hon. Mr. Haig:** I hope honourable senators will allow the debate to go on, because the matter affects the salaries of a number of people, who cannot be paid until the report is adopted.

**Hon. Jean-François Pouliot:** Honourable senators, on behalf of the honourable senator from Toronto-Spadina (Hon. Mr. Croll) and for myself, I would say that I have no objection to having the report considered by the house. This morning I saw one of our officials, and I established, by means of the stub of a cheque paid to a charman of the House of Commons, that my remarks and those of the honourable senator from Toronto-Spadina are not without foundation. As things stand, it seems that what was said by the honourable senator from Rosetown (Hon. Mr. Aseltine) was correct to a certain extent, and what was said by the honourable senator from Toronto-Spadina and myself is also right.

**Hon. Mr. Macdonald:** Does that make it unanimous?

**Hon. Mr. Pouliot:** It does not make it unanimous, but the situation is due to a misunderstanding which could easily be corrected if the Government were willing to increase the salaries of our charmen to those of the confidential messengers, as they were formerly paid the same. I wonder whether the whole matter could not be adjusted in due course by the Committee on Internal Economy. I make that suggestion to the honourable Leader of the Government (Hon. Mr. Haig) and I hope that he will take it into favourable consideration.

**Hon. Mr. Haig:** Honourable senators, I asked the Clerk of the house to prepare for

me a written statement as to the salaries paid. I have received it, and with the consent of the house, I will hand it to *Hansard* to be included as part of my speech; otherwise I will read it. It gives, I believe, the details required. We pay on an average \$2 a month more to the persons concerned than is paid to similar employees in the House of Commons. Apparently this was due to a mistake, but it is none the less the fact. There are only two exceptions, and those two House of Commons employees were paid some time ago about \$4 extra. But as I have said, in every other case the payment is \$2 less than ours. I hope honourable senators will allow me to put the statement on record, so that any honourable member who is interested in the facts may have them before him.

**Some Hon. Senators:** Agreed.

**Hon. Mr. Haig:** Then I will put the statement on *Hansard*:

The report of the Internal Economy Committee with respect to the temporary staff is an attempt to give to the temporary and sessional employees of the Senate the benefit of the increase in remuneration which has been given to the permanent civil service.

In computing the amounts of improvements to be given to each class regard has been had to the action taken with respect to similar positions in the House of Commons.

With respect to item 8 of the report, dealing with "Charmen: Cleaner and helper, continuing temporary and sessional"—the rate of compensation recommended is an increase from \$236 per month to \$247 per month. The effective date of the increase is May 1, 1957, which is the effective date of the increase which has been given to other portions of the permanent civil service.

The standard maximum rate for the class "temporary cleaner and helper" in the House of Commons is \$2,940 per annum, or \$245 a month. The proposed rate for the Senate is \$24 per annum higher than the standard maximum rate paid by the House of Commons for the same class of work.

In the House of Commons there are two senior employees in the class "temporary cleaner and helper" who are in receipt of an annual salary of \$3,198, or \$266.50 per month. Upon their retirement this special annual rate will be abolished, but the maximum rate for all others is now, and for the present will continue to be, \$2,940 per annum, or \$245 per month.

For the purpose of the recommendation presently before the Senate the comparison is:

Temporary cleaner and helper, House of Commons, \$2,940 (\$245 monthly)

Temporary cleaner and helper, The Senate, \$2,964 (\$247 monthly).

**Hon. Mr. Pouliot:** I realize that the honourable Leader of the Government (Hon. Mr. Haig) is a very busy man, but some day, if he will permit me, I will come to his office and explain the whole thing, and then he may give it reconsideration. For the time being, as far as the honourable senator from Toronto-Spadina (Hon. Mr. Croll) and myself are concerned, the matter is dropped.

The report was adopted.

**DIVORCE BILLS**  
SECOND READINGS

**Hon. Mr. Gershaw**, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill X, for the relief of Elizabeth Dermer Boyd.

Bill Y, for the relief of Clarice Mendell Uditsky.

Bill Z, for the relief of Dorothy Elizabeth Allen Bellenger.

Bill A-1, for the relief of Mildred Weiner Gordon.

Bill B-1, for the relief of Theresa Mary Moran Redmond Cooke.

Bill C-1, for the relief of Siegmund Paul Fritz Matthes.

Bill D-1, for the relief of Lillian Boyce Suttner.

Bill E-1, for the relief of Helen May Verner Joyce.

Bill F-1, for the relief of Lila Redmond McCorrison.

Bill G-1, for the relief of Phyllis Freda Sabbath Isaacson.

Bill H-1, for the relief of Marguerite Lavoie Jolin.

Bill I-1, for the relief of Margaret Lillian Mackenzie Smallwood.

Bill J-1, for the relief of Edith Elizabeth Altherr Thompson.

The motion was agreed to, and the bills were read the second time.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Gershaw:** Tuesday next.

The Senate adjourned during pleasure.

**ROYAL ASSENT**

The Honourable Patrick Kerwin, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to provide for advance payments for prairie grain prior to delivery thereof.

An Act to amend the Old Age Security Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Monday, November 11, at 8 p.m.

## THE SENATE

Monday, November 11, 1957

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

Prayers.

## WAR VETERANS ALLOWANCE BILL

## FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 28, to amend the War Veterans Allowance Act, 1952.

The bill was read the first time.

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

Hon. Mr. Haig: Honourable senators, I move that this bill be placed on the Order Paper for second reading at the next sitting.

The motion was agreed to.

## DIVORCE

## REPORTS OF COMMITTEE ADOPTED

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the Committee's reports Nos. 38 to 65.

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

Hon. Mr. Roebuck: I move, with leave, that these reports be adopted now.

The motion was agreed to.

## FIRST READINGS

Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill Y-1, for the relief of Norma Leibovitch Ryer.

Bill Z-1, for the relief of Manola Mainville Lefebvre.

Bill A-2, for the relief of Anne Marie Fontaine Brien.

Bill B-2, for the relief of Joyce Hahn Maiste.

Bill C-2, for the relief of Joseph Fabien Marcel Perras.

Bill D-2, for the relief of Elizabeth Geroux Touchette.

Bill E-2, for the relief of Conrad Donat Joseph Bouffard.

Bill F-2, for the relief of Claire Lenoff Schecter.

Bill G-2, for the relief of Gun Elsa-Maria Stridh Zukrowski.

Bill H-2, for the relief of Dorothy Maureen Allan Cybuliak.

Bill I-2, for the relief of Lita Eleanor Ciceri Desrochers.

Bill J-2, for the relief of Gwendoline Georgina Adelaide McNamee Phillips.

Bill K-2, for the relief of Robert James Beakes.

Bill L-2, for the relief of Elizabeth Ann Vedder Chadwick.

Bill M-2, for the relief of Osbourne Denzil St. Martin.

Bill N-2, for the relief of Elizabeth Janet Davidson Blacklock.

Bill O-2, for the relief of Mary Isabel Bristow Livingston.

Bill P-2, for the relief of Zeldia King Neuss.

Bill Q-2, for the relief of Lena Therese Dean Lauzon.

Bill R-2, for the relief of Sydney Wagner.

Bill S-2, for the relief of Margaret Williams Mullins.

Bill T-2, for the relief of Donald Ernest Lamont.

Bill U-2, for the relief of Margo Jean Thornton Savard.

Bill V-2, for the relief of Marie Reina Pauline Duquette Cottier.

Bill W-2, for the relief of Molly Gloria Goldman Mencher.

Bill X-2, for the relief of Marie Marguerite Eugenie Lucie Prevost Dorfman.

Bill Y-2, for the relief of Florence Hewitt Scribner Hartt.

Bill Z-2, for the relief of Mona Areta Emsley Forbes.

The bills were read the first time.

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

Hon. Mr. Roebuck: Wednesday next.

## SALTED CODFISH EXPORTS TO JAMAICA

## INQUIRY AND ANSWER

Hon. Mr. Pratt inquired of the Government, pursuant to notice:

1. If it has been brought to the attention of the Minister of Trade and Commerce that the Government of the Island of Jamaica is refusing to allow importations of salted codfish from the Atlantic provinces except at prices which the officials of that Government dictate and that at the present time and for some weeks past purchases by Jamaican importers are forbidden because prices offered do not meet with official approval.

2. If the Minister of Trade and Commerce is aware of the fact that an official of the Government

of Jamaica has served notice that unless shippers from Newfoundland and the other provinces enter into an immediate contract, which will guarantee that there will be no advance over previous prices for one year, that Canadian exporters will be prevented from selling any salted codfish to Jamaican importers at any price for a year hence.

**Hon. Mr. Haig:** The following answer has been received from the Department of Trade and Commerce, under date of November 8:

1. On instructions from my Department, the Canadian Trade Commissioner in Jamaica had interviews with both the Chief Minister and the Minister of Trade and Industry in Jamaica, at which time a full explanation of our desire to continue to trade on a friendly and unrestricted basis was placed before the Jamaican officials. The reasons why increased prices were needed for salt codfish were fully explained. The Jamaican officials were informed that the Canadian fishermen would suffer if a satisfactory settlement was not reached and that it was to be hoped that the threat to prohibit imports from Canada would be removed.

2. In reply, the Jamaican Chief Minister denied that imports of Canadian salt codfish are to be prohibited. He further stated that the Government of Jamaica planned to invite tenders from all sources of supply for its requirements of 4,800 metric tons. The closing date for tenders is today, November 8. Consequently, the Canadian salt fish trade have tendered through our Trade Commissioner in Jamaica—and we are awaiting the result.

#### CANADIAN VESSEL CONSTRUCTION ASSISTANCE BILL

On the Orders of the day:

**Hon. John J. Connolly:** Honourable senators, before the Orders of the Day are proceeded with may I have permission to make a correction in a statement I made on Thursday last, when speaking on the Canadian Vessel Construction Assistance Bill? I refer to page 160 of *Hansard*, second column. I had been discussing the use of escrow funds under the Replacement plan. Subsequently, when I was asked by the honourable gentleman from St. John's West (Hon. Mr. Pratt) and the honourable gentleman from Northumberland-Miramichi (Hon. Mr. Burchill) if the legislation applied only to foreign-going ships and if it did not apply to coasters and lakers, I thought they were still talking about the escrow funds and I gave a wrong answer.

I would like to make the correction by saying, first of all, that the escrow funds under the Replacement plan are not available for the construction of lakers or of coasters, but are available only for the construction of foreign-going ships. In the second place, I would point out that benefits of the Canadian Vessel Construction Act apply not only to foreign-going craft, but as well to lakers and to coasters, when these ships are replaced in Canadian yards; and all the benefits of that act apply to all types of ships that are built in Canadian yards. I think that makes the point clear.

#### DIVORCE BILLS

##### THIRD READINGS

**Hon. Mr. Roebuck,** Chairman of Standing Committee on Divorce, moved the third reading of the following bills:

Bill N, for the relief of Joseph Alfred Victor Tasse.

Bill O, for the relief of Claudine Yvette Felicite Cavallero Neeley.

Bill P, for the relief of Evelyn Thelma Passineau Uyeda.

Bill Q, for the relief of Ronald Victor Turner.

Bill R, for the relief of Charles Frederick Church.

Bill S, for the relief of Sarah Sally Abramovici Schor.

Bill T, for the relief of Eunice Kennedy Standeven.

Bill U, for the relief of Kathleen Louise Blaylock Hall Dunning.

Bill V, for the relief of Mary Hilbert Madge.

Bill W, for the relief of Marthe Helene Le Bel Champion.

The motion was agreed to, and the bills were read the third time, and passed, on division.

#### SPEECH FROM THE THRONE

##### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from Thursday, November 7, consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. Wishart McL. Robertson:** Honourable senators, I would like to join with the other speakers who have spoken with eloquence and feeling of the visit of Her Majesty the Queen to open the present Parliament. It was most certainly a memorable day in the history of Canada. I heard one honourable senator say: "We hope she will come back often to open the Parliament of Canada, but there always had to be a first time". It was indeed a memorable event, and I was honoured to have been one of the participants.

I should like to join with the other honourable senators in complimenting the mover (Hon. Mr. White) and the seconder (Hon. Mr. Méthot) of the motion for an Address in reply to the Speech from the Throne. They spoke with eloquence and good humour.

May I say a few words of welcome to the new senators? Like the honourable Leader of the Government (Hon. Mr. Haig), I wish you well, and long life to participate in the deliberations of this chamber.

Monsieur le Président, may I, as your predecessor in office, take this opportunity to congratulate you on having attained your high office, and to compliment you on the grace and skill with which you attended the trying duties which faced you on the very day you were sworn into office. You are blessed with grace, good humour and tact, and you have our very best wishes.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Robertson:** Honourable senators, I would be remiss if I did not at this time say how personally pleased I was that the Prime Minister of this country saw fit to ask the present Leader of the Government in the Senate (Hon. Mr. Haig) to become a member of his cabinet and leader of this house; I am pleased that the honourable leader's health and good spirits made him equal to the occasion.

I have had a very happy association with the honourable leader. As the older senators in this house will recall, I was for eight years Government Leader in this chamber, during most of which time the present Leader of the Government was Leader of the Opposition. Our relations were of the most friendly nature; however, I am bound to say that in the days when he had 29 or 30 Opposition senators to support him, there was never a time when Government legislation was not given a serious going over by my honourable friend and his colleagues. I would remind the house that while his criticism of Government legislation was always fair, he lacked nothing in vigour, and he made many sweeping attacks on Government legislation, asking no quarter and giving none. If he overlooked anything in the process of his criticism, the honourable senator from Blaine Lake (Hon. Mr. Horner) was always capable of supplying it.

May I say to the newer senators that the honourable Leader of the Government is an experienced parliamentarian: not only has he great knowledge of all matters pertaining to Canada, but he is at the same time a shrewd leader. When I was Leader of the Government in this house I used to watch him from my vantage point and try to fathom what particular ideas he had in his mind. After eight years I felt quite capable of anticipating what he would say, and checkmating him on certain points. But I must admit, honourable senators, that the remarks which he made a few days ago, during the debate with respect to the Prairie Grain Advance

Payments Bill, have left me completely puzzled and without any solution. The bill, as far as I know, had almost unanimous support throughout the country and in both branches of Parliament. In the other house no opposition was given to it. In this house the Deputy Leader of the Government (Hon. Mr. Aseltine) explained the measure in, I thought, a very fair, reasonable and clear manner, and I could think of no one here who was disposed to oppose it in any way, shape or form.

Then suddenly, without the slightest reason that I could see for arriving at his conclusion, the honourable Leader of the Government in the Senate made a statement which fairly took my breath away, and as yet I am hardly able to regain it. It was so important, to me at least—so amazing is a better term—that I am not going to trust my memory, but will quote from *Hansard* just what he said. I am reading from page 114:

We want this bill passed in order to help the farmers of this country. But I will be quite honest with you. Nobody would welcome more than the Prime Minister of Canada the Senate's defeat of this bill. That is all he would want. Just do that and he will do the rest. If the men and women on the Opposition side of the house will just stand up and vote solidly to kill this bill, that is all he would ask them to do.

I must confess that the honourable Leader of the Government in the Senate put an entirely different complexion and interpretation on the ideas of the Prime Minister of Canada than I did.

I have always had great respect for whoever occupies the position of Prime Minister of Canada, and I have no less respect for the right honourable gentleman who presently occupies the position. I respect him for his character and I respect him for his good intentions. When this bill was brought into the other house I thought it was with the idea of its being passed in order that those engaged in grain production would receive the benefits of the legislation; so it came as a surprise and shock to me that the whole idea was that it might be opposed by the Senate and that thereby a reason would be given for doing something or other. My honourable friend did not go on to elaborate or state what that something was that might be done if we had solidly opposed the legislation.

I think that the explanation—and it has taken me a long time to arrive at it—is that the honourable senator is not yet used to the position he occupies as Leader of the Government in the Senate, and does not yet realize that he is in a different position, now that he is a presenter of legislation and must defend it. The sledge-hammer-like attacks which he used to make on Government legislation are a thing of the past. He had 22 years

of that. I think that his astuteness was such that he thought he would change his ground and was able to build up a straw man as a figment of his imagination; and having reached the conclusion he would like the Senate to oppose the bill or something or other, he would proceed to demolish the straw man in the same vigorous fashion as he had done in days gone by as Leader of the Opposition.

Before making a few observations with regard to the Speech from the Throne, I want to comment on a remark which, in passing, the honourable senator from Kingston (Hon. Mr. Davies) made in what I consider was one of the best of his many excellent speeches in this chamber.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Robertson:** Each time I hear him it gives me great pleasure. His observation to which I would like to call attention, and which honourable senators may remember, was that "the Liberal Government may have been too cautious with the taxpayers' money". He did not elaborate on that statement, but I think I know what he meant: if I interpret him wrongly, I apologize. It was, I believe, in accord with what I have heard many other Liberals say, as well as our political opponents, with whom I am not now concerned—that the Liberal Government which was defeated on June 10 was too cautious with the taxpayers' money. I want to say that, far from criticizing the late government on that account, I think it is to their eternal credit. As a Liberal in this house, I am proud that our Government was over-cautious in regard to the taxpayers' money.

In the last sixty years the Liberal party has been the dominant force in the political life of this house, and if there is one reason more than another why over that period it has led Canada to great heights of economic progress and success, it is that it has always been careful of public finance. In the early part of this century the surpluses of Fielding and Robb were so regular as to become traditional. During the Second World War the administration of the finances by the Liberal Government of the time was a masterpiece. Half the total cost was borne out of current revenue. As honourable senators will recall, stringent controls kept prices from getting out of hand. I remember as though it were yesterday a cabinet meeting I attended in 1945, when we seemed to face almost insoluble difficulties in bringing the country from a wartime to a peacetime economy and providing for the transfer of over a million people to peacetime occupations, under conditions which we thought

would almost inevitably cause a violent dislocation of the national economy. At that time an old and very wise man remarked that our misgivings might be groundless, that we had a sound governmental finance which had given great confidence in the country's administration, and that the dislocation might not be as serious as was anticipated. Nor was it. In the next twelve years, in a post-war period of booms and great activity, when almost all private individuals and corporations, as well as many governments, were adding to their bonded indebtedness, the financial achievements of Liberal Governments were such that when, on June 10, 1957, a Liberal administration suffered defeat, the net national debt of this country was \$2 billion less than it was at the end of the war; and this, in spite of many additional expenditures. It was a magnificent record. I affirm that it is to the lasting credit of the ex-Minister of Finance, the Honourable Mr. Harris, and the Government which supported him that they maintained inviolate that sound record of safe and sure governmental finance. I personally am proud, as I think all Liberals should be, of that achievement.

Of course I am quite willing to admit that, if foresight had been equal to hindsight, and the late Government had undertaken to distribute on, say, old age and other pensions, increased grants to the provinces, and so on, a little of the surplus that was set aside for a rainy day, the position of ourselves and my honourable friends opposite might have been reversed. One can never tell. But I do not think that such an outcome would have been desirable. After all, the Liberal party had held office for 22 years, and, difficult though it may have been for some of us to recognize or to admit the fact, that was a long enough period for a country with a two-party system and an economic organization such as ours. We went down with a good record, with no attempts at the last minute to buy support here, there, and elsewhere. Had the Government been returned to office at the end of 22 years with no more support than the party of our honourable friends received, it would simply have been living under a suspended sentence.

The late Government, with an excellent record, at a time of the greatest national prosperity, has gone down to defeat; yet financially speaking, the only crime, if such it can be called, of which it can be accused is that it put something by for a rainy day. The wisdom of that achievement may be more evident in the future than at present. To spend money is an easy matter. But I repeat that it is in no way to its discredit that the Government which I supported had carefully husbanded the financial resources

of the country. Its successors came in, I imagine, gloating over the fact that they have a full treasury from which to spend, but to my mind it is a greater accomplishment to make and save money and to run the nation's affairs on a sound basis than to adopt a spending policy, and I believe that sooner or later this elementary truth will dawn upon the public as a whole.

I should like to say a word or two with regard to the Speech from the Throne. In the first paragraph I find this statement:

It will be the high purpose of my ministers not only to preserve these qualities

Of parliamentary government.

but to take steps to make both houses of this Parliament more effective in the discharge of their responsibilities to the people of Canada.

Time is going by, and I assume that legislation is in preparation, and that my honourable friend the Leader of the Government in the Senate (Honourable Mr. Haig) is being consulted as to what effect the proposals may or may not have on the Senate. When I was Leader of the Government in the Senate, I suggested—and I would have preferred to see action taken along this line—that before any government made any specific proposals with reference to the Senate there should be recommendations from this house itself. I believe that that would be a more dignified proceeding. Nevertheless it was not so to be, and we shall have to trust to the good judgment and the effective influence of the honourable Leader of the Government in the Senate. We all know from past experience how warm a friend of the Senate he is.

I have two suggestions about the Senate which the honourable Leader of the Government might pass on to the Government if and when some far-reaching consideration is being given to the future of this house. First of all, I think means should be taken to have this house supplied with more information in regard to Government legislation. In saying this I want to make it perfectly clear that I am in no way criticizing the present Leader of the Government or the former Leader of the Government, who is now the Leader of the Opposition (Hon. Mr. Macdonald). I do not refer to these gentlemen any more than to myself. I fully realize the inadequacy of the information that was supplied to the Senate during the eight years that I was Leader of the Government here.

Honourable senators, in the other branch of Parliament there are now 21 or 22 ministers of the Crown and a number of parliamentary assistants—there is provision for 14. These members are flanked by a whole army of secretaries and other people who are in a position to supply information on all phases

of governmental activity. But the whole set-up for presenting legislation in the Senate depends on one man. I am quite prepared to say that I believe the Leader of the Government in this house knows as much about legislation as anyone, but it is simply impossible for one person to be in a position to give us all the information we need. The fact that proceedings of the Committee of the Whole in the Senate are unsatisfactory stems from the lack of readily available information in this chamber. A discussion in Committee of the Whole cannot be successful when the Leader of the Government has to say "I will give the honourable senator an answer to his question next week or the week after." We need to have prompt answers. The leader ought to ask the Prime Minister to choose from the ranks of his supporters at least six parliamentary assistants for the Senate. There is more need for them here than there ever was in the other house. These assistants would be paid to keep abreast of Government business and to help look after the handling of it in this chamber. They would be in the confidence of the Government and in a position to answer questions and supply information with regard to the major departments of Government. Obviously they could not keep fully abreast with activities in every department, unless they doubled up, but our major problems arise in connection with seven or eight of the larger departments. This house is certainly entitled to more information than it is getting. I might say that when I was Leader of the Government here I made a similar suggestion in this house, but I made it rather hesitatingly because it applied to ourselves. The lack of information here is just as much the fault of the ordinary rank and file members as it is that of the party leaders. Each one of us should have demanded it long ago.

My second suggestion is made with some hesitation, but I am sure that I am right. As I understand it, provision is being made to give serious consideration to making both houses of Parliament more effective in the discharge of their responsibilities to the people of Canada. I think it is therefore high time that something be done in regard to the question of parliamentary divorces. I have the utmost respect for the 15 or 20 members of the Standing Committee on Divorce. Perhaps they are the most industrious members of this house; they certainly give much of their time and effort to their work. The undesirability of our parliamentary divorce system was brought home to me vividly the other day when the Chairman of the Divorce Committee (Hon. Mr. Roebuck), who is one of our most industrious members, had to admit frankly that he was unable to attend

a committee hearing on a very important piece of legislation because he was tied up with divorce work. I think this is a preposterous situation. The volume of divorce work has been increasing annually and nothing has been done to solve the problem. There must be some other way to grant divorces to people living in Quebec than by taking up the time of the members and staff of the Senate. Every day the corridors of our basement are filled with witnesses and counsel. This situation cannot continue indefinitely, and I think now is the time to seriously consider doing something to correct it. The honourable Leader of the Government should take it under consideration.

Honourable senators, I want to go on now to discuss something else, a serious matter that was not referred to at all in the Speech from the Throne. I refer to inflation and the ever rising cost of living. Practically every country in the Western world is wrestling with this problem, and every Canadian who gives serious thought to these matters should be concerned about the situation in Canada. I wonder if the fact that this problem was not referred to in the Speech from the Throne means that the Government is unaware that the problem exists. Is anything going to be done about it? The problem becomes more serious all the time and with each passing day it will become more difficult to solve. This has been the experience in the past.

Around the time that the Old Age Security Bill passed through Parliament I read that an old age pensioner claimed the increase of \$9 per month had come at the right time. Apparently he had received notice that his rent was to be raised by \$5 per month starting on December 1. It is simply a crime to give the impression that the social position of this country is being greatly improved and at the same time to utterly disregard the cost of living standard which has been spiraling upwards for seven consecutive months. Yet, honourable senators, as I have said, the problem was not even considered important enough to be referred to in the Throne Speech. Governments in almost every country in the world are taxing their wits over this problem of inflation, and my honourable friends should do something about the problem in Canada, because it affects our whole economy. It is true that this is not apparent everywhere yet. For instance, some people can point to the rising cost of living and demand that their salaries, wages or pensions be increased. But there are literally hundreds of thousands of Canadians who are unable to appeal to anyone to increase their income to correspond to the higher cost of living. These

people are being ground more and more between the uppermost and the nethermost millstone, and I want to suggest to my honourable friends opposite that it may be a very dangerous factor in this country for the man or for the government that ignores it. My honourable friends are not in a very happy position. It is no excuse to say, "We did not know it existed." They are not only taking the attitude that it is not worth bothering with, but they are sitting aside, throwing fuel on the flames. If within the next six months or so the Government goes to the country, and there continues to be a steady increase in the cost of living in the meantime, and if my honourable friends opposite do no more to cope with it than they have done up to the present moment, I can see an election issue emerging right at this moment. I assure honourable senators that people who are constantly being placed in the difficult position I referred to may be in a very ugly frame of mind six months hence, unless my honourable friends reverse their policy of doing nothing in respect to this vital question.

Honourable senators, I have only one further observation to make, and I will draw my remarks to a close. I must confess to a certain disappointment that the Speech from the Throne gave no indication that the Government had a comprehensive program for meeting the position of Nova Scotia in Confederation. I think the people of Nova Scotia will be bitterly disappointed if nothing more is contemplated than a warmed-over program of the power proposals made by the Liberal Government nine months ago. I want to remind my honourable friends opposite that there was a vigorous campaign prior to June 10 last in which sweeping promises were made to improve the position of Nova Scotia in Confederation. Those promises were accepted at face value, but I warn my honourable friends opposite that the electors of Nova Scotia will as dramatically defeat their candidates for re-election as they recently dramatically elected them, if in due course, between now and the next six months, they realize that nothing more is forthcoming in the way of governmental action than was forthcoming from the Liberal Government that went down to defeat.

**Some Hon. Senators:** Hear, hear.

On motion of Hon. Mr. Emerson, the debate was adjourned.

#### DIVORCE BILLS SECOND READINGS

**Hon. Mr. Roebuck** moved the second reading of the following bills:

Bill K-1, for the relief of Jean Marc Marceau.

Bill L-1, for the relief of Moe Boxerman.

Bill M-1, for the relief of Marilyn Joan O'Bryan Watson.

Bill N-1, for the relief of Irene Elsa Rubin Cohen.

Bill O-1, for the relief of Sally Baker Golding Rohrlich.

Bill P-1, for the relief of Jerzy Dzynaw.

Bill Q-1, for the relief of Pauline Mechanik Winterfeld.

Bill R-1, for the relief of Gennie Loza Jarvis.

Bill S-1, for the relief of James Keith.

Bill T-1, for the relief of Michal Rybikowski.

Bill U-1, for the relief of Beverley Joan Abbott Reid.

Bill V-1, for the relief of Mark Astman.

Bill W-1, for the relief of Karl Schubert.

The motion was agreed to, and the bills were read the second time, on division.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Roebuck:** Tomorrow.

**Hon. Mr. Haig:** May I suggest to the honourable gentleman that with the consent of this house, third readings be given now, in order to dispose of them?

**Hon. Mr. Roebuck:** My purpose in asking that these bills be given third reading tomorrow is that there will be third readings of other bills tomorrow as well, and I want to get them in the proper order; otherwise I should have asked for third reading this evening.

#### OLD AGE ASSISTANCE BILL

##### MOTION FOR SECOND READING— DEBATE ADJOURNED

**Hon. Joseph A. Sullivan** moved the second reading of Bill 20, to amend the Old Age Assistance Act.

He said: Honourable senators,—

**Hon. Senators:** Hear, hear.

**Hon. Mr. Sullivan:**—in explanation of this bill, may I say, first, that I feel the bill speaks for itself. In one respect it comes under the topic that the honourable senator from Shelburne (Hon. Mr. Robertson) was discussing a few minutes ago. At the same time, the opportunity may present itself that this whole field of social security might be elaborated upon by me, if my honourable leader would give me that opportunity. I think this is a worth-while bill. It provides

for an increase in assistance from \$46 to \$55 a month. In addition, the period required for residence in Canada is reduced from 20 years to ten years.

**Hon. Mr. Vaillancourt:** Will the honourable gentleman permit a question? It is necessary for the Government to have an agreement with a province before such a measure becomes law in that province. Does the honourable senator know if the Government has already received agreements from some of the provinces?

**Hon. Mr. Haig:** I can answer that question. I think all the provinces, or at least a great many of them, have indicated that they will consent to the bill. I know that Manitoba sent in word just the other day, and it is expected that other provinces will do the same. If necessary, I am sure the house will postpone third reading of the bill until that information is obtained.

**Hon. Mr. Reid:** May I ask if it is the intention of the honourable leader to send this bill to a committee?

**Hon. Mr. Haig:** Yes, if it is desired. I promised the Leader of the Opposition (Hon. Mr. Macdonald) that this and two other bills would be put over for third reading tomorrow, assuming they pass second reading this evening. However, if anyone really wants the bill to go to committee, it will be sent, but I do not think it is necessary. Would someone move the adjournment of the debate, for the Leader of the Opposition?

On motion of Hon. Mr. Reid, the debate was adjourned.

#### BLIND PERSONS BILL

##### MOTION FOR SECOND READING— DEBATE ADJOURNED

**Hon. Mr. Sullivan** moved the second reading of Bill 21, to amend the Blind Persons Act.

He said: Honourable senators, this bill makes certain provisions with respect to the financial qualifications of blind persons to receive pensions. It would repeal subsection 2(c) of section 3 of the act, which sets forth the maximum income which blind persons may receive, inclusive of allowance, and substitute therefor a new paragraph (c) with increased amounts.

The four categories and the amounts of increase in permissible income are as follows:

1. An unmarried person without a dependent child, from \$1,080 to \$1,200 a year.
2. An unmarried person with a dependent child or children, from \$1,560 to \$1,680 a year.

3. A married person living with his spouse, from \$1,740 to \$1,980 a year.

4. For a married person living with his spouse who is blind, the total permissible income of the recipient and his spouse is increased from \$1,860 to \$2,100 a year.

**Hon. Mr. Roebuck:** Would the honourable senator tell us the reasons why the bill is considered necessary at this time? Such information is usually included with an explanation. Why is the honourable gentleman in favour of this bill?

**Hon. Mr. Haig:** Honourable senators, may I be allowed to say that the purpose of this amendment to the Blind Persons Act is to bring that act in line with and on the same basis as other welfare legislation. That is the whole purpose of the measure.

**Hon. Mr. Roebuck:** My question was by way of assisting the sponsor of the bill.

**Hon. Mr. Haig:** This legislation would put blind persons on a pension of \$55 a month, the same amount as is now receivable under the amendment to the Old Age Security Act.

On motion of Hon. Mr. Gershaw, the debate was adjourned.

## DISABLED PERSONS BILL

### MOTION FOR SECOND READING— DEBATE ADJOURNED

**Hon. Mr. Sullivan** moved the second reading of Bill 23, to amend the Disabled Persons Act.

He said: Honourable senators, this bill would increase the pension to disabled persons from \$46 to \$55 a month, provided the recipient is not a patient in a tuberculosis sanatorium or mental institution, a hospital, nursing home, infirmary, home for the aged, an institution for the care of incurables, or a private, charitable or public institution.

The three categories of disabled persons whose permissible income, inclusive of allowance, is increased, are as follows:

1. An unmarried person, from \$840 to \$960 a year.

2. A married person living with his spouse, from \$1,380 to \$1,620.

3. For a married person living with his spouse, who is blind within the meaning of the Blind Persons Act, the total income for the recipient and the spouse is increased from \$1,740 a year to \$1,980.

On motion of Hon. Mr. Vaillancourt, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

—

**Tuesday, November 12, 1957**

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

Prayers.

### DIVORCE

#### REPORTS OF COMMITTEE

**Hon. Arthur W. Roebuck**, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 66 to 131, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to.

### INTERNATIONAL TRADE

On the notice by Hon. Mr. Robertson:

That he will draw the attention of the Senate to the desirability of Canada following the example of other nations of the Western world in seeking to enlarge her trading area to those countries whose governments are prepared to wholeheartedly co-operate in achieving the maximum economic benefits to all concerned, as a means to:

(1) Combatting inflation, reducing cost of living, reducing costs of production, and thereby increasing the marketing opportunities for the products of our primary and secondary industries.

(2) Providing at long last an opportunity for the so-called "Have Not" areas of Canada to attain a degree of economic development comparable to that presently enjoyed by the "Have" areas.

**Hon. Mr. Robertson:** Honourable senators, at the request of the honourable Leader of the Government (Hon. Mr. Haig), I ask that this notice stand until Tuesday next.

**Some Hon. Senators:** Agreed.

**The Hon. the Speaker:** The notice stands.

### DIVORCE BILLS

#### THIRD READINGS

**Hon. Mr. Roebuck** moved the third reading of the following bills:

Bill X, for the relief of Elizabeth Dermer Boyd.

Bill Y, for the relief of Clarice Mendell Uditsky.

Bill Z, for the relief of Dorothy Elizabeth Allen Bellenger.

Bill A-1, for the relief of Mildred Weiner Gordon.

Bill B-1, for the relief of Theresa Mary Moran Redmond Cooke.

Bill C-1, for the relief of Siegmund Paul Fritz Matthes.

Bill D-1, for the relief of Lillian Boyce Suttner.

Bill E-1, for the relief of Helen May Verner Joyce.

Bill F-1, for the relief of Lila Redmond McCorriston.

Bill G-1, for the relief of Phyllis Freda Sabbath Isaacson.

Bill H-1, for the relief of Marguerite Lavoie Jolin.

Bill I-1, for the relief of Marguerite Lillian Mackenzie Smallwood.

Bill J-1, for the relief of Edith Elizabeth Altherr Thompson.

The motion was agreed to, and the bills were read the third time, and passed, on division.

### THIRD READINGS

**Hon. Mr. Roebuck** moved the third reading of the following bills:

Bill K-1, for the relief of Jean Marc Marceau.

Bill L-1, for the relief of Moe Boxerman.

Bill M-1, for the relief of Marilyn Joan O'Bryan Watson.

Bill N-1, for the relief of Irene Elsa Rubin Cohen.

Bill O-1, for the relief of Sally Baker Golding Rohrlach.

Bill P-1, for the relief of Jerzy Dzynaw.

Bill Q-1, for the relief of Pauline Mechanik Winterfeld.

Bill R-1, for the relief of Gennie Loza Jarvis.

Bill S-1, for the relief of James Keith.

Bill T-1, for the relief of Michal Rybi-kowski.

Bill U-1, for the relief of Beverley Joan Abbott Reid.

Bill V-1, for the relief of Mark Astman.

Bill W-1, for the relief of Karl Schubert.

The motion was agreed to, and the bills were read the third time, and passed, on division.

### SPEECH FROM THE THRONE

#### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from yesterday consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot for an Address in reply thereto.

**Hon. Clarence V. Emerson:** Honourable senators,—

**Hon. Senators:** Hear, hear.

**Hon. Mr. Emerson:**—as I rise to my feet for the first time in this historic and honourable Senate chamber, I wish to convey my heartfelt congratulations and very best wishes to the Honourable the Speaker, to the Honourable the Leader of the Government in the Senate (Hon. Mr. Haig), and to the recently appointed senators, for their success and happiness in the discharge of their new duties. I extend friendly greetings to the honourable the Leader of the Opposition in the Senate (Hon. Mr. Macdonald).

Great honour has come to the honourable senator to my left, (Hon. Mr. Sullivan), in having had conferred on him the title: Commander Knight of St. Gregory.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Emerson:** Of such men and women is Canada made.

The eloquence and wisdom of honourable senators during this session have been to me a great source of joy, admiration and inspiration. Please accept my humble congratulations.

As one of the new senators, I am deeply appreciative of the kindness and consideration shown to me by honourable senators from both sides of this house. As I proceed to speak to you at this time, with your kind permission I will confine myself to my notes.

Honourable senators, to a citizen of New Brunswick the past few weeks in this Parliament have been the most exciting and encouraging since Confederation. This great surge of hope and determination, which is being felt not only in New Brunswick but in the other Atlantic provinces as well, has been directly caused by that portion of the Speech from the Throne which announced the establishment of a national development policy in the following words:

... to enable all regions of Canada to share in the benefits to be realized in developing the resources of this great nation.

Practical and immediate action on the National Development Policy was promised in the following words in the speech:

As an immediate start upon a program of more extensive development in the Atlantic provinces, you will be asked to authorize, in joint action with the provincial Governments, the creation of facilities for the production and transmission of cheaper electric power in those provinces. You will also be asked to provide assistance in financing the Beechwood project which has been under construction in New Brunswick.

As I listened to Her Majesty utter the words I have just quoted I knew I was witnessing one of the great moments in Canadian history, not only because for the first time a reigning sovereign was opening the Parliament of Canada, but also because my own province of New Brunswick and the

other provinces in the Atlantic region—Nova Scotia, Prince Edward Island and Newfoundland—had been given new hope, new encouragement, a new charter as citizens of Canada.

Honourable senators, for generations we in the Maritimes have worked in vain and waited over many weary years for some message of encouragement such as we heard from Her Majesty's own lips on Monday, October 14, 1957. Those who have not lived and hoped in those provinces by the sea cannot know what that message meant and what it will mean in the days ahead.

Those are the thoughts which went through my mind as I listened to the passages just quoted.

Ways and means of securing cheaper electric power in New Brunswick have been the basic problem faced by our provincial Government, by the business community and by everyone in the province. Our competitive position with the rest of Canada has depended upon our ability to attract industry. We had difficulties of geography and of transportation to face in any case, but of late years these have been complicated still further by the problem of cheap power for industrial development.

As a result of our inability to overcome these difficulties a large part of wartime and post-war Canadian industrial development passed us by. The new plants were established in centres where power was cheap, although we, as Canadian taxpayers, paid our fair share of such development, especially of the Crown plants.

When Premier Hugh John Flemming and his Government took office in New Brunswick, in 1952, he was determined that something should be done about the power question. It became evident that power development on the scale required would need federal assistance—if not directly, certainly in securing a low rate of interest so the cost of power could be reduced.

Constant efforts were made by Premier Flemming from 1953 until the present time in order to get some form of federal assistance in meeting the severe financial strain upon a small province like New Brunswick. However, these efforts met with no success until lately. In 1955 the power situation in New Brunswick made it necessary for the province to undertake the work without aid from Ottawa; and the large Beechwood hydro-electric project was officially begun on June 11, 1955. This project is now in the final stage of completion, a testimony to the courage and vision of the present Government of New Brunswick.

This gives a short sketch of the Beechwood project. Without federal assistance it was

bound to be a heavy financial burden on New Brunswick, although it was absolutely vital that it be built. The words of Her Majesty concerning Beechwood encouraged every New Brunswicker, regardless of politics, and I believe it is only fair to give credit where credit is due—to the energetic and never-faltering Premier of New Brunswick and to the head of the national Government. Their faith and their courage have moved the mountains of delay and neglect which have stood in our way so long.

Our power problem in New Brunswick is not merely a question of hydro and water power. We have long decided upon what the New Brunswick Government calls "an integrated power policy", using thermal power as well as water power. Consequently we have welcomed the announcement that subventions will be paid for coal used to generate electricity in Nova Scotia and New Brunswick, and we welcome the fact that the federal authorities will meet the capital cost of thermal power plants and transmission lines in Nova Scotia and New Brunswick. This new policy means that lower-cost power will become an accomplished fact in Nova Scotia and New Brunswick, which will place us in a better position to develop industry in the Maritimes and to compete with other areas. Premier Flemming expressed the feeling of our citizens in these historic words, delivered at the opening of Beechwood:

Your Government refuses to acknowledge that New Brunswick must decline. Your Government refuses to accept a "wait-and-see" attitude. We propose to take advantage, not only of our natural resources, but of the new spirit animating our people.

Only the other day, speaking in Montreal, Premier Stanfield of Nova Scotia had this to say:

Today there is a spirit of unity in the Atlantic area that is unique in the history of that part of Canada. We are beginning to find our strength by uniting our forces.

Honourable senators, in closing may I say that what the two Maritime premiers have said is emphatically true. The whole Atlantic region is determined that changes in national policy as outlined in the Speech from the Throne are only the beginning of a movement which will place us economically in a better comparative situation with the rest of Canada. The new federal administration has already created an unprecedented community of interest with the people of Atlantic Canada by its sympathy, its integrity with election commitments, and its fair-minded approach to the problems of the region.

It seems to me that the Senate is an appropriate place to discuss the welfare of particular regions, because we are appointed

to represent regions and provinces; and the British North America Act so specifies. Personally my heart will always be in New Brunswick, my province, and in Saint John, my city. I am proud to be a Canadian: never prouder than when I have come to these beautiful Houses of Parliament, have seen the two great races of Canada working happily together and have seen how many things we share as Canadians. Yet, honourable senators, let us not forget the home places—the responsibilities and duties we owe to our fellow citizens in our provinces, and in our towns and cities. Patriotism must never overlook them because our vision gets too far above the earth and too far away from our friends and neighbours.

I specially bespeak careful thought and consideration for improvements in Saint John harbour. New fire-fighting equipment is needed, and new facilities for transshipping modern cargoes. Modern industrial products require many kinds of new dock-side equipment. Some cargoes do not go through Maritime ports because the facilities for handling them are missing. This needs to be corrected. In Saint John we have one of the largest drydocks in the British Empire, yet it has not the business it could properly handle.

I also believe, with most New Brunswickers, that a new and up-to-date survey of the Chignecto Canal project should be carried out. I understand that investigation is now being made and I trust that it will produce the necessary information.

Honourable senators, God has truly blessed this Canada of ours. The challenge lies in our ability to interpret these blessings as custodians for the people in our cities, towns and provinces. The sense of responsibility begins with the individual. It has its fulfilment only when it is the will of the people.

May God bless our beloved dominion and all those who minister unto it. God save the Queen.

Honourable senators, thank you, merci beaucoup.

(Translation):

**Hon. Cyrille Vaillancourt:** Honourable senators, I wish to express my appreciation to our gracious Queen, who opened the present Parliament with such dignity and splendour. As I saw Her Majesty reading the Speech from the Throne, I was reminded of the day when, during an automobile ride, I turned on the radio and heard the speech which she gave to the members of the Commonwealth. During that speech, I was particularly struck by our Sovereign's explanation of the family spirit which should prevail in the Commonwealth just as it should in any family. She said at that time that the absence of her husband, Prince Phillip, who for

the first time was away from home for Christmas, was sorely felt in the family, but added that he was visiting the larger family of the Commonwealth. She admitted in closing that it may happen that all the members of a family may not see eye to eye, but in the long run they manage to agree because everyone wants harmony to prevail within the family. The same applies to the Commonwealth. Each country may have its own opinions, its own interpretation of events, but, on the whole, all of us want the Commonwealth to grow and to prosper.

May I now be allowed to pay tribute to our distinguished Speaker. Knowing his ability, I am sure he will preside over the discussions in this house wisely and calmly.

I would also like to congratulate the mover and seconder of the Address. Not that I entirely agree with their views, but although we may differ on methods, I think we have the same objective, which is the greatness and prosperity of Canada.

I also congratulate our new colleagues, whom I did not know but whom I have come to know. If all the new senators are as qualified as the honourable senator from Mille Isles (Hon. Mr. Monette), who is one of our eminent jurists, I am sure that the appointments recently made to the Senate are good ones.

I would also like to pay tribute to the new Leader of the Government (Hon. Mr. Haig). If he carries on the business of the Government in the same spirit which he displayed while he was Leader of the Opposition, I am convinced that he will get along beautifully.

And finally, I would congratulate my leader on this side of the house (Hon. Mr. MacDonald). We are indeed happy to work for him and with him.

In his speech yesterday, the senator from Shelburne (Hon. Mr. Robertson) spoke of inflation. For several years now we have been considering the problem of inflation in our credit unions (*caisse populaires*) and quite recently, at our convention in Lévis, we gave it a great deal of thought. Those who have followed economic events throughout the world during the last few years must have noticed that the Russians are doing all they can so that the Western peoples will be crushed by inflation. Indeed, were inflation to cause our ruin, the Russians would no longer need to use their Sputniks or their atomic bombs.

In a book on the Roman Empire I have just read that, at the time of the birth of Christ, when that empire was at the peak of its glory, the people were clamouring for "bread and games". At that time inflation was rampant everywhere. Seeing that the pursuit of pleasure had reached its climax,

the authorities decided to grant all families having at least one child a family allowance. As you see, such a situation is nothing new. And families, at the arrival of a second child, would have been disorganized if they had received only twice the amount of the first family allowance; therefore the amount was increased fivefold. But of what use is material security if moral security is absent from the home?

The Speech from the Throne announced that old age and disability pensions as well as pensions to the blind are to be increased and that the amount provided for agricultural prices support is to be increased from 200 to 250 million dollars. I will certainly not vote against these bills, provided our budget is balanced; that is, provided our revenue allows us to pay for these expenditures.

All these subsidies are granted in order to ensure the material security of the beneficiaries; but of what use is such security if we cannot at the same time ensure for each family the moral security of the home?

Just look at the statistics for the last ten years: juvenile delinquency, murder, burglary, theft with violence, and rape have increased to such an alarming extent that one wonders whether, with such increasing delinquency we shall, in ten more years, still be safe in our own homes. What is the explanation of such a rapid change? Among many others, I find three main causes: the lack of supervision by the parents over their children, the distribution throughout the country every week of hundreds of thousands of copies of indecent literature which teaches crime, kidnapping, theft and rape, and finally, the gangster and detective stories offered by movies, television and radio.

Too many parents are remiss in their duties and neglect to bring up their children during the years when a child should be trained. When you plant a sapling, you tie it to a stake to prevent the wind from carrying it away and to make sure that it does not grow crooked. In the case of the child, the parents must do that job. Some parents find the task too difficult, too much of a bother; they fail to educate their children and are thereby guilty of serious neglect toward them. I will go even further: parents are often guilty of the crimes committed by their children and should be judged more severely than the youngsters themselves. In such an atmosphere, what is disquieting is that, not only do many young couples fail to bring up their children properly or to see to their moral education, but they also bring into the home magazines where acts of murder, violence, and lust which may be committed all around are reported in detail, with pictures. And this trash lies on the tables in

the home, for the children to read at will, so that they come to believe, in the end, that the whole world is like that.

In this indecent and morbid literature, of which thousands of copies are distributed each week in all our cities and throughout the country, are offered,—as in *Allo Police*, *Flash* and *Hush*—detailed and illustrated reports of burglaries, murders, rapes, etc. "We only relate what is said in police court" is the claim. But are people brought to court for acts of virtue? Is it not precisely because they have violated the law in committing what is wrong? And it is all these vices that such newspapers expose to the public view. *Flash* has just been condemned to pay a \$30,000 fine for libel; the trial has been going on for two years; yet, each week, the same trash continues to be distributed throughout Canada. Here in Hull, the *National News Limited* was fined \$5,000.

Apart from the literature which teaches openly how to kill and steal, there is also, as I said a moment ago, television. There is scarcely an evening where we are not offered gangster and detective stories, and love stories where love is mocked, not to say betrayed: the eternal three-cornered love story, when it is not five-cornered. What an example for our young people! They are given the impression that the true love our fathers and mothers had for one another and that we ourselves entertain for our wives is a thing of the past.

It is heartbreaking to see the effect of such movies on the minds of young people. Would you like a case in point? Several days ago, we were given over television a cowboy film, complete with guns, murders and kidnapping. The next day, when coming out of my office to return home, at about 5.30, I saw five or six urchins, 8, 10 and 11 years old, playing on the parking ground behind the building and re-enacting the play shown over television the day before. As soon as I had passed the threshold, one of them pointed his toy gun at me saying: "It's a hold-up, sir" and the others closed in on me. If those children have toy guns in their hands, daggers at their belts as well as lassos, they were given them by their parents.

A few months ago, not far from Lévis, some children were playing gansters. One of them, who had a 22 rifle, fired straight at the forehead of one of his friends, aged 14, and killed him. He did not think the gun was loaded. How on earth can parents allow their children to play with such toys? What terrible carelessness! How can the next generation possibly be any better than the last or the present one, with that kind of an education and upbringing?

I could go on quoting by the dozen such examples which show the harm that this poisonous type of literature can do to young minds. For a great many years now I have been associated with the social work in my area. In Lévis we have what is known as a "Family Service". The number of parents who come to us and say: "I can't do a thing with my children!" is unbelievable. Upon investigation we discover what sort of papers these young people read, week in and week out. In fact these papers are quite often brought home by the parents themselves, who are therefore primarily responsible for this delinquency.

A few short months ago some young men of a little town not far distant from my home had sought inspiration in photographs published by the notorious *Allo Police*. This newspaper had published pictures of small tools which can easily be made from a simple steel blade and which can be used to pick locks on cars or houses, doing away with the necessity of breaking before entering. The gang leader, a lad of 16, upon being questioned, told the Family Service: "I'm no worse than anybody else, look . . ." He thereupon opened a cupboard where we found about a hundred back issues of *Allo Police* and other salacious publications containing instructions on how to rob. And the young man added: "Since everybody is doing it, why shouldn't I?"

In a parish of the county of Beauce the local *caisse populaire* was held up at 7.30 in the evening by a young man who got away with \$3,000. A few hours later he was picked up in the station at Lévis, reading out of a pocket-book the details of a robbery of which the one he had just committed was an exact replica.

A few days ago the provincial Solicitor General of Quebec, the Honourable Antoine Rivard, addressing the French-speaking weeklies congress, stated the following:

At the present time an altogether objectionable type of publication is gaining a wide and alarming popularity. What are we going to do about these scandal-mongering, lewd, and pornographic sheets? What are we going to do about certain weekly publications which, of course, do not belong to your association, but whose main objective is to appeal to the morbid curiosity of the masses and to the worst instincts of man? It would seem that such repressive measures as are authorized by provincial legislation or the Criminal Code are at present quite inadequate and that a case can certainly be made for special legislative provision in this regard.

A federal-provincial conference is to be held at the end of November. Could not advantage be taken of the opportunity to prevent distribution of this literature which saps the very roots of our national strength, our family life?

A special Senate committee—on the distribution and sale of salacious and indecent literature—held an investigation in 1952-53. Several witnesses were heard, one of the principal ones being Mr. D. Fulton, then a private member, but who has since become Minister of Justice. Mr. Fulton took very strong objection to the distribution of this type of obscene and criminal literature. I do not think he has changed his mind in this regard, and as he stated recently in answer to a question put to him by Mr. W. L. Houck, a federal member of Parliament, he has been giving the matter his whole attention. He concluded his remarks by saying:

I can assure the hon. member that I am still as interested and concerned over this matter as ever, and as soon as it is possible to reach a decision and make recommendations I will be happy to do so.

I earnestly appeal to the Minister of Justice to find a solution as soon as possible, because the situation is urgent.

As I said, one reason given to justify the publication of a newspaper such as *Allo Police* was that information on the vice practices, on what is said and done in the police courts, is a public service, because people will be shocked by such things. No, I rather share the opinion of René Leyvraz of the *Geneva Courier* when, in connection with the *Confidential*, he wrote: "Far from being an undertaking of public service, *Confidential* is part and parcel of the corruption it denounces and from which it derives considerable profits".

It is a nefarious and demoralizing education because it proposes an easy-going life to our youth, it would have us believe in the necessity of indulging in sexual intercourse, of living in abundance, of owning an automobile, a refrigerator, and, as stated by the Honourable Mr. Pearson, our former Secretary of State for External Affairs, it claims that we have invented everything, even kiss-proof lipstick. If we believe that lust, bread and games are the ultimate purpose of life, that the demagogue is the object of envy and adulation, that a five-time and even ten-time divorced dancer or actress from Hollywood has reached the top in celebrity, that the baseball player is a hero, while the professor and the man of science are second to them, then we may well wonder what we are heading for. Newspapers give more publicity to the murder of a gangster than to the man of science who, like Pasteur, discovers a serum which will save millions of lives.

Let us launch a campaign of good public morals. I appeal in particular to fathers and mothers and I ask them to take in their own hands their own defence and that of the country. When we hear youths like the ones who killed father Quirion admit at their trial

that they learned such gangsterism from reading morbid literature, when young nitwits like the two who recently killed one of their playmates in Nicolet say they wanted to stage the cowboy and murder scenes they had seen on television, we realize that it is high time to do something about it.

It is absolutely necessary that the federal and provincial Governments, the Minister of Justice, the Postmaster General, the customs officers and so on get together in order to launch the battle for good and to organize the moral security of each of our homes.

It should be possible, as the law provides in the United States, to obtain an injunction against the publishers of such filthy literature, and for that injunction to be applicable immediately and remain in force until the court renders its decision, in order to prevent the sale of this literature during all the time of the trial, which may at times take years, and thus prevent the continuation of this evil. If the publishers are found guilty, let such publications be destroyed for ever. It is useless to proceed against three or ten dealers of these pulp magazines in a city like Montreal or Toronto. The ones to be stopped are the publishers of such filth.

We try by all means at our disposal to eliminate the dangers coming from outside. What good will that be if greater dangers from within threaten to crush the family which is the very foundation of our nation?

For some time now, the entry into this country of this filthy magazine called *Confidential* has been prohibited, but no later than last week I found a copy of it on sale among other magazines in a newsstand in Montreal.

If Americans wish to continue to read such trash, they are free to do so, but while such obscenities are being read and the youth is being corrupted, the Russians will construct other satellites and develop other weapons which, tomorrow perhaps, will destroy us. While we are enjoying ourselves and playing gangster here, they are educating themselves and working hard over there. Quite recently, I asked some people who have lived in Russia, and more particularly young people who attended the youth convention which has just been held in that country, if they had seen obscene publications or magazines of gangsterism; they all answered that such literature does not exist in Russia. In the early stage of the Russian revolution, such orgies were the order of the day; they had free love, legal abortion, and so on but the Russians soon realized that by following that course they would arrive at the same end as ancient Rome, their complete downfall.

May I be allowed to quote, in conclusion, some remarks made by the correspondent of *l'Action Catholique*, Mr. Lorenzo Paré, on the occasion of an inquiry made by Mr. W. L. Houck and of the answer given by Mr. D. Fulton about this depraving literature:

It is impossible not to establish a relation between the dangers which threaten us from outside and situations which are a source of weakness inside. Obscene literature is, in fact, an evil which prevails in the western world when freedom, liberated from all rules, degenerates into licence. After a recent investigation on the moral and intellectual attitudes of American youth, a distinguished educator in the United States said that the state of mind and the behaviour of the younger generation represent for our civilization a greater danger than communist Russia.

Not only does this outburst of obscenity undermine the very root of our western society's forces but that same corruption is being exported in bulk to all the continents of the world. While the communists use every means to spread the woeful fallacy of their doctrine, the western nations display to the eyes of the masses in the whole world the spectacle of a moral turpitude disseminated by literature, newspapers, and films.

If the present struggle is mainly waged for the possession of the minds of men, should not the western world offer to humanity something other than a moral weakness which has always been, for all civilizations, the most unmistakable sign of their decline?

I ask all fathers and mothers to do their utmost to check the wave of immorality spread by obscene literature, in order to protect not only their own homes but our whole nation.

(Text):

**Hon. William H. Taylor:** Honourable senators, on behalf of the honourable gentleman from Northumberland-Miramichi (Hon. Mr. Burchill), I move adjournment of the debate.

**Hon. Mr. Haig:** Is there a seconder?

**Hon. Mr. Taylor:** Seconded by the honourable gentleman from North York (Hon. Mr. Sullivan).

On motion of Hon. Mr. Taylor (Norfolk), for Hon. Mr. Burchill, the debate was adjourned.

### PRIVATE BILL

#### ALASKA-YUKON PIPELINES LTD.— SECOND READING

**Hon. Paul H. Bouffard,** for Hon. Stanley S. McKeen, moved the second reading of Bill X-1, respecting Alaska-Yukon Pipelines Ltd.

He said: Honourable senators, this bill is a very simple one. The company's act of incorporation was passed in 1957 and is referred to as Chapter 50 of the 1957 Statutes. Clause 1 of the new bill proposes to delete the two words "and oil" from the proviso to section 6 of the act. The bill is as simple as that. I think it is so simple that it calls for some explanation.

In 1957, when the incorporating bill was passed, Alaska-Yukon Pipelines Ltd. was authorized to build a pipe line from the Yukon up to the seaboard of Alaska. The purpose of the pipe line was to transport oil, whether refined or not, from the Alaska seaboard down to the Yukon. Section 6 of that bill authorized the company to construct a pipe line to transport gas and oil and other liquid and gaseous hydrocarbons. There was no limitation as to where the pipe line was to be located, except in two cases. The company was authorized to build a pipe line in the Yukon Territory, in the Northwest Territories, in the provinces of Alberta and British Columbia, and outside Canada. When it was a question of transporting oil or gas the company could build anywhere in the world except that the main pipe line had to be wholly situated in Canada.

On that authorization the company made out its plans to build the pipe line, and as the main line had to be completely situated in Canada it decided to build it in the Yukon up to the Alaska border. But from the Alaska border to seaboard a subsidiary company was incorporated in the United States, or in Alaska, which was supposed to build the main pipe line from the Alaska-Yukon border to the seaboard. That was decided and it was, I suppose, approved by the legal minds associated with the company.

When all that was done, application was made to the Board of Transport Commissioners for authorization to build the pipe line. The board was told the whole story. The main pipe line was to be built by Alaska-Yukon Pipelines Ltd. to the Yukon border, and from the border of Alaska to the seaboard by the American company, which was a wholly-owned subsidiary of Alaska-Yukon Pipelines Ltd. The board, on a very restrictive interpretation of the act, decided that, whether the main pipe line was that built in Canada or the pipe line built in Alaska by the United States company which was the wholly-owned subsidiary of Alaska-Yukon Pipelines Ltd., it was the same pipe line, and that consequently the company was not authorized under the act to build the main pipe line, whether under its own name or in the name of an American subsidiary. In other words, it was the main pipe line, and consequently the company was barred and prohibited from building the pipe line, whether by itself in Canada or through the subsidiary company in the United States. Authorization to build, therefore, was dismissed.

So the company is in the position of having been incorporated and of being, maybe, in a position to render services and to transport oil and gas—especially oil—from the seaboard

of Alaska to the Yukon Territory, but of being prohibited by this decision from doing it. That is why it is asking that the act of 1957 be amended to give it authorization to build an oil pipe line, whether in the United States or in Canada, if the Board of Transport comes to the conclusion that thereby service can be rendered to the people of the Yukon. The oil which is to be pumped through to this area comes from the seaboard to the Yukon Territory; it is not oil sent from Canada to Alaska.

That, I think, explains the purpose of the bill. The amendments removes any restrictions on the occasion of the pipe lines for the transmission and transportation of oil.

I am not presenting the bill on my own behalf, but for the honourable senator from Vancouver (Hon. Mr. McKeen); and I do not know anything more about the facts. What I have stated is the point of law which was explained to me by representatives of the company.

If the bill receives second reading I shall move that it be referred to the Standing Committee on Transport and Communications, where representatives of the company will be available to answer any questions.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Bouffard, the bill was referred to the Standing Committee on Transport and Communications.

### OLD AGE ASSISTANCE BILL

#### SECOND READING

The Senate resumed from yesterday the debate on the motion of Hon. Mr. Sullivan for the second reading of Bill 20, to amend the Old Age Assistance Act.

**Hon. Thomas Reid:** Honourable senators, in rising to speak, I am not unmindful of the fact that one has to be very careful in commenting on a bill of this kind, because some sections of our public are very critical of statements made by members of the Senate in respect of social Security measures. But there are one or two comments I wish to make on this type of legislation, and specifically on this bill. I want to say I am in agreement with the increased amounts in all the four measures on the Order Paper today.

First, may I point out that we have travelled a long way since 1926. In that year, when provision was first made for old age pensions, the annual cost amounted to some \$12 million. In 1952, a few years before changes were made which are again

enlarged in the bill before us, the cost was \$90 million. In the present year and in 1958, following successive increases of \$6 per month and, if these measures are passed, of \$9, the total disbursements will run somewhere between \$500 million and \$600 million per annum.

One feature of Bill 20 which takes it a little beyond any provision in previous legislation relates to the residence clause. In 1926, the year of the first Old Age Assistance Act, the statement was made on behalf of the Government, and was readily accepted by all Canadians, that those who had given the best years of their lives to the upbuilding of this country were entitled to participate in our national wealth. Nobody took exception that that. But what are we now doing? For quite a long time the qualifying period of residence has been 20 years; now it is proposed to reduce it to 10 years. But I wonder how many honourable senators have looked closely at the bill. If they have, they will find that a person having reached the age of 70 need have been only seven years continuously in Canada to enjoy old age security. The relative clauses in both Bills 19 and 20 are the same.

Section 3, subparagraph (1) (i) of the Old Age Security Act, as amended by Bill 19, reads:

has been present in Canada prior to those ten years for an aggregate period at least equal to twice the aggregate periods of absences from Canada during those ten years.

**Hon. Mr. Haig:** Bill 19 has been passed.

**Hon. Mr. Reid:** I know, but I am tying this in with a similar clause in Bill 20. May I remark to the honourable Leader of the Government (Hon. Mr. Haig) that when Bill 19 was before the house I intended to speak on it, but he pleaded with us to pass it quickly so that it could receive Royal Assent. I trust that, as I was co-operative to that extent, and in favour of the bill he will raise no objection.

**Hon. Mr. Haig:** I am not raising any objection. I thought the honourable senator was speaking on Bill 19 instead of Bill 20.

**Hon. Mr. Reid:** My interpretation of the provision I have just read is that a person can come to Canada and live here for six years, that he can then leave the country for three years, and return one year before he makes application for the pension. He would then have resided in this country twice as long as the period he had been absent from it. I don't know how many honourable senators have examined the clause, but I think its implications are serious, since what it appears to require is not 10 years of actual

residence in Canada, but only seven. If I am wrong I would be very glad to be corrected. If honourable senators will read the speeches made in the other house they will find there is quite a trend among individual members to try to outbid each other in an attempt to get votes. When they suggest that the residence requirement be reduced to one year or five years they are not doing this entirely in the interests of the aged Canadian citizens. I would commend honourable members to read some of these speeches to see the direction, and the extent, in which we may be heading in regard to social security measures.

My biggest objection to Bill 20, as to Bill 19, is that we are ready to provide pension assistance to other than strictly Canadian citizens. I do not know of any other country on earth which hands out assistance in this way. In every country the recipients of this type of assistance must be citizens of that country. What is wrong with requiring that a man or woman become a citizen of this country before he or she is entitled to draw a pension from our heritage? If any honourable senator thinks differently I would like to hear his arguments when I am through. I take some exception to this sort of thing. When this legislation first came out I was in court one day when a man was applying for his citizenship papers after having lived in this country for 40 years. The judge suggested openly that the man would never have bothered applying except that he wanted to qualify for an old age pension. The judge told the applicant, "If I had my way I would not grant you Canadian citizenship after you have waited 40 years before applying for it."

Honourable senators, surely the first requirement under this legislation should be that a person be a citizen of this land. I wonder what Canadian-born old age pensioners think about this? They have given the best years of their lives to this country, but here we are ready to grant the same financial assistance to people who come here in their old age, people who have contributed scarcely a thing to the development of this country. They only have to live here seven years to qualify. They don't even have to be British subjects.

**Hon. Mr. Barbour:** Could these newcomers of 60 years of age not get jobs here?

**Hon. Mr. Reid:** No, I don't think so. Owing to superannuation schemes in plants and businesses throughout Canada, it is now difficult for a man of 50 to get a job here. What is likely to happen? People will be bringing their aged fathers and mothers out to this country, and after seven years here they will be entitled to receive the same old age assist-

ance as our own aged pioneers who were born in this country or who came here at a very early age and gave the best years of their lives in helping to bring about the prosperity we have in Canada. In my opinion this sort of thing is all wrong. I do not want anybody outside misconstruing this speech as showing I am against the measures, for I am not, and I take second place to no one in my interests and efforts on behalf of the aged needy in Canada. I say this quite emphatically to those both inside and outside of Parliament.

There is one weakness in Bill 20 which will become more apparent as time goes on, and that is the fact that many of the provinces may find themselves unable to meet their share of the increased amounts. One province already has not been able to meet the \$6 increase which was granted by the previous Government.

One has only to look over the data presented in the other house to realize what a load this legislation is going to place on some of the provinces. It is as follows:

Newfoundland .....	\$ 360,000	per year
Prince Edward Island .	45,000	" "
Nova Scotia .....	360,000	" "
New Brunswick .....	405,000	" "
Quebec .....	2,230,000	" "
Ontario .....	1,480,000	" "
Manitoba .....	320,000	" "
Saskatchewan .....	360,000	" "
Alberta .....	395,000	" "
British Columbia .....	500,000	" "
Yukon Territory .....	2,500	" "
Northwest Territories ..	7,500	" "

I notice in looking through the House of Commons *Hansard* that no commitment has yet been made by a number of the provinces as to their intentions. I know, however, that when a certain committee sat in 1951 dealing with this matter and it was suggested that the residence requirement be reduced from 20 to 15 years, the committee did not decide in favour of the suggestion because it was felt that the provinces would or could not accept it.

The question arises again as to whether the provinces can now accept the fifty-fifty payment of financial assistance to the aged between 65 and 70 years of age and yet at the same time not agree to the residence requirement provision.

**Hon. Mr. Connolly (Ottawa West):** Would the honourable senator permit a question?

**Hon. Mr. Reid:** Yes.

**Hon. Mr. Connolly (Ottawa West):** Would the honourable senator say whether the figures he has just given with respect to the cost

to the provinces under this contributory scheme represent the total costs after this measure is passed or present costs?

**Hon. Mr. Reid:** These figures represent the amount of money that the provinces will have to pay out if they accept the new legislation.

**Hon. Mr. Molson:** Would the honourable senator permit another question?

**Hon. Mr. Reid:** Yes.

**Hon. Mr. Molson:** Clause 3(1)(b)(i) of Bill 19 reads:

Has been present in Canada prior to those 10 years . . .

Does the honourable senator not think that the word "prior" means that if a person had been absent during ten years he would have to have passed additional time in this country equal to the amount of his absence from this country? In other words, he would have had to be a resident for a minimum of 10 years.

**Hon. Mr. Haig:** Certainly.

**Hon. Mr. Reid:** Your question has to do with one of the reasons why I asked that this bill be referred to committee. Bill 19, to amend the Old Age Security Act, was passed through this house rather hurriedly without questions being asked and I was wondering if this Bill 20 would be rushed through in the same way. I would like to see some of these questions straightened out in committee, for we are not getting the information we should have on these bills.

**Hon. Mr. Haig:** Honourable senators, I am quite willing that the bill should go to committee, but honestly I do not think my honourable friend from New Westminster (Hon. Mr. Reid) understands what this bill does. Bill 19, to amend the Old Age Security Act, which we passed the other day, is on a different basis altogether. In that case any person having attained the age of 70 years gets a pension whether he needs it or not.

**Hon. Mr. Howard:** That is right.

**Hon. Mr. Haig:** Bill 20, to amend the Old Age Assistance Act, applies only to the needy. I know something about the operation of this legislation. I think in every city and town in Canada there are people so feeble or sick that they cannot do work of any kind. I have visited such people. I do not want any publicity about this, but I may say that my daughter got the idea of going out and visiting some of these people before Christmas, and I go with her. If people in the 65-year or 66-year class could not get the \$40 a month, I do not know how they would live

at all. Bill No. 19 may not be justified, but I am positive that the bill under discussion now is justified under any conditions. The Government pays at least half, and if it does not, the municipalities will have to pay all of it, which in effect means that the province will have to pay it. Winnipeg, Vancouver, St. John's, Montreal, or wherever it might be in Canada, cannot see these people starve; as Canadians they will not allow it. If we have to give \$55 a month to a man or woman over 70 who has an income of \$5,000 a year, then that is what we shall have to do. There has been no objection raised in the other house, so far as I know, and, anyway, that is the law. I do not think this bill should be objected to at all. I apologize to my honourable friend if I rushed the previous bill through too quickly; my purpose was not political, but I felt that as we are getting on toward Christmas it would be wise for needy people to receive this extra assistance, as many of them are having quite a hard struggle on \$40 a month. Honourable senators, my nephew works on the staff of one of the newspapers in Winnipeg; he is a young man who went through the last war, and when he came back times were very bad for him. One day as he was walking down the street a milkman stopped him and said, "You are So-and-so?" The reply was, "No, I am not." Then the milkman said: "Oh, I have taken milk to your mother's house since you were a baby, and I know you, and I know that you are hard up. Here's two dollars." My nephew said, "I don't want your money." To which the milkman replied, "Take it. Don't starve yourself to death on the streets of Winnipeg." That young man was in good health and able to work, yet that is what happened. Such incidents make me feel keenly about legislation.

It might be that the provision of 20 years instead of 10 years is all right, but if it is, why did the House of Commons not think so with regard to the other bill? It did not do so. I do not think we as senators have the right to say that there shall be a difference between this, that, and the other class. The other house did not do that, the representatives of the people and their problems did not do that.

**Hon. Mr. Golding:** I wonder if my honourable friend will permit a question? Is he suggesting to this house that at the present time the old people are getting only \$40 a month? Is that what my honourable friend is suggesting?

**Hon. Mr. Haig:** They have been getting \$46 lately.

**Hon. Mr. Golding:** But you have been talking about \$40.

**Hon. Mr. Haig:** They have been getting \$46 for some time now. I was talking of when it stood at \$40, a year ago. It is not a question of whether it is \$46 or \$40 or any other amount. I do not know why the late Government did not raise the amount to \$50 instead of \$40, but it didn't.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Haig:** I suggest that we do not send the bill to committee, or it would appear that the senators were kicking about needy old people getting \$55, but agreeable to giving well-off people \$55 with no test at all. I do not believe in that kind of thing, and do not want to be associated with it, so even if I vote all alone I am going to vote against the bill going to committee, because I protest against putting some people in a different class from others.

**Hon. Mr. Robertson:** Honourable senators, I rise to a point of order. It is simply beyond the rules of this house to refer to what happened in the House of Commons in regard to legislation; it has no bearing whatsoever here. My friend is out of order.

**Some Hon. Senators:** Order.

**The Hon. the Speaker:** Order.

**Hon. Mr. Haig:** I have the floor.

**Hon. Mr. Reid:** You have the floor now, but you are out of order.

**Hon. Mr. Macdonald:** His Honour the Speaker is on his feet.

**Hon. Mr. Haig:** Surely—

**Hon. Mr. Quinn:** His Honour the Speaker is standing up.

**Hon. Mr. Haig:** I beg your pardon.

**The Hon. the Speaker:** The Honourable Senator Reid had the floor. I would like to state that the Leader of the Government must not refer to what happened in the other house. The Honourable Senator Reid has risen to his feet and may continue to speak.

**Hon. Mr. Haig:** Thank you.

**The Hon. the Speaker:** Senator Reid?

**Hon. Mr. Haig:** In conclusion, I want to say that I would like to see the bill passed as it is, for I do not want to vote against a bill which is different from the one we passed the other day. It may be said that there should be a difference, but I think the principles are exactly the same, that the conditions are just the same, and also that the regulations are the same.

**Hon. Mr. Reid:** Honourable senators,—

**Hon. Mr. Haig:** I want to say—

**Some Hon. Senators:** Order!

**Hon. Mr. Haig:** You can talk when your turn comes. My honourable friend ought to know better.

**The Hon. the Speaker:** Order. Senator Reid will please proceed.

**Hon. Mr. Reid:** I am glad to get the floor at last. If the Leader of the Government tries to do again what he has done just now I doubt if I will be as courteous. I had the floor, and he jumped up and made a long speech.

**Hon. Mr. Haig:** My friend has not the floor.

**Hon. Mr. Reid:** I had the floor, and I was speaking.

**Hon. Mr. Haig:** No, you sat down.

**Hon. Mr. Reid:** I sat down to allow you to ask a question and rose again, but you continued in making a speech.

**The Hon. the Speaker:** The Honourable Senator Reid sat down because someone was putting a question.

**Hon. Mr. Reid:** I was obeying the rules of this house, but the honourable leader did not.

**Hon. Mr. Haig:** You sat down and finished, and I waited for everybody else to finish.

**Hon. Mr. Reid:** I was not sitting down. Honourable senators, the honourable Leader of the Government made quite a speech about the means test. May I tell him that I am not in favour of a system of the kind known as the means test, because I have seen too many injustices result from it. I want to see in this country a system whereby people who reach 65 years of age will be able to draw ample to live on, by right—along the lines of the systems in operation in Great Britain and the United States, where the people contribute as they go along—and by means of which we could pay up to perhaps \$200 or more a month to married couples. Talk about the means test! In Canada there are today four provinces which give a supplementary allowance on a means test; one of them is the province of Ontario, and they tell me it is a pretty mean means test. There are so few people getting the supplementary allowance. I know that in British Columbia, whereof I can speak, the Government there boasts of giving those in need a supplementary allowance of \$20, but when I looked into the figures I found out that some were receiving as low as \$2 a month, and not \$20, and that very, very few were receiving the total supplementary allowance of \$20. When the means test was introduced, in 1926 and 1930, I met people who said they would rather die of starvation than submit to the questionnaire

by the officials who went around to homes before applicants could obtain assistance from the Government. The applicants would be asked if there was any money in the bank, if they owned their furniture, if they owned the house they lived in, and owned this thing and the next thing. The series of questions was so exhaustive that many people absolutely refused to avail themselves of the allowance.

I want to make myself clear regarding a means test—and the Leader of the Government need not hold up his hands in any kind of holiness, and think that he is the only one interested in the very poor people. Statements have been made that under the present system the cost of old age pensions is paid for by everyone. Let me say, according to the figures I have—and I have studied them—the millionaire only pays a share of the pension under the 2 per cent system. I checked up with the Income Tax Department, and I find that a man on as high a salary as \$400,000 a year, who receives old age security, still has a few dollars over and above what he contributes towards the tax. As we all know, the income tax collected for old age pension purposes is 2 per cent, but not more than \$60. So, even if in this case the recipient added a pension of \$660 to an income of \$400,000 and paid his tax of 2 per cent and the added income tax on the \$660 he would still be a few dollars ahead.

I am sure, honourable senators, it was never intended that we should have a system under which we would hand out gratuities regularly to the rich as well as the needy. The old age pension scheme was at the beginning devised to help the early pioneers who built up this country, and who needed help. For myself, I am looking forward to a system somewhat similar to that in use in the United States and Great Britain, under which all make personal contributions; a system under which a married couple would be able to get as much as \$200 per month or more. The present system has brought about one political party bidding against another. Indeed, certain members of Parliament are vying with each other in greater promises of higher rates. It is now \$55 a month; some say it should be \$70; the Social Credit members say it should be \$100.

I look forward with interest to the next budget to be brought down, to see the total of the increased expenditures we have undertaken on the understanding that our defence program should not and must not be cut down. At the same time one recalls the statements made during the last election

campaign that personal income taxes would be reduced. I do look forward to seeing the next budget brought down, which I expect will be before too long.

In conclusion, may I say a few words with a view to the future. The present Government has said that its old age security pensions will be increased as the cost of living goes up. Well, it appears to me that it will not go down—that is for sure! There are some of us who would like to see the cost of living go down instead of up. In any event, the present Government has assured us that these welfare pensions will go up according to the cost of living, but it has not yet outlined a precise system for doing so.

May I call to the attention of the country, and to honourable senators, that as time goes on more and more men and women will live longer and be vigorous well over the age of 70 years than was the case in years gone by. Modern medicines, better hospitalization, better food, better homes and adequate sanitation systems have contributed to longer life today. So much is this so that I hope in my time I shall see the scheme for retiring people at the age of 65 years completely wiped out.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Reid:** We are today losing from our labour force thousands of mechanics, scientists, teachers and other skilled persons because a superannuation system has been built up, which was largely forced on us by labour, requiring that a man must retire at the age of 65. I do not believe that any honourable senator who is a member of the medical profession would dispute my proposition that if people are allowed to continue performing their regular work and skills until they can no longer do so or wish to retire, they would live much happier and more useful lives than those who are forced to become idle at the age of 65 years.

There is also another side to this picture: We are encouraging the youth of our country to stay at school until they are 20 years or older, and at the same time we are shoving everyone off our production list at the age of 65. Thus we are drastically reducing our producing class. So, I say to honourable senators, in the light of the cloud that is going around us, and speaking on behalf of the people of Canada, it is high time some steps were taken to regulate the situation along the lines I have spoken.

Honourable senators, I make no apologies for bringing these matters to your attention at this time.

**Some Hon. Senators:** Hear, hear.

**Hon. Gustave Monette:** Honourable senators, may I be allowed an opportunity to explain my views with respect to Bills 19, 20, 21 and 23? I believe that Bill 20 parallels Bill 19, which provides that a pension be given to all Canadians reaching the age of 70 years, and to all other people of that age who are able to meet the residence qualification.

Under Bill 19, which has now become law, any citizen of Canada or any resident of Canada for a period of ten years is entitled as a matter of right to receive the pension in the terms prescribed by the bill. As I say, the qualification to receive that pension is that of having attained the age of 70 years, and meeting the residence requirements. The principle of Bill 19 was not new; it was embodied in the law before the present administration came into power. Therefore, this bill does not in any way attack or modify the principle embodied in the law as it previously existed. The only effect of the bill was to increase the amount of the monthly pension from \$46 to \$55 as a matter of right, to all persons who have attained the age of 70 years, whether they need the pension or not.

I am sympathetic with the views expressed by the honourable senator from New Westminster (Hon. Mr. Reid), to the effect that perhaps there is a serious difference between what the country owes to the needy and what it owes to those who are not in need. But, taking the law as it previously existed, this type of legislation offered to all qualified persons security against need, both present and future. That has been our law for some years. Then parallel action was taken to provide pension benefits for needy, sick and blind persons, in accordance with the terms of the benefits given to those who were not needy.

Now Bill 20, which has the same principle as Bill 19, simply means that the present Government is authorizing payment, not directly to needy persons but to the provinces in which they live of a monthly sum in accordance with the terms of this legislation. Specifically, we are authorizing payment to the province of half what it pays to needy persons, provided it is to the maximum of \$55 a month per person. In other words, the pension payable to the needy must tally with the pension payable to those who are not in need.

I do not wish to rely too much on the fact that Bill 19 has already been passed. While it is true the honourable Leader of the

Government indicated he wished the bill to pass as soon as possible, all honourable senators appeared to approve of it. As I say, the principle of that bill is the same as that in the law as it existed previously. If there is any merit, and I think there is, in the old age security pension scheme, then I submit to the honourable senator for New Westminster that there is much more merit in a measure which provides a monthly increase in pension of from \$46 to \$55 to the needy and the sick.

If there is a serious desire on the part of some members to do away with the principle of paying a pension to all citizens as a matter of right, which was introduced by the party represented by honourable members on the other side of the house, as a result of deliberations and recommendations that came from an all-party committee at the time, why not come out and say that senior citizens should not receive any pension unless they are sick, and make that the subject of legislation?

But, honourable senators, the only aim of Bill 20 in letter and in spirit is to increase the amount of pension payable to the needy in proportion to the increase in pension that was passed by this house a few days ago for the benefit of the non-needy. I think that, to be consistent with what we decided a few days ago, and to be in accord with legislation which this house has approved, we should make these Bills 20, 21 and 23, which are based on the same principle, agree in respect of the amount of pension as well as of the principle that is now part of the law.

I therefore would favour passing these bills, which are subsequent and accessory to the main bill, No. 19, which was passed the other day.

**Hon. David A. Croll:** Honourable senators, I think it only fair to say at this stage that the principle embodied in Bills 19, 20, 21 and 23—that is the Old Age Security Bill, the Old Age Assistance Bill, the Blind Persons Bill and the Disabled Persons Bill—has been endorsed on this side of the house for 25 years. As a matter of fact we gave birth to those principles and so none of us is challenging them. There has been a little discussion as to the amount, but the suggestion in speeches from the Government side of the house that someone on this side is opposed to one or other of these bills is unfounded. We endorse all the bills. Merely to discuss them and to argue about them is a normal procedure in this house. The Senate is not a rubber stamp.

**Hon. Mr. Monette:** May I interject? I did not suggest that someone was opposing them. It was my feeling simply that one honourable senator might have it in mind to oppose.

**Hon. Mr. Croll:** The honourable senator misunderstands. I sat in the house for a good many years with the honourable member from New Westminster (Hon. Mr. Reid), and he always supported these measures, but he loved to give us an argument and he still does.

**Hon. Mr. Horner:** You don't know him yet.

**Hon. Mr. Croll:** The impression came from the other side that this bill would receive from us different treatment from that given to Bill 19. Nothing of the sort.

The honourable senator who just took his seat has remarked on a few occasions that it was an all-party committee which brought in the recommendation. Every committee is an all-party committee, but, as was the custom up until lately, the Government had a majority on every committee. It is a little different this year, in view of the position of parties in the house. The Senate was also represented on that committee. Although the recommendation brought in was unanimous, it was the Government which took the responsibility for putting it into effect. I don't think that should be forgotten.

Now, honourable senators, the twenty-year residence clause perplexed us. We did not know what to do about the qualifying term. Some wanted fifteen years, some wanted twenty, some had no definite ideas about it. Someone said that, with the approval of the Government, the qualifying minimum might be provisionally set at twenty years, because it was recognized that the Act would be amended in the light of experience.

The Government has come along today and reduced the period to ten years. We are all happy about that; it is ever so welcome. But it does not go far enough for me. I was a member of the original committee; I thought 20 years was too long, but I compromised in order to get the bill through.

I can never understand, and this one thing troubles me, why, if in this bill a Canadian is a Canadian, he is not a Canadian in all respects. How can he be a Canadian without being able to draw the old age security allowance? When he comes here he can be naturalized in five years, but to benefit from this legislation he has to wait another five years. Why?

I can understand the law as it affects those who are not naturalized. If they want to wait ten years for admission to citizenship that is up to them. But the naturalized citizen, man or woman, who is otherwise

qualified should be able to obtain old age security immediately. However, the fact that this provision is not in the bill is no reason why I should oppose the bill. We welcome what is here, and we shall make changes from time to time as the demand grows.

**Hon. Mr. Monette:** It was not in the bill before.

**Hon. Mr. Croll:** Of course it was not. Ten years, as I say, is very welcome. Something of considerable importance, something which affects all of us very seriously, has been overlooked. It may be said that this is as far as the Government felt it could go at the present time. That is understandable. We accept this bill, and, I repeat, none of us is worried about the increase. The only regret on this side of the house is that it was not put into effect long ago.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Croll:** It is \$55 today; it will be more tomorrow.

This country can afford to pay whatever it wants to pay. Don't ever worry, it will never go broke paying old age pensions or old age security. Whether people come here at 60 and contribute for only ten years, or contribute only a little, does not make very much difference so long as they contribute to the best of their ability, and I would say that if we don't get full value out of them we shall get it from their children and their children's children in years to come.

In any event, the fund is so much in the red it does not make much difference, and any Government that goes in the red paying old age security and old age pensions to disabled and blind persons won't be blamed too much by the people. Don't worry about that.

So there is really no difference between us; and as the honourable Leader of the Government (Hon. Mr. Haig) was told last night by the former Speaker (Hon. Mr. Robertson), he must realize he is now one of those sitting in the seats of the mighty and should not object overmuch to criticisms or suggestions directed from this side. We are here to discuss these measures, and to discuss them does not mean that we are opposed to them.

**Hon. Mr. Haig:** May I apologize to the member for New Westminster (Hon. Mr. Reid)? I thought he had sat down when I got up to speak. I say the same thing to the honourable member from Bedford-Halifax (Hon. Mr. Quinn). I supposed I had the floor. I apologize for my misunderstanding and interruption, as well as my stupidity. It was not my intention to do what I did.

**Hon. Arthur W. Roebuck:** May I say a word or two on this bill? I do not propose to discuss the details. Why should I? The objective of the bill is thoroughly accepted on both sides of the house, and has been for a long time. Why should I defend it? It is good Liberal legislation, with which I have always been in accord; and in saying so I refer not only to this bill, but to others of the same general type which will come before us. Nevertheless there are one or two things I would like to say in this connection.

My friends across the aisle take credit to themselves for having added \$9 to the \$6 increase provided by the late Government. If credit is due them, certainly I do not begrudge it. But let the situation be understood. It was, as the honourable senator from Toronto-Spadina (Hon. Mr. Croll) has pointed out, a Liberal Government which took the responsibility of embodying in law the principle of old age security, and while that legislation may have been approved by the Opposition—I do not remember, and it does not matter now—it was not without some opposition in the country. At the present time there is very little criticism: few people would care to see old age assistance abolished.

But I should like to point out that, since the ex-Minister of Finance at the last session sponsored a bill to add \$6 per month to pensions, there has been a very marked increase in the cost of living. Over the weekend, when I was engaged in some labour consultations, we figured out what it amounted to. There is a formula, which has been commonly accepted for some time, that an increase of seven-tenths of a point in the index of living costs is equal to one cent per hour. On that basis, according to our computation, the increase in the cost of living during 1956 and thus far in 1957 is equal to about \$200 per year. Certainly it has been very considerable since the last budget was brought down; and let me tell my honourable friends opposite that it is not to be assumed that, if a Liberal Government were now in office and bringing down the budget, it would not go further in the direction of old age assistance than it did in the last budget. For at that time there was a considerable body of opinion within the Liberal party that the \$6 supplement was not enough. With that in mind, and the further facts I have mentioned, namely, that the cost of living more than justifies the increase which the Conservative Government now proposes, it cannot be taken for granted that a Liberal Government would not have done at least as much. So, while I give every credit to the present Government for having done what

I heartily approve of, let it not take too much credit to itself, nor assume that what credit is due to it is a discredit to us. That is not so.

One point I feel in duty bound to make. I received a letter from quite a prominent lawyer in my city. I do not know why I should not give his name. An honourable senator says, "Don't do it", but anybody is free to know it. The writer says:

When the Liberal Government raised the pensions to \$46 a month some time ago, a number of unscrupulous landlords who rent rooms to these senior citizens immediately increased the rent of the room occupied by such senior citizens by an amount of \$1.50 to \$1.75 per week and thus deprived these poor old people of any benefit that they might have from such increase.

The writer goes on to ask me to make a public announcement to this effect:

This increase was not made or intended for the benefit of these grasping and avaricious petty landlords, but only for the benefit of these poor elderly people.

Although, he says, we cannot legally do anything at the moment to correct this condition, the warning may have a salutary effect on certain landlords. I think we are all agreed that these increases given to needy people should benefit these people and not be passed on to landlords. I have nothing against landlords, and I do not adopt entirely the language of my friend who wrote the letter. But let it not be forgotten that in the last few years the proportion of the produce of mankind which has gone to landlords has very much increased. I figured out in the course of some labour work I was doing that since 1949 rents in the city of Toronto have advanced by 50.1 per cent: that is, they are half as much again as they were eight years ago. Indeed, it may be that by now even those figures are conservative. Of course at the moment we cannot do anything about it; we are not in a position to pass rent control measures; but I think it worthwhile to have an expression of opinion from this house that landlords should not take advantage of the slight increase in these pensions to take the money away from these poor people.

**Some Hon. Senators:** Hear, hear.

**Hon. W. Ross Macdonald:** Honourable senators, I do not intend to take any of the time of this house in discussing this bill. I stand by the statement I made the other day, that I will support it. I also agree with the statement of the honourable senator from Toronto-Spadina (Hon. Mr. Croll) that no one on this side is opposed to the bill. One honourable senator did question, as I think all honourable senators must do, the wisdom of the system on which pensions are now paid.

Whether men are millionaires, whether they earn as much as \$100,000 or \$50,000 a year, they are to receive this \$55 per month. That is a point which the honourable senator from New Westminster (Hon. Mr. Reid) wanted to make, if I interpret his remarks correctly. I ask honourable senators, does it seem reasonable that people with such large incomes should receive from the state each month the additional amount of \$55?

**Hon. Mr. Roebuck:** Well, if men with large incomes or medium incomes obtain something from the Government, do they not on that account pay more to the Government?

**Hon. Mr. Macdonald:** A person whose income is \$100,000 a year pays in respect of this pension a tax of \$60 a year. That is the maximum. If a person is in receipt of a pension he must add the payments to his annual income and compute his income tax on the overall amount.

**Hon. Mr. Reid:** He still has something left from the pension payments.

**Hon. Mr. Macdonald:** Very little. I am in favour of the Old Age Security Act and the Old Age Assistance Act, and until we can develop better systems we must maintain the existing ones. But why should we not have a contributory system established on a sound actuarial basis?

**Hon. Mr. Reid:** Certainly.

**Hon. Mr. Davies:** Would the honourable Leader of the Opposition (Hon. Mr. Macdonald) permit me to ask him a question?

**Hon. Mr. Macdonald:** Yes.

**Hon. Mr. Davies:** Is it not correct that no person over 70 years of age can get the old age pension unless he applies for it? And is it also not correct that a person over 70 does not have to take the pension?

**Hon. Mr. Macdonald:** I believe my honourable colleague is right. The fact is that at present this pension plan is not on a sound actuarial basis, as are pension plans in many other countries. We should work out a new system, but we would still require, of course, an Old Age Assistance Act for people who have no means to support themselves. We talk about contributing to old age pension schemes. Well, we all contribute 2 per cent of our incomes toward this pension, but it does seem to me that we have advanced far enough in the field of annuities and pensions whereby we could establish a sound actuarial system in Canada.

**Hon. Joseph A. Sullivan:** Honourable senators,—

**The Hon. the Speaker:** Honourable senators, I would point out that if the honourable senator from North York (Hon. Mr. Sullivan) speaks now he will close the debate.

**Hon. Mr. Sullivan:** This has been quite a baptism of fire for me. Had I known that in sponsoring this bill, as requested by my honourable leader (Hon. Mr. Haig), I was going to be subjected to such a barrage—and I thank the honourable members who took the load off my back—I would have been prepared to spend 10 hours in the operating room yesterday instead of five. Honourable senators, that is all I have to say on the motion for the second reading of this bill.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Sullivan, the bill was referred to the Standing Committee on Banking and Commerce.

#### BLIND PERSONS BILL

##### SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Sullivan for the second reading of Bill 21, to amend the Blind Persons Act.

**Hon. F. W. Gershaw:** Honourable senators, I am sure no one will object to the granting of pensions to blind people. The best outline of the bill is to be found in the Blind Pensions Act, 1951, by which the dominion Government pledged itself to pay 75 per cent of the cost of old age pensions up to \$40 a month. In order to qualify for a pension under this act a person must be blind and have attained the age of 21, and must, of course, have lived in Canada for at least 10 years. A person cannot receive a pension if he is already receiving old age assistance, old age security, war veterans allowance or assistance because of blindness under the Pension Act. The pension is paid monthly in arrears. I would like to point out that in all these bills it is provided that they will be deemed to come into force on November 1. I imagine, therefore, that some back pension will be coming to those who qualify under the Blind Persons Act, the Old Age Assistance Act and the Disabled Persons Act.

The pension is payable to a person who moves from one province to another and who otherwise qualifies, but not to a person who moves out of the country. The pension cannot be transferred nor can it be attached by any process of law. A means test applies.

In 1955 the act was amended to include as beneficiaries persons of 18 years of age and over. At the same time the amount of

permissible income was increased. By the present amendment the monthly pension is increased to \$55, and the amount of permissible income is increased to the point that a single person who is blind can receive up to \$1,200, including the pension, an unmarried person with one child, up to \$1,680; a married person, \$1,980; and two married blind persons \$2,100.

There is some difficulty with regard to the definition of a blind person. The regulations do not seem clear on the point. Only specialists can give certificates, but the trouble is that one specialist interprets the act differently from another. I have known of a person who had very poor eyesight—one does not have to be absolutely blind to qualify—being turned down by a specialist in one city and going to a specialist in another city and receiving a certificate.

Honourable senators, I would like to call your attention to what I believe is an unfortunate aspect of this legislation. A blind pensioner, after a means test has been applied, may start to receive payments of so much per month. Later his status in life may change. His property may become more valuable or he may earn more money or have fewer dependants. No matter what the case is, he often goes on receiving the same pension. Then he suddenly receives a notice from the department informing him that he has been overpaid by, say, \$1,500 or \$2,000 and that he will receive pension payments of only \$5 a month until his overpayments have been recovered. That is a heartbreaking experience for any pensioner. The change in his financial situation should be discovered as early as possible.

The dominion Government pays the entire cost of family allowances and old age security benefits. It pays 75 per cent of the cost of pensions for blind persons, and 50 per cent of the cost of pensions under the Old Age Assistance Act and the Disabled Persons Act. The Mothers' Allowance is paid entirely by the provinces. Now, it just happens that all these cheques are issued from the capital cities of each province. In Alberta they are issued from Edmonton and the people all over the province say "By Jove, we are getting social credit dividends in abundance now." They do not understand that the federal Government makes the greatest contribution to these schemes. I might say that the Alberta Government handed out some crisp \$20 bills a few weeks ago because the province had received some \$33 million in oil rentals and decided to give \$11 million of it, that is, one-third, to the people. So in that province we all have an extra \$20 this year.

**Hon. Mr. Sullivan:** Honourable senators, I take the liberty of thanking the honourable senator from Medicine Hat (Hon. Mr. Gershaw), who very kindly passed over some notes to me last evening with regard to this and other bills which I was asked to explain to this august assembly. May I add that I concur in his remarks on Bill 21.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Sullivan, the bill was referred to the Standing Committee on Banking and Commerce.

#### DISABLED PERSONS BILL

##### SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Sullivan for the second reading of Bill 23, to amend the Disabled Persons Act.

**Hon. Mr. Macdonald:** Honourable senators, I am in accord with this bill.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Sullivan, the bill was referred to the Standing Committee on Banking and Commerce.

#### WAR VETERANS ALLOWANCE BILL

##### MOTION FOR SECOND READING— DEBATE ADJOURNED

**Hon. George S. White** moved the second reading of Bill 28, to amend the War Veterans Allowance Act, 1952.

He said: Honourable senators, I wish to make a brief explanation of this bill, which is not very complicated, and at the end of my remarks I shall be happy to give any information I can, or to answer any questions that honourable senators might like to ask.

This bill contains amendments to seven sections of the act, and also amends the two schedules set forth at the end of the bill, which govern the rate of allowance and the amount of maximum permissible income of the several groups for those who receive benefits under the act.

By means of a vote in supplementary estimates, effective July 1 of this year, the married rate of allowance was increased from \$108 to \$120 a month, but no change was made in the amount payable to the single veteran, which remained at the rate of \$60 a month. The Government felt that not only did this action discriminate against the single

veteran, but also that the monthly rate of \$60 was more or less out of line with present-day costs. It is now proposed to raise the single rate from \$60 to \$70, thus restoring the approximate balance between the single and the married rate.

With respect to income ceilings, it is desirable to maintain a sufficient difference between them and the allowance rate to enable the war veteran allowance recipient to benefit from some of the other income that he may have. Last July the difference between the single rate and the ceiling was increased from \$10 to \$20 a month, and this differential is being maintained by the proposed increase in the ceiling from \$80 to \$90 a month. In respect of the married recipient, however, the differential was increased last July from \$12 to \$15 a month, and the proposal now is to increase it to \$25 by raising the income ceiling to \$145 a month.

May I point out that casual earnings continue to be exempt income; that is to say, casual earnings are permitted over and above the ceiling of permissible income and do not have the effect of reducing that ceiling.

The proposed amendments to section 5 are exactly in line with those that I have been discussing. Section 5 permits continuance to a widow of a war veterans allowance recipient of the married rate for one year after the veteran's death, and it permits continuance to the veteran of his married rate for one year after the death of his wife. This special award is made to enable the bereaved person to meet the period of adjustment following the death of the spouse. The rates in section 5 are increased to conform with the normal rate and ceiling.

The act further provides that a veteran of the Canadian forces qualifies, from a service point of view, for war veterans allowance by having served in a theatre of actual war. A former member of His Majesty's Forces, other than Canadian, or of the forces of our allies, qualifies in the same way, provided that he was domiciled in Canada at the time of his enlistment. If such a man who served in World War I was not so domiciled in Canada, he is required to have resided in Canada for at least 20 years. This required period of residence is reduced to 10 years by the proposed amendment to subsection 4 of section 30 of this act.

The bill proposes a similar reduction in residence for a person who seeks to qualify under subsection 6 of section 30 of the act. These veterans did not serve in a theatre of actual war, either in World War I or World War II, but they did serve in both wars. In World War II they served with the Canadian forces. In World War I they served with another Commonwealth force or an allied force

but, because they were not domiciled in Canada before their enlistment, they are at present required to have 20 years' residence in Canada as a condition of eligibility under the act. This period is reduced to 10 years.

The widow of a veteran who has qualified by any of the methods that I have just described is also eligible in her own right on his death.

As many honourable senators are aware, there has been much dissatisfaction throughout the country in recent years because the widow of a veteran, whose eligibility depends upon 20 years' residence in Canada, could not become eligible unless he had lived here for those 20 years, no matter how long she herself has resided in this country. I think every honourable senator knows of cases where a veteran has died, having lived in Canada for 18 or 19 years, and because he had not completed the 20 year residence period his widow was unable to secure the allowance. The proposed amendment remedies this situation, and at the same time changes the 20 years requirement to 10 years to conform with the other changes proposed under section 30. Under the amendment the widow will become eligible from a residence point of view on the earliest date upon which she has been resident in Canada for 10 years and upon which her husband, had he lived, would also have had 10 years' residence. It will be observed that, by requiring that the husband, had he lived, would have had 10 years' residence, the proposal conforms with the basic principle that the eligibility of a widow shall flow from her husband's eligibility.

The present act provides that, where a member of the Canadian forces on active service assigns pay to a recipient of War Veterans Allowance, and where no dependents' allowance is paid to the recipient or to the recipient's spouse, the assigned pay is to be regarded as exempt income. This provision was enacted when "active service" meant, in effect, service in wartime. Since then the entire Canadian regular forces have been placed on active service and the original intent of the exemption has been lost, and the bill proposes that the provision be revoked.

In determining the income of a War Veterans Allowance recipient from any interest in real property, an exemption is permitted in respect of the value of the house in which he resides. This exemption was fixed at \$6,000 in 1952, and I am sure honourable senators will agree that since then the value of real estate has gone up. Canadian housing statistics show that from 1952 up to the second quarter of 1957 the estimated average cost of a single family dwelling in Canada increased

by approximately 32 per cent. This percentage takes into consideration the cost of land, labour and material.

The proposed amendment would increase the exemption from \$6,000 to \$8,000, being 33½ per cent. It should be noted that the exemption is not the market value of the property but the interest which the recipient has in this property. This interest is either the assessed value established by the municipality or the equity of the recipient in the property, whichever is the greater.

The bill repeals section 8 of the act, which reads:

No allowance shall be paid in respect of any orphan who is in receipt of a pension under the Pension Act.

Heretofore, when the father's death is attributable to military service, the maximum monthly payment under the Pension Act to or on behalf of one orphan is \$40. Where the father's death is not attributable to service, the maximum monthly payment that may be made to or on behalf of one orphan under the War Veterans Allowance Act, together with a payment from the Assistance Fund, would be \$60.

It is true that there is a means test for the latter group, whereas the pension is paid regardless of other income. However, the cases in which an orphan has private income are comparatively few and, generally speaking, the child whose father's death is not related to service receives more money from public funds than the child whose father died on the battlefield. This is undesirable, and the amendment provides that the pensioned orphan whose entire income is less than the War Veterans Allowance ceiling for orphans will be eligible for an award of War Veterans Allowance.

Subsection 1 of section 14 of the present act permits a recipient of War Veterans Allowance to be absent from Canada without loss of allowance for a period of three months in any calendar year, provided that he returns to Canada within six months from the time he left this country. The bill proposes two changes: It would permit the recipient to be absent from Canada for six months from the last day of the first month in which he absented himself; and it would also permit payment upon his return for a total of six, instead of three months in any calendar year.

In respect of salaries of the Chairman and other members of the War Veterans Allowance Board, the Government felt that these were overdue for revision, in line with salaries of senior civil servants. I believe there will be general agreement on that score. These salaries were last revised in

1955, and since then there have been two general salary revisions for the civil servants. As a result the relativity which existed between the members of the board and other senior officials has not been maintained. Civil servants whose salaries were in the same bracket as members of the board in 1955 have now had their salaries set at a level much higher than the rates now shown in the act, and it is felt that the members of the board should benefit from a comparable adjustment. The latest revision shows that senior officers Grade I, whose salaries ranged from \$9,000 to \$10,000 in 1955, are now paid from \$11,500 to \$12,500. The revisions proposed in the bill are well within the amounts granted to senior civil servants with comparable responsibilities, and I believe they will be acceptable to honourable senators. The effective date corresponds with increases to the civil servants.

Finally, the last amendment in the bill offers a solution to a problem that has been before every Veterans' Committee of the other house of which I have been a member; namely, the payment of War Veterans Allowance to soldiers in the First World War who served only in England. During World War II the United Kingdom was deemed to be a theatre of actual war, whereas during World War I the United Kingdom was not so regarded.

A considerable number of men reached England during World War I and were retained in that county in the interests of the service. Senior officers will readily agree that the individual man in the ranks, and even the junior officer, had little to say as to the nature of the service that they would be called upon to give. Experienced instructional staff, men with peculiar administrative ability, men skilled in various occupations: many of these were retained in the United Kingdom against their wishes.

The Minister of National Defence has from time to time drawn attention to the rigours of the training camps on Salisbury Plains—conditions that were not encountered in the well-housed training areas of World War II.

The bill extends eligibility for War Veterans Allowance from a service point of view to those who served in the United Kingdom during World War I for at least 365 days prior to the date following the Armistice. This minimum period of 365 days conforms with the more recent recommendation of the Canadian Legion, and it is considered by the Government to be a fair basis upon which to establish eligibility.

The entire bill, except the portion dealing with salaries, is intended to come into

effect on the first day of November, 1957. It will be noted that this date is also the effective date of the bill which amends the Old Age Security Act. The main reason for selecting November 1 as the effective date of the War Veterans Allowance bill is to bring into effect as soon as possible the higher income ceilings and the other improvements that the bill covers.

Another important reason for choosing the same effective date as that fixed for the Old Age Security increase, is to ensure that the higher income ceilings permit the War Veterans Allowance recipient, who has reached the age of 70, to obtain the maximum benefit from the increase of Old Age Security pensions.

Honourable senators, I hope that these remarks have been of assistance in clarifying the amendments contained in this bill.

**Some Hon. Senators:** Hear, hear.

**Hon. W. Ross Macdonald:** I am sure all honourable senators were pleased to hear the honourable senator from Hastings-Frontenac (Hon. Mr. White) give so full an explanation of this bill. Over the years we in this house have become accustomed to receiving a full explanation on each bill before giving it second reading. Honourable senators will see the necessity for such an explanation. When we give a bill second reading we are in effect approving it in principle, and if we do not know fully what the bill is about, how can we intelligently vote to approve or disapprove of its principle? I am glad, therefore, that the honourable senator has given us such a full explanation of this bill.

I rise at this time not to oppose the bill, but rather to say that I approve of it in principle. In my opinion, however, it can be improved. In any event, there are certain clauses which should be explained. I hope that this is one bill which will go to a committee for further study. With respect to the three welfare bills which we have recently discussed, I hardly thought it necessary to send them to a committee, but as it was the wish of the house to do so we did not oppose it from this side. However, this bill is more involved and longer and I think it would be well to have it referred to a committee.

I do not wish to discuss all the clauses of this bill but I do wish to refer to clause No. 7, which enables Canadians who served in England in the First World War to claim the benefits of this act.

Honourable senators will recall that many years ago we introduced into Parliament the War Veterans Allowance Bill. It was for the benefit of so-called burnt-out veterans, men

who were prematurely aged after having served in the armed forces, men who had not been wounded or did not have a hospital record that would entitle them to a pension. They had become pre-aged, and one just could not point to anything about them and say they were entitled to a pension. They may have been broken in spirit to a certain extent which affected them physically. The War Veterans Allowance Act was brought into force for their benefit. It was considered at that time that this pre-aging and this burnt-out condition had been brought about by service in the theatres of war. For many years, in order to qualify for benefits under this act, a member of the armed forces had to have served in an actual theatre of war. May I read the provisions of the act which refer to those areas. Section 30, subsection 8:

(8) For the purpose of this section "theatre of actual war" means

(a) in the case of the South African war, the zone of the military operations in South Africa . . .

(b) in the case of World War I,

(i) as applied to the army or air forces, the zone of allied armies of the continents of Europe, of Asia and of Africa

That is, anyone who had served in Europe, Asia or Africa could claim the benefits of this act. Continuing (i):

or wherever the veteran has sustained injury or contracted disease directly by a hostile act of the enemy.

That is, if he had been wounded in any land or on sea he could claim the benefits of this act. It might be imagined that in those circumstances he would not need to claim its benefits; but he might be receiving only a very small pension and therefore he could claim under this act as well.

I will go on. I will not refer to 8 (b) sub-clause (ii), which refers to naval forces. I have already referred to the South African War and the First World War—and a veteran of the latter, generally speaking, would qualify only if he had served in Europe, Asia or Africa. But in connection with World War II the following are the provisions:

30. (8) For the purposes of this section "theatre of actual war" means

(c) in the case of World War II, any place where the veteran has been on service involving duties performed outside the Western Hemisphere, including service involving duties performed outside of Canada, Newfoundland, and the United States of America, and the territorial waters thereof in aircraft or anywhere in a ship or other vessel, which service is classed as "sea time" for the purpose of advancement of naval ratings . . .

So you see, honourable senators, one who served in the armed forces in the Second World War can claim the benefits of this act if he served outside the Western Hemisphere

or in our territorial waters. Thus the provisions of the act have been enlarged considerably in so far as Second World War veterans are concerned.

Another change was made in this act whereby those who had served in any forces of the Imperial Army or in our allied armies could claim the benefits of this act if they had lived in Canada for 20 years. That was quite an extensive change.

Well, honourable senators, we now propose to change the act further. We are now proposing to enact a provision whereby anyone who in the First World War served in the armed forces in the United Kingdom is entitled to benefits under the act. I said, "anyone". That is hardly correct. The wording of the proposed change is as follows:

7. (3) A Canadian veteran of World War I or World War II is any former member of His Majesty's Canadian forces

(b) who served in the United Kingdom during World War I for at least three hundred and sixty-five days prior to the 12th day of November, 1918.

Why 365 days? If a man who has become pre-aged or burnt out had served in the United Kingdom for 364 days, why shouldn't he get the benefits of this act? If he had extended his stay by a couple of days he could have qualified under this act.

Now, the honourable senator who introduced the bill stated that it provides what the Canadian Legion suggested. I suppose the Canadian Legion suggested that on the basis that half a loaf is better than none. They probably thought that if the term of 365 days were specified now they could ask for an amendment later on, and that we would see the unreasonableness of that term and eliminate it. I do not see why we should insert the restriction of 365 days. If men have become pre-aged and burnt out after having suffered the rigours of warfare in Britain—perhaps having been exposed to bombing attacks—I cannot see why they should be denied the right to benefit under this act simply because they were over there for less than a year.

I realize that it would be difficult for this house even in committee to amend the bill, but I think the honourable senator who explained it (Hon. Mr. White) should approach the minister and present our case to him, point out to him that a great many veterans will suffer hardship if this bill remains as it is.

Honourable senators, my remarks are not a criticism of this bill. As I said when I rose, I think the bill can be improved. I suggest therefore that we should give it careful consideration in committee.

**Hon. C. G. Power:** Honourable senators, I entirely support the suggestion made by the last speaker that this bill should be referred to a committee of the house. It is within my recollection that in times gone by the most searching examination and criticism of bills introduced in the other chamber on behalf and in support of returned soldiers were brought before committees of this house and leaders of both political parties. I recall that Senator Meighen and the late Senator Dandurand always made it a point to attend those meetings of committees in order, I think, to check what they might consider to be the excess of generosity of members of the other house. During many years in the other house, both as a member and as chairman of a committee on soldiers' problems and, later, as Minister of Pensions and National Health, I was subjected to far more difficult questioning and examination by members of the Senate than I ever experienced in the other chamber. The man who could present a glowing report and be sure of applause in the other chamber became a very humble suppliant when he came before the Senate. So, if only for the sake of tradition, I suggest that this bill be submitted to the scrutiny of honourable senators.

This having been said, may I, on my own, and without in any way involving my colleagues on this side of the house, make known certain reservations which I have now and have had for many years with respect to some of this legislation. In order to do so, perhaps, if time will permit, I could go back to the beginnings of these enactments.

I had the great privilege of sitting on the first subcommittee appointed by the other house to draft pension laws. I was privileged to sit at the feet of two of the most conscientious members of parliament I ever met—Mr. Hume Cronyn, of London, Ontario, who I believe died some years ago, and Mr. Billy Nickle, of Kingston, Ontario. These two gentlemen devoted very considerable time during sessions of Parliament and in the recesses to the work of moulding a pension bill. It was under the direction of another great man, of whom I must say, although I was and am still opposed to his views on certain social matters, that he gave conscientious and hardworking service; I mean the late Newton Wesley Rowell. These gentlemen know that the business of looking after returned soldiers was something new as far as Canada was concerned. Never before had the country engaged in a great war, and in consequence it had not been confronted with the problem of looking after

vast numbers of men, returning wounded, and dependents of the fallen. It was the aim of our legislators to steer a clear course between the somewhat parsimonious course of action pursued by European governments, including Britain, and the wide-open excessive generosity of our neighbours to the south, where, as late as 1936, people were drawing pensions which arose out of the war of 1812.

It was this situation with which they were faced when they evolved the original pensions act. They insisted on certain principles. The first was that a man who had served overseas was entitled upon his return to be placed in the same position in civil life as he would have had if the war had not occurred and he had not gone overseas. That principle having been laid down, out of it came others with respect to the payment of pensions or compensation for wounds for disability, for disease suffered in the course of the soldier's service or attributable to something in his military career. That involved a payment of pensions, and the principle was followed in subsequent pension legislation.

By 1928 it had become fairly obvious to many of those interested that attention must be given to another class of persons, namely, those who had returned from overseas without any apparent disability; who, having served in an actual theatre of war, were unscathed in so far as any tangible evidence of disability was concerned, but many of whom, it was felt, had pre-aged. In this respect the first proposal put forward was that the age of eligibility for the old age pension should be reduced and the pension made payable at sixty. That concession was considered insufficient. It was felt that the hardships they had suffered, the mental stress they had undergone while serving in the trenches or in an actual theatre of war for two or three years, in the wet and the cold and the danger, was enough to have deranged in some way the mental and perhaps the physical capacity of these men. So war veterans' allowances were evolved in 1930 to cover people who had no tangible disability and who could not qualify for payment of pension by way of compensation for wounds, disability or sickness. Some of these recipients of war veterans' allowances got a very low pension. One of them who did reminded me of it in these words, "What is the good of \$5 a month when it costs \$6 per bottle?" Possibly some of these returned men would not have been much use to the community anyway, but it was felt by Dr. King, the then Minister of Pensions and National Health, that something should be done for them in recognition of the fact that they had worn the uniform and had suffered some intangible disability. It was not a scheme for granting pensions to everybody.

The two requirements were: that there was some mental or physical handicap to earning a living, and that the applicant had served in a field of actual war.

As time went on these qualifications were changed, and more and more the original idea was departed from. The last qualification—and I apologize in the most complete way for quoting this jargon, because I wrote it myself, and frankly, quite a few years afterwards I have great difficulty in interpreting it—was described in 1938 as follows:

A man, even if not qualified by age or disability, who is incapable and is unlikely to become capable of maintaining himself, because of economic handicaps, combined with physical or mental disability or insufficiency.

Now, today a man can qualify for an allowance under that language, provided it is interpreted broadly and intelligently. But bearing out our original thought—and then I got myself into trouble—when veterans who had served in armed forces other than Canada's armed forces came and said they also were entitled to qualify, I suggested—and I think my suggestion met with general accord at that time—that those who had actually lived in Canada prior to the war and had served as, say, French reservists, Polish reservists, or in the Royal Flying Corps, the Royal Navy or had gone to England and obtained commissions in British regiments, notwithstanding they had not served against the enemy whilst wearing a Canadian uniform, and were *de facto* Canadian citizens who had gone overseas and served in other allied forces, would be entitled to the benefits of this act. In order to qualify they must have served in some armed branch of the allied forces and had been living in Canada prior to the outbreak of war.

Then came an agitation by minority pressure groups, at the time I held office as Minister of Pensions, to bring the veterans of the Imperial forces under this act whether or not they had lived in Canada prior to the war. That, I am free to say, I opposed most vigorously. Strangely enough I received support in the House of Commons from a man who had no sympathy with either me personally or my politics. I refer to the late Lord Bennett. He took the same view I did, that in a great many cases these people who in the 1930's were asking to be placed in the same category as Canadian veterans who had seen service in a theatre of actual war, were men who had come here under, as I think it was called, the Immigrants Assistance Act,

and were in a large number of cases—and I think Lord Bennett mentioned it in the house—people who had received pensions from the British Government and had commuted their pensions and were now coming to us for another kind of pension, the War Veterans Allowance. That I resolutely refused to agree to, for which I was reviled and treated as a subversive and even as being disloyal to the Empire. Some of this vituperation I accepted with becoming humility, and at times with nonchalant equanimity. However, with Christian forgiveness, on one of my trips to England I took it upon myself to call upon the British Minister of Pensions to see if he would do anything about these fellows. He listened to me very carefully and politely, and eventually he said: "They served their own country in their own uniform. They received the rates of pay which were usual in this country, and in a good many cases they received the statutory pension which they commuted. What more have we got to do?" As he looked at me and shrugged his shoulders a little bit, I almost felt that, had he been a citizen of a neighbouring country, the expression forming on his lips would have turned to something like "sucker", but he did not say that. He was too much a cultivated gentleman for that. However, my representations to the British Government were fruitless. Years after I left the department an amendment was introduced whereby persons who belonged to the category of allied forces would qualify if they lived 20 years in this country.

Then came another category of persons who called themselves non-pension widows. These were to a large extent, if I were to judge from the many delegations who called upon me, not widows of people who spoke in the flat accent of Saskatchewan or the hard accent of Ontario or even the soft Gaelic accent of Quebec; these were people from every part of Britain except perhaps North Britain. They wanted pensions not because their husbands had died as a result of war services or from illnesses contracted on service, but because they had died of an ordinary disability, which every man contracts as he grows older and from which every man with advancing age may suffer. Or they were widows of men who had died as a result of an accident in a street car or even a tavern brawl. For these reasons these people who were not Canadian citizens were asking that they be given a pension, merely because their husbands had at one time or another worn the uniform of one of the allied countries; that is to say, they would be getting an advantage over Canadian citizens by receiving a pension earlier in their life than Canadian citizens who had spent all their lives in this

country and brought up their children here and taken part in our economic struggle. I refused that too, but I am sorry to say it was granted afterwards by someone who succeeded me.

Honourable senators, my reservation with respect to this bill is that by shortening the period of residence to 10 years it means that people who never wore a Canadian uniform and never suffered a disability of any kind during the war, but who came here 39 years after the war—yesterday was the 39th anniversary of the Armistice—would be entitled to get a pension from Canadian funds before ordinary Canadian citizens would. We ought to give this considerable and serious thought. I do not want to oppose it particularly, although it is perfectly within my rights to oppose it bitterly. I think the Senate ought to understand what kind of legislation we are passing.

In case there are some among us—and there may be many—who would sympathize with the poor unfortunate British on account of the austerity and the difficulties they have had to meet since the war, let me point out who the persons covered by this bill are. I quote:

Any former member of His Majesty's forces, or of any of the forces of any of His Majesty's allies or powers associated with His Majesty in any war concluded on or before the 31st day of August, 1921, who served during any such war, and has resided in Canada for a total period of at least 10 years.

Honourable senators, did you ever hear of the Bolsheviks and the Russians? A great many served in the Russian armies. They were associated powers before 1921, or, if you want to stretch a point, at least up to the time of the Treaty of Brest-Litovsk, which I believe was signed by the Bolshevik Russian Government in March, 1918. If I am not mistaken, the Russian revolution took place in April, 1917. Well, those people who served in the Russian army, and who in excessive enthusiasm shot their officers in mutiny, still were members of the forces of an associated power up until the time when Lenin made peace with the Germans in 1918. Therefore, on the basis of this bill, as we propose to pass it, perhaps if Mr. Bulganin had been old enough to serve in the war of 1914-1918, or perhaps if Mr. Krushev, for all I know, had been old enough to serve in the war—for they would have been conscripted, anyway, if they had been 15 or 16 years of age—and had come to Canada, there would be nothing to prevent them from getting a war veterans allowance, if they were otherwise qualified.

I think we should amend the act to cover a situation of that kind, or at least we should know where we are going. We are covering all those allied and associated powers. As I interpret this act, any Frenchman who had served only in France—and I am under the impression, although I am speaking without any accurate information, any Frenchman who was a gendarme in a village—would be part of the armed forces and deemed to have served in a theatre of actual war, and thus be entitled to a war veterans' allowance here. He might not have suffered any great hardship; he might have been at

Marseilles, or somewhere down on the coast of Brittany, yet he would be entitled to advantages which we do not give to ordinary Canadian citizens.

Honourable senators, the suggestion I make is that these matters should at least be discussed and studied in committee, so that we may find out where we are going.

**Some Hon. Senators:** Hear, hear.

On motion of Hon. Mr. Burchill, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

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## THE SENATE

Wednesday, November 13, 1957

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

Prayers.

**CANADIAN VESSEL CONSTRUCTION ASSISTANCE BILL**

COMMITTEE AMENDMENT CONCURRED IN

**Hon. Salter A. Hayden**, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill I.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (I) intituled: "An Act to amend the Canadian Vessel Construction Assistance Act", have in obedience to the order of reference of November 7, 1957, examined the said bill and now report the same with the following amendment:

Page 1, line 17: after the word "made" insert the words "to any other taxpayer".

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

**Hon. Mr. Haig:** Now. I move that the amendment be concurred in.

**Hon. Mr. Macdonald:** Honourable senators, I think we should have an explanation of the amendment.

**Hon. Mr. Haig:** It was a legal amendment.

**Hon. Mr. Macdonald:** I would like an explanation of it.

**Hon. Mr. Haig:** Perhaps the chairman of the committee (Hon. Mr. Hayden) would explain it.

**Hon. Mr. Hayden:** Honourable senators, the amendment was proposed by the Government, through the Chairman of the Canadian Maritime Commission, and was intended solely for purposes of clarification.

I refer honourable senators to section 1 of the bill, which repeals section 3 of the act and substitutes a new section 3. Paragraph (c) of subsection (1) of the new section deals with remedial situations and provides for extension of the right of the owner of a ship built in Canada to get a greater depreciation deduction in a year than that provided under the Income Tax Act, which is 15 per cent. The benefit which already exists under this statute, of 33½ per cent, is extended to situations that are provided for in the bill, and the amendment broadens and extends the

scope of the bill for the purpose of encouraging the scrapping of older vessels and the building of more new ships in Canadian shipyards.

Thus, vessels built by a shipyard for sale to any purchaser as against the present law, which limits the entitlement to greater depreciation than allowed under the Income Tax Act to vessels built by or for the owner in Canada, are by this amendment given the right to take depreciation up to 33½ per cent in one year. However, the restriction on the right to take this greater depreciation is provided in (c) of the proposed new section 3 which requires that, to be entitled to such depreciation, no capital cost allowance must have been taken either under this act or the Income Tax Act. If an owner was able to get the 33½ per cent write-off annually he would have his ship fully written off in three years.

Paragraph (c) of subsection (1) of the proposed new section 3, as set out in section 1 of the bill, reads as follows:

3. (1) Where a taxpayer owns a vessel  
(c) in respect to the capital cost of which no allowance has been made under this act or the Income Tax Act, . . .

That is, if such write-off had been taken by any other taxpayer under this act or under the Income Tax Act the owner would not be entitled to the benefit of this extension of the write-off of 33½ per cent in the circumstances detailed above. But it was felt that the language was not clear enough, and that (c) might be held to apply both to the person who was the then owner as well as any other person who might acquire the vessel; so, on the advice of the Department of Justice, the words "to any other taxpayer" were added.

Now I will read the clause with those words inserted:

3. (1) Where a taxpayer owns a vessel  
(c) in respect of the capital cost of which no allowance has been made to any other taxpayer under this act or the Income Tax Act, . . .

That makes it clear that the exclusion would apply in a case where the allowance had been made previously to any other taxpayer, but would not exclude the owner after he had taken depreciation at 33½ per cent for one year. I think the amendment is an excess of caution, but possibly it is advisable in the circumstances.

**Hon. W. Ross Macdonald:** Honourable senators, I wish to thank the honourable senator from Toronto (Hon. Mr. Hayden) for explaining the amendment. When a bill comes back to this house from a committee with an amendment I think it is only proper that

the house should not be asked to approve the amendment until it has been explained.

**Hon. Thomas Reid:** It is the rule that it should not be approved until it has been explained.

**Hon. Mr. Macdonald:** It should not be approved until it has been explained, in any event, in my opinion. I have no objection to the bill being given third reading today, but I would have objected if an explanation had not been given.

**Hon. Jean-François Pouliot:** Honourable senators, I have just a remark to make about this bill. Naturally, owners of ships complain about the expenses necessary to keep their service going, and whether they are right or not I am not in a position to tell, but I have noticed that although we have Canadian registry for shipping, so many Canadian ships have been registered elsewhere that it amounts to a depreciation of Canadian shipping at large. The only comment I have to make is that the leaders of the maritime unions are very difficult to deal with, and they may have killed the goose that laid golden eggs. During the last war there was discrimination against men who were engaged in maritime shipping: they were not treated on a footing of equality with the men who served on warships. Until I have the opportunity to go deeper into the matter, to bring it up on a future occasion, I would only say that I believe that union leaders have brought about the change of registration of so many Canadian ships, and it is my deep conviction that they are more to blame than the crews who compose their membership, or even the owners of the ships. This, I repeat, is my only comment for today, but perhaps at the next session, or possibly before, when I have had an opportunity to peruse the files in my possession, which date back a long time, concerning the activities of leaders of maritime unions, I shall have more to say.

The amendment was concurred in.

#### THIRD READING

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

**Hon. Mr. Haig:** Honourable senators, I move that the bill be now read the third time.

**Hon. John J. Kinley:** Honourable senators, I rise to make a brief statement with regard to the bill.

I support this bill with mixed feelings. I think the legislation will be beneficial, but

on the other hand it is not by any means a solution to the problem facing Canada's merchant marine. I think that in our country the conditions should be such that in our coasting trade, especially, our ships should be able to operate successfully under Canadian registry and fly the Canadian ensign.

The motion was agreed to, and the bill was read the third time.

**The Hon. the Speaker:** Honourable senators, this bill has been read the third time and is now ready to pass. Is it your pleasure to pass the bill?

**Hon. Mr. Reid:** On division.

The motion was agreed to and the bill as amended was read the third time, and passed, on division.

### OLD AGE ASSISTANCE BILL

#### REPORT OF COMMITTEE

**Hon. Mr. Hayden** presented the report of the Standing Committee on Banking and Commerce on Bill 20.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (20) intituled: "An Act to amend the Old Age Assistance Act", have in obedience to the order of reference of November 12, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

#### THIRD READING

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

**Hon. Mr. Haig:** I move the third reading now.

**Hon. Gordon B. Isnor:** Honourable senators, I do not propose to take any exception whatsoever to the third reading of this bill, but I would like to ask the Leader of the Government (Hon. Mr. Haig) if he can tell the house the amount of the cost that it is estimated will result from this amending legislation.

**Hon. Mr. Hayden:** I can give the answer if my honourable friend would like me to give it.

**Hon. Mr. Isnor:** Are you speaking for the Government?

**Hon. Mr. Hayden:** No.

**Hon. Mr. Isnor:** Well, perhaps the Leader of the Government would be good enough to give us the information.

THIRD READING

**Hon. Mr. Haig:** My honourable friend from Halifax-Dartmouth (Hon. Mr. Isnor) asked that question in committee and the information was given by the chairman (Hon. Mr. Hayden). I do not remember the amount now.

**Hon. Mr. Isnor:** I did not ask that question.

**Hon. Mr. Haig:** Well, perhaps it was my honourable friend from Kingston (Hon. Mr. Davies).

**Hon. Mr. Isnor:** The honourable senator from Kingston shakes his head, indicating that he did not ask the question. I certainly did not ask it, but I thought it would be worth while to have the information on record.

**Hon. Mr. Hayden:** For the information of the house, may I state that the information given to us in committee this morning was to the effect that the cost of a full year's operation of this bill would be \$13 million, of which \$6½ million would be provided by the provinces.

**Hon. Mr. Isnor:** Thank you.

**Hon. Mr. Reid:** Honourable senators, I just want to say a word before the bill is read the third time. Everyone who attended the committee meeting must have realized that the information given there was not available when the bill was before the house on second reading. I want to say that I received information regarding a statement I made in my speech on the second reading of this bill, and after hearing the evidence given by the Deputy Minister I came to the conclusion that my interpretation of clause 10 of the bill had been incorrect.

The motion was agreed to, and the bill was read the third time, and passed.

**BLIND PERSONS BILL**

REPORT OF COMMITTEE

**Hon. Mr. Hayden** presented the report of the Standing Committee on Banking and Commerce on Bill 21.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill (21) intitled: "An Act to amend the Blind Persons Act", have in obedience to the order of reference of November 12, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

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

**Hon. Mr. Haig:** I move the third reading now.

**Hon. Mr. Isnor:** I wonder if the honourable the Chairman of the Banking and Commerce Committee (Hon. Mr. Hayden) would put on record the additional costs in respect to this legislation?

**Hon. Mr. Hayden:** The information given in committee this morning showed that the estimated increased cost arising out of this bill as and when it comes into force—when it is recognized by the provinces as well as by the federal authorities—will be \$1½ million for a full year's operation. The federal share will be three-quarters of that amount.

**Hon. Mr. Isnor:** Is the honourable senator talking about Bill 21 or Bill 23?

**Hon. Mr. Hayden:** Bill 21.

**Hon. Mr. Isnor:** Thank you.

**Hon. Mr. Pouliot:** Honourable senators, I have only one remark to make: it is that I do not understand why social security bills should be sent to the Banking and Commerce Committee instead of to the Finance Committee. Once more I lodge my protest against the sending of all the bills to the Banking and Commerce Committee—that overall committee. In this the practice of the house should be changed, so that matters of this kind should be referred to the Finance Committee in the future. I protest.

**The Hon. the Speaker:** Honourable senators, is it your pleasure to adopt the motion?

**Hon. Mr. Pouliot:** With protest.

**Hon. Mr. Macdonald:** I did not understand that there was any reservation about passing the bill.

**The Hon. the Speaker:** No, there is no reservation.

**Hon. Mr. Pouliot:** It is a reservation about the practice.

The motion was agreed to, and the bill was read the third time.

**The Hon. the Speaker:** Honourable senators, the motion has been agreed to and the bill has been read the third time. Is it your pleasure to pass the bill?

**Hon. Mr. Pouliot:** With protest.

The bill was passed.

## DISABLED PERSONS BILL

## REPORT OF COMMITTEE

**Hon. Mr. Hayden**, presented the report of the Standing Committee on Banking and Commerce on Bill 23.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (23) intituled: "An Act to amend the Disabled Persons Act", have in obedience to the order of reference of November 12, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

## THIRD READING

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

**Hon. Mr. Haig:** I move the third reading now.

**Hon. Mr. Isnor:** Honourable senators, I ask the same question in connection with this bill: What is the estimated increased cost?

**Hon. Mr. Hayden:** According to the information received in the Banking and Commerce Committee this morning, the estimated increased cost involved in this legislation for a full year would be \$4.6 million, and the federal share of that amount would be 50 per cent.

**The Hon. the Speaker:** Honourable senators, the question is on the motion for the third reading of Bill 23.

**Hon. Mr. Pouliot:** Honourable senators, I have, with regret, to lodge a similar protest, for the same reason.

The motion was agreed to, and the bill was read the third time, and passed.

## PRIVATE BILL

MEXICO TRAMWAYS COMPANY—  
REPORT OF COMMITTEE

**Hon. Paul H. Bouffard**, Chairman of the Standing Committee on Miscellaneous Private Bills, presented the report of the committee on Bill M.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Miscellaneous Private Bills, to whom was referred the Bill (M) intituled: "An Act respecting Mexico Tramways Company", have in obedience to the order of reference of November 5, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

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

**Hon. John J. Connolly (Ottawa West):** Next sitting.

## DIVORCE

## REPORTS OF COMMITTEE

**Hon. Arthur W. Roebuck**, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 132 to 139, and moved that the said reports be taken into consideration at the next sitting.

SUGGESTED REDUCTION IN MEMBERSHIP  
OF SUBCOMMITTEES

**Hon. Jean-François Pouliot:** Honourable senators, I would be very much interested to know the average of the membership of the honourable senators who sit on the subcommittees on divorce. I hope that this will be prepared indicating the number of honourable senators who have been sitting on each committee of divorce since the beginning of the session. The reason I ask that question is obvious, or must be obvious, to everybody: it is that the honourable senators who sit on those divorce committees are all persons whose time is very precious and valuable, and the divorce stories are about all the same, and I was shocked when I saw that eminent senators were sitting on one of those subcommittees on divorce. It makes no sense. It could be decided by one, two, or three at the most. If the number of honourable senators who sit on the subcommittees on divorce were smaller it would mean less work for the honourable senators who belong to that committee, and it would mean also that the work would be much more expeditiously done—I say that without offence to anyone. A subcommittee on divorce cannot be called an Areopagus—a court in Athens before Christ, where the numbers of the judges were just as large as the crowd that was attending the case.

I hope that this suggestion to reduce sharply the membership of the divorce subcommittee and to form several subcommittees, instead of having one that keeps all the members of the committee busy at the same time and prevents them from doing their other duties as senators, will be followed. It is an urgent reform, and I hope the honourable Leader of the Government (Hon. Mr. Haig) and the honourable Leader of the Opposition (Hon. Mr. Macdonald), as well as the honourable Chairman of the Committee on Divorce (Hon. Mr. Roebuck), will join together to make progress in the right direction, by reducing sharply, by cutting sharply, the membership of the subcommittee on divorce.

**Hon. Mr. Roebuck:** Honourable senators, I express my thanks to the senator who has just spoken for his kind thought in this connection. I assure him his suggestions will be very carefully considered by myself,

and as well by all other members of the committee and I hope by the Leader of the Government in this house.

I should perhaps explain, although no doubt it is well known, that each subcommittee has a quorum of three, and if a larger number of senators sit, as sometimes happens, it is because of the difficult and important nature of the hearing in progress. But the general rule is that a subcommittee is composed of only three members. My honourable friend has suggested that the membership of the subcommittees be reduced to one or two senators. I am not sure that I do not at least partially agree with him. For instance, if one judge is sufficient to hear a divorce trial in our courts, surely one senator is sufficient to hear a petition before our committee. I say one senator is as good as one judge, but whether it is necessary to reduce our subcommittees to one member is another matter.

I agree with my friend that honourable senators who attend the Divorce Committee are kept away from other important committees. I feel that is true in my own case. Many important bills are discussed at meetings of other committees which I should very much like to attend. But I feel my special duty is that of the Divorce Committee, and that being so I try to carry it out.

My honourable friend made the observation that the divorce cases would be heard more expeditiously if the subcommittees were smaller. I cannot agree with that, because our cases are now heard as expeditiously as it is possible to hear them.

**Hon. Mr. Pouliot:** If my honourable friend will permit me, I will qualify what I said. If there were three committees with a small membership the work could be done faster than by one committee with a larger membership.

**Hon. Mr. Roebuck:** Yes, perhaps that appears so on the face of it. The actual fact is that we now sit in three subcommittees, and have done so throughout this session, with the exception of yesterday and today, when the committee has been hearing contested cases under the chairmanship of the honourable senator from Toronto-Spadina (Hon. Mr. Croll). On these occasions the membership of the committee was larger than three, but only because there were difficult points to be considered. Today I sat through one case and partially through another, not as chairman, but because of the difficulties involved and the interesting questions of law which came up. As I say, it has been only yesterday and today that we have had committees composed of more

than a maximum of four members, the usual number being three. We have tried to hear the cases expeditiously and we have heard every case that was ready to be heard. We have no sitting planned for Friday of this week, for the specific reason that no case was ready to be heard. As soon as further cases are ready, and if the Senate is still sitting, we will go on to hear them. I can assure my honourable friend that the cases that are ready are being heard as expeditiously as possible.

If three subcommittees are not sufficient to hear the number of cases that are brought before us, we will sit in four subcommittees. During, I believe, the past three sessions we have sat in three subcommittees; there was an earlier session at which we sat for a time in four subcommittees, but there was some difficulty, though not much, in getting accommodation. However, if it is necessary for us to sit in four sections, we will get the accommodation.

Incidental to these remarks, I would like to say a few words with respect to the accommodation given to the Divorce Committee. I have a feeling of regret each time I pass along the corridor to the committee rooms to see there a heterogeneous assembly of men and women, detectives, petitioners, lawyers and witnesses, all mixed up, standing in the corridor waiting for the hearings to begin. I am sure I am not the only one who regrets this situation. The honourable senator from De la Durantaye (Hon. Mr. Pouliot) has spoken to me privately about it, and has suggested that we should have suitable accommodation for persons waiting for hearings to commence. We are allowing conditions to exist which are positively not decent. I hope that the Leader of the Government will join with some of the rest of us in trying to find better accommodation.

**Hon. W. Ross Macdonald:** Honourable senators, I am pleased that the Chairman of the Divorce Committee (Hon. Mr. Roebuck) has not pushed aside too lightly the suggestion made by the honourable senator from De la Durantaye (Hon. Mr. Pouliot). No one in this house has more respect than I for the work being done by that committee under the distinguished chairmanship of our honourable friend. Whether we are in favour of parliamentary divorces or not, as the law stands at present we have a duty in this respect, and we must do it.

The honourable senator from De la Durantaye suggested that the subcommittee should be composed of fewer members than at present. As the chairman has said, if divorce cases in our courts can be heard by a single

judge, why can they not be heard in Parliament by a single senator? I can understand that there may well be difficult cases which should be heard by more than one or two senators, but I gather from the reports presented to the house that some 90 per cent of the cases are not contested.

**Hon. Mr. Roebuck:** Some such percentage.

**Hon. Mr. Macdonald:** My suggestion to the chairman of the committee is that he might consider whether non-contested cases could be heard by subcommittees composed of only one or two senators, and contested cases by a larger subcommittee. The honourable senator from De la Durantaye suggested that perhaps smaller committees could hear the cases more expeditiously. I think what my honourable friend had in mind was if one senator could hear one case, 12 senators could hear 12 cases at the same time.

**Hon. Mr. Isnor:** Where would we get the reporting staff, for instance?

**Hon. Mr. Macdonald:** There is of course the difficulty of obtaining adequate clerical staff. That matter would have to be worked out. However, I rise to say that I am glad the chairman of the committee has indicated that he will give careful consideration to the suggestion that has been made.

**Hon. Mr. Pouliot:** Hear, hear.

**Hon. Mr. Roebuck:** May I observe that out of 300 petitions, 30 are contested. My friend was correct in his guess of 90 per cent of the cases not being contested.

The motion for consideration of the reports at the next sitting was agreed to.

## SPEECH FROM THE THRONE

### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from yesterday consideration of Her Majesty the Queen's speech at the opening of the session and the motion of Hon. Mr. White, seconded by Mr. Méthot for an Address in reply thereto.

**Hon. G. Percival Burchill:** Honourable senators, I want to take advantage of the debate on the Address to add one or two things about the province of New Brunswick and the Atlantic provinces to what my honourable friend from Saint John-Albert (Hon. Mr. Emerson) said yesterday, and I want to say them before the Canadian Trade Mission leaves the shores of Canada for the United Kingdom. I should like to congratulate my honourable friend upon his maiden effort in this house. He did so well that I

must confess, when he was through with his speech, I did not recognize my native province of New Brunswick.

My honourable friend spoke from the level of the city dweller, but I want to say something from the viewpoint of the lumberman, the pulpwood cutter and the farmer, representing industries which are very much a part of the people of the province of New Brunswick.

Before I proceed, however, I wish to join with the previous speakers in extending a very warm greeting to our new colleagues, and to say to them that I know they will have, as I have had, a very happy experience as members of this house.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Burchill:** To the mover and the seconder of the motion for an Address in reply, I express my congratulations.

Our new Speaker has impressed me very much indeed. For a gentleman who entered this house as a new senator to assume at once the duties of Speaker without having any experience beforehand of the way the business of the house is conducted is a great achievement. I have been more than pleased with the manner in which our Speaker has undertaken and carried out his duties, and I envy his gifted bilingualism.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Burchill:** I congratulate you, sir, most warmly, and I hope that you will be spared for many years of service to Canada in this chamber.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Burchill:** I cannot proceed, honourable senators, without making reference to the great privilege that was ours of being members of this chamber on the occasion when, for the first time, our Queen opened the Canadian Parliament. The pageant which we saw on October 14 will be remembered by us for the rest of our lives. It has been described in much more eloquent language than I can use. I feel entirely inadequate to interpret the thrilling feelings that I had on that occasion, so I will content myself this afternoon with borrowing an expression used by that distinguished man of letters, Mr. L. W. Brockington, in his broadcast, when he quoted a master of English of days gone by. I think he expressed what was in the minds of us all when he described the Queen as "one who is crowned in our history and enthroned in our hearts."

**Hon. Senators:** Hear, hear.

**Hon. Mr. Burchill:** Now, I want to talk about New Brunswick and the Atlantic provinces where, as honourable senators know, we are concerned chiefly with agriculture, forest products industries and the fishing industry.

While a number of honourable members of this house, two of them especially, are more competent to discuss New Brunswick and Maritime agriculture than I am, I want to place upon the record some figures which appeared in a publication issued by the Dominion Bureau of Statistics a few days ago on agriculture in New Brunswick. I think these figures will surely convince the Senate, the Government, and the people of Canada just where New Brunswick agriculture has drifted, and is still drifting.

In 1901 the area of farm lands in the province of New Brunswick was 4,443,000 acres, or 25 per cent of the total area of the province. Fifty-five years later, last year, the area had shrunk to 2,981,000 acres or only 17 per cent of the total area of the province. The number of farms in that period had decreased from 37,000 to 22,000.

On the basis of population, it is interesting to note that in 1931, 25 years ago, 44.1 per cent of the population lived on farms, while today our agricultural population is only 23.3 per cent.

In 1911 there were 14,000 acres sown in wheat; last year there were 2,121 acres. In 1911 the acreage sown in oats amounted to 207,618 acres; last year it was 129,694 acres. Hay was grown on 635,281 acres in 1911, but on only 399,403 acres last year.

Our cattle population decreased from 230,000 in 1921 to 183,000 in 1956.

Surely, honourable senators, this chamber does not need any more impressive figures than those to convince one that the farmers of New Brunswick have travelled a rough road, and are still having it tough.

**Hon. W. D. Euler:** May I ask my honourable friend a question? He has given us a striking comparison of the decrease in acreage sown to wheat and other products. Does that indicate that the lands have been abandoned altogether?

**Hon. Mr. Burchill:** In many cases they have been abandoned altogether and in other cases they have gone back into forest land.

Now, I come to forest products, the pulp and paper industry and the long lumber industry in which New Brunswick people are so vitally interested. As honourable senators know, in the last few months the demand for pulp and paper has not been so active. Production has been curtailed. It is estimated that there will be a considerably smaller cut of

pulpwood in the eastern provinces this year than there was last year, and that from 15,000 to 18,000 fewer bush workers will be employed there. I should mention that "eastern Canada" includes the area from the Rocky Mountains east. At the present time there is no market in the Maritimes for pulpwood.

In addition to supplying the mills of the eastern provinces, we ship, or have shipped, considerable quantities of pulpwood to continental Europe and the United Kingdom. Last year 110,000 cords were thus disposed of, and they came from our farmer's woodlots and formed the bulk of the farmers' cash product. This year, I am informed, there is so large a surplus of pulpwood in the United Kingdom that there will be no demand for it from our shores in 1958.

As honourable senators who are familiar with this business know, one of the factors which adversely affect the pulp and paper industry in the Atlantic provinces, as well as in the rest of Canada, is the premium on our Canadian dollar in terms of the American dollar. For instance, a company whose sales total \$100 million a year, of which 80 per cent is derived from deliveries to the United States, has been obliged to take a discount averaging 4 per cent on its American sales. As honourable senators know, the difference in values has been as high as 5 per cent; somebody says 6. Five per cent of \$80 million is no small amount in any man's book. It could mean the difference between a profit and a loss. It also means the loss of jobs for many Canadians.

I might add—and this has particular reference to conditions in the central provinces of Ontario and Quebec—that the premium on our dollar, besides being a penalty on the export business, acts as a subsidy to importers, because it allows American goods purchased with cheaper American money to compete with goods manufactured in this country.

Pitprops is another product produced in the Atlantic provinces which we ship to the United Kingdom. During the war we did an enormous amount of business in this line, but it has been considerably reduced of late, although the United Kingdom is still using a large quantity of pitprops. Last year she imported 500,000 cords, but only 63,000 cords came from New Brunswick and Nova Scotia; the rest was imported from Sweden, Finland and Russia, because of cheaper freight rates from their ports to Britain, plus the fact that as they belong to the sterling bloc, they accept payment in that currency instead of dollars.

The Canadian lumber market has not been nearly as active during the past season, and considerable stocks of lumber remain unsold. The United Kingdom, the traditional market of eastern Canada, is still using a lot of timber, but there again the countries—mainly Scandinavian—in the sterling area are supplying it with the bulk of its requirements. Last year the United Kingdom imported something like 1,500,000 standards—the standard being roughly 2,000 superficial feet. Of this quantity Sweden supplied 476,000 standards; Russia, 294,000; Finland, 277,000; and Canada, from the west coast, 186,000, and from the east coast, only 57,000, or a total of 243,000. Other countries, including Czechoslovakia, the United States and Brazil, supplied the balance, roughly 200,000.

All in all, therefore, present indications point to considerably reduced bush operations during the coming winter. With this outlook, it is small wonder that Premier Stanfield of Nova Scotia, in speaking to a luncheon meeting of the Empire Club of Canada in Toronto on November 7, made a plea on behalf of his province and of the Maritimes for the good will, understanding and knowing assistance of all the people of Canada. He said:

We want neither dole nor charity; spare us from a role . . . of chronic supplicants. The fact that we, as Nova Scotians or as Maritimers, earn less per man, owe more per man and are taxed more per man than anyone else in Canada is a clue to a part of our problem.

In this connection I note that Premier Flemming of New Brunswick, in an address on provincial affairs, blames "tight money" policies of the late Liberal Government for the difficulties which the pulpwood and lumber operators are facing. I do not agree with Premier Flemming that "tight money" is the cause of our difficulties. I feel that if there was a demand for these products, with a reasonable prospect of selling them profitably, the necessary credit or money would be made available.

Our Canadian dollar, honourable senators, is too popular. There is too much of a demand for it. That, definitely, is one of the factors that is pricing our goods out of world markets. It seems to me that, with such an important problem facing the Canadian economy today, the Senate might do well to make a study of the relationship of the value of the Canadian dollar to the Canadian economy. It has such a widespread effect on all classes of our population.

One other suggestion. I do not think there ever was a time in Canadian industrial affairs when it was more necessary for the leaders

of Canadian labour, management and industry to sit down together across a table and discuss frankly each other's problems, and work out a joint partnership arrangement which will keep industry sound and healthy and maintain employment.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Burchill:** All honourable senators who are familiar with industry know that it is absolutely necessary to retain each year from profits a certain amount of money for improving and expanding business. Over the past ten years hundreds of millions of dollars have been set aside by Canadian industry from earnings for new machinery and new techniques from which they may derive dividends in the years following. What is worrying me is not next year but the years after that, if our Canadian concerns are not operating on a profitable basis. I can see trouble in the years ahead of us if money is not available to keep this research work going. This is a problem which faces management, labour and shareholders, and from what may be seen on the horizon now it would seem there is a grand opportunity for management and labour to get together and ensure Canadian industry of a sound path during the next 10 years.

Honourable senators, I have talked about the economy of New Brunswick and the other Atlantic provinces. I will close on another note, for there are other values besides economics. On the day that Parliament opened it gave me great pleasure and pride to see in the procession accompanying the Queen two distinguished sons of New Brunswick, Air Marshal Hugh Campbell, Chief of the Air Staff of the Royal Canadian Air Force, and Commissioner L. H. Nicholson of the Royal Canadian Mounted Police. Both these men were born and raised on New Brunswick farms; and so I go along with the *Montreal Gazette* which, in an editorial under date of January 18 last, had this to say about the Maritimes:

Here is a region that has found other values that flourish—the values of home life, the steadiness of character, the love of learning, the faith in religion as the only true foundation of judgment, the traditions of town and coast and countryside which are inherited from the past to be lived with loyalty in the present.

The whole of Canada has been enriched by the people from the Maritimes who have become leaders in education and in religion, and who have often kept alive in other parts of this country a respect for the things that can neither be bought nor sold but which can be obtained only by reverence and by faith.

**Some Hon. Senators:** Hear, hear.

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

**WAR VETERANS ALLOWANCE BILL**

**SECOND READING**

The Senate resumed from yesterday the debate on the motion of Hon. Mr. White for the second reading of Bill 28, to amend the War Veterans Allowance Act, 1952.

**Hon. G. Percival Burchill:** Honourable senators, I heartily endorse this legislation, but I want to support the plea made last night by the honourable Leader of the Opposition (Hon. Mr. Macdonald) that something be done about the latter part of section 7 of the bill which restricts benefits in the case of veterans of the First World War who served in the United Kingdom for less than 365 days prior to November 12, 1918.

In my constituency there is a very sad case of a World War I veteran who has been waiting three years for this legislation, hoping that it would be of assistance to him. If the honourable gentleman who sponsored this bill (Hon. Mr. White) could have seen the joy with which this old veteran, who sits paralyzed in a wheel chair, greeted the news that he would receive assistance under this legislation, I know he would join with me in trying to find some formula to get around this restrictive clause. Upon making inquiries I found out to my absolute dismay that the veteran spent just over eleven months in England, and therefore he will not qualify under the bill. I have no doubt there are similar cases all across the country.

I do not know how I am going to face this old gentleman. Up to now we have not even been able to get him into a hospital for medical treatment. He just sits in his chair day after day with an almost hopeless outlook. We thought that under this bill he would be entitled to an allowance, but now I shall have to inform him that he does not qualify. I was very much in agreement with what the honourable Leader of the Opposition said last night about this section of the bill, and I adjourned the debate at that time for the sole purpose of adding my voice to his and asking the sponsor if he would join with us in trying to effect some adjustment so that veterans such as the one I have referred to may benefit.

**Hon. Mr. Haig:** Question.

**Hon. Mr. Macdonald:** Question.

**Hon. George S. White:** Honourable senators,—

**The Hon. the Speaker:** Honourable senators, I would point out that if the honourable senator from Hastings-Frontenac (Hon. Mr. White) speaks now he will close the debate.

**Hon. Mr. Reid:** Before the honourable senator speaks I wonder if he would tell us if he intends to refer the bill to committee.

**Hon. Mr. White:** Yes.

Honourable senators, I very much appreciate the contribution made by the various speakers on behalf of those veterans who will benefit under this legislation. I have listened with deep interest to what the honourable Leader of the Opposition (Hon. Mr. Macdonald) and the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) have said in regard to the restrictive clause, if you may so call it, requiring service of at least 365 days in the United Kingdom. However, I would point out that when the bill goes to committee they will be able to get satisfactory explanations from Colonel F. J. G. Garneau, of the War Veterans Allowance Board, and the Deputy Minister of the Department of Veterans Affairs.

As honourable senators know, in veterans legislation there usually is some restriction of this type. For instance, there is a similar sort of restriction in the Pension Act whereby it is provided that the wife of a veteran who is in receipt of a pension of 50 per cent or more is entitled to a pension on the death of her husband; but the unfortunate wife of the veteran who is in receipt of a pension of only 45 per cent or even 49½ per cent, receives no allowance on the death of her husband. Another restrictive clause will be found in the Veterans Land Act, which requires that in order to benefit under the act, a veteran must have had at least one year's service.

I am sure that when the bill is in committee honourable senators will receive a satisfactory explanation of many points that have been raised.

The motion was agreed to, and the bill was read the second time.

**REFERRED TO COMMITTEE**

On motion of Hon. Mr. White, the bill was referred to the Standing Committee on Banking and Commerce.

**DIVORCE**

**BILLS—SECOND READINGS**

**Hon. Mr. Roebuck,** Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill Y-1, for the relief of Norma Leibovitch Ryer.

Bill Z-1, for the relief of Manola Mainville Lefebvre,

Bill A-2, for the relief of Anne Marie Fontaine Brien.

Bill B-2, for the relief of Joyce Hahn Maiste.

Bill C-2, for the relief of Joseph Fabien Marcell Perras.

Bill D-2, for the relief of Elizabeth Geroux Touchette.

Bill E-2, for the relief of Conrad Donat Joseph Bouffard.

Bill F-2, for the relief of Claire Lenoff Schecter.

Bill G-2, for the relief of Gun Elsa-Maria Stridh Zukrowski.

Bill H-2, for the relief of Dorthy Maureen Allan Cybuliak.

Bill I-2, for the relief of Lita Eleanor Ciceri Desrochers.

Bill J-2, for the relief of Gwendoline Georgina Adelaide McNamee Phillips.

Bill K-2, for the relief of Robert James Beakes.

Bill L-2, for the relief of Elizabeth Ann Vedder Chadwick.

Bill M-2, for the relief of Osbourne Denzil St. Martin.

Bill N-2, for the relief of Elizabeth Janet Davidson Blacklock.

Bill O-2, for the relief of Mary Isabel Bristow Livinston.

Bill P-2, for the relief of Zelda King Neuss.

Bill Q-2, for the relief of Lena Therese Dean Lauzon.

Bill R-2, for the relief of Sydney Wagner.

Bill S-2, for the relief of Margaret Williams Mullins.

Bill T-2, for the relief of Donald Ernest Lamont.

Bill U-2, for the relief of Margo Jean Thornton Savard.

Bill V-2, for the relief of Marie Reina Pauline Duquette Cottier.

Bill W-2, for the relief of Molly Gloria Goldman Mencher.

Bill X-2, for the relief of Marie Marguerite Eugenie Lucie Prevost Dorfman.

Bill Y-2, for the relief of Florence Hewitt Scribner Hartt.

Bill Z-2, for the relief of Mona Areta Emsley Forbes.

The motion was agreed to, and the bills were read the second time, on division.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Roebuck:** Next sitting.

#### REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 66 to 131, which were presented on November 12.

**Hon. Mr. Roebuck** moved that the reports be adopted.

The motion was agreed to.

#### DIVORCE AND ANNULMENT BILLS

##### FIRST READINGS

**Hon. Mr. Roebuck** presented the following bills:

Bill A-3, for the relief of Marguerite Downie Malo.

Bill B-3, for the relief of Irene Patricia Heffernan Brown.

Bill C-3, for the relief of Catherine Ann Naylor Couture.

Bill D-3, for the relief of Antonio Bucci.

Bill E-3, for the relief of Maurice Robert (Annulment).

Bill F-3, for the relief of Frances Dorothy Denenberg Bloomfield.

Bill G-3, for the relief of Theodore Elbert Holtham.

Bill H-3, for the relief of Claude Murray Kirk.

Bill I-3, for the relief of John Alfred Crease.

Bill J-3, for the relief of Catherine Rita Marian Laker.

Bill K-3, for the relief of Jacqueline Marchand Cote.

Bill L-3, for the relief of Pola Baron Brisebois.

Bill M-3, for the relief of Graziella Bernier Murray.

Bill N-3, for the relief of Claus Elstorpff.

Bill O-3, for the relief of Denis LeBlanc.

Bill P-3, for the relief of Patricia Mary Gorman Walsh.

Bill Q-3, for the relief of Madeline Audrey Booth Hibbard.

Bill R-3, for the relief of Lily Sklar Titleman.

Bill S-3, for the relief of Alice Florence Chaisson Boychuk.

Bill T-3, for the relief of Cecile Chagnon Tremblay.

Bill U-3, for the relief of Roger Albert Bersier.

Bill V-3, for the relief of Herman Rayvals.

Bill W-3, for the relief of Helen Frances Knight Koomas.

Bill X-3, for the relief of Marie Cecile Philomene Gilberte Pregent Bouchard.

Bill Y-3, for the relief of Joyce Eugenie Swanburg Millette.

Bill Z-3, for the relief of Evelyn Mahaffy Major.

Bill A-4, for the relief of Ruth Mary Ledden Wallace.

Bill B-4, for the relief of Catherine Lamie Graham McLean.

Bill C-4, for the relief of Irene Tinkoff Goldmann.

Bill D-4, for the relief of Joseph Fishman.

Bill E-4, for the relief of Lucille Therrien Deguise.

Bill F-4, for the relief of Doris Rose May Cook Thomas.

Bill G-4, for the relief of Olive Clara Benson Pitman.

Bill H-4, for the relief of Mildred Irene Mitchell Gauthier.

Bill I-4, for the relief of Laurette Racine Pollender.

Bill J-4, for the relief of George Wilkinson Pridmore.

Bill K-4, for the relief of Kathleen Mary Hicks Rainville.

Bill L-4, for the relief of Violet June Bockus Good.

Bill M-4, for the relief of Ethel Rappaport Lomon.

Bill N-4, for the relief of William Newell.

The bills were read the first time.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the second time?

**Hon. Mr. Roebuck:** Honourable senators, I move that these bills be placed on the Order Paper for second reading on Tuesday next.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Thursday, November 14, 1957

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

Prayers.

## PROVINCIAL PRIME MINISTERS

## SUGGESTED APPOINTMENT TO PRIVY COUNCIL OF CANADA

**Hon. Jean-François Pouliot:** Honourable senators, may I be permitted to make a suggestion through the Honourable the Leader of the Government (Hon. Mr. Haig) to the Right Honourable the Prime Minister, on the eve of the Dominion-Provincial Conference?

I wonder if it would not be a gracious gesture of good will for him to appoint each one of the ten provincial Prime Ministers a Privy Councillor of Canada. I do not expect an answer now from the honourable leader, but I hope to have a favourable response in due course.

## DIVORCE

## REPORTS OF COMMITTEE

**Hon. Arthur W. Roebuck,** Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 140 and 141, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to.

## FIRST READINGS

**Hon. Mr. Roebuck** presented the following bills:

Bill O-4, for the relief of Sally Ruth Pall Gold.

Bill P-4, for the relief of Nicholas Vlahos.

Bill Q-4, for the relief of Stefan Weber.

Bill R-4, for the relief of Mary Russell Leclaire.

Bill S-4, for the relief of Joseph Roland Langevin.

Bill T-4, for the relief of Eileen Hannah Thomson Scott.

Bill U-4, for the relief of Miriam Jurist Stern.

Bill V-4, for the relief of Bernice Edith Knights Blake.

Bill W-4, for the relief of Michael Francis McTigue.

Bill X-4, for the relief of Zygmunt Habdank Bielinski.

Bill Y-4, for the relief of Daphne Louisa Ruby Burrows Newland.

Bill Z-4, for the relief of Reine Isabel Charles Bisson.

Bill A-5, for the relief of Elizabeth Cave Collyer DuBoyce.

Bill B-5, for the relief of Elvi Russak Urb.

Bill C-5, for the relief of Norma Rose Cohen Freeman.

Bill D-5, for the relief of Shirley Janet Whitton Ladds.

Bill E-5, for the relief of Venise Gosselin Hotte.

Bill F-5, for the relief of Bertha Wexler Azeman.

Bill G-5, for the relief of Emilia Shutko Suranow.

Bill H-5, for the relief of Amy Isabel Wingham Saunderson.

Bill I-5, for the relief of Marie Anna Eliza Labrecque Ladouceur.

Bill J-5, for the relief of Donald Stewart Walker.

Bill K-5, for the relief of John Joseph Sebaski.

Bill L-5, for the relief of Gwen Horne Segal.

Bill M-5, for the relief of Gwendolyn Alice Wilson Hermann.

Bill N-5, for the relief of Agnes Traiton Rathburn.

The bills were read the first time.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the second time?

**Hon. Mr. Roebuck:** Next sitting.

## ADJOURNMENT

**Hon. John T. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next at 8 o'clock in the evening.

The motion was agreed to.

## PRIVATE BILL

MEXICO TRAMWAYS COMPANY—  
THIRD READING

**Hon. John J. Connolly** moved the third reading of Bill M, respecting Mexico Tramways Company.

The motion was agreed to, and the bill was read the third time, and passed.

## DIVORCE BILLS

## THIRD READINGS

**Hon. Mr. Roebuck** moved the third reading of the following bills:

Bill Y-1, for the relief of Norma Leibovitch Ryer.

Bill Z-1, for the relief of Manola Mainville Lefebvre.

Bill A-2, for the relief of Anne Marie Fontaine Brien.

Bill B-2, for the relief of Joyce Hahn Maiste.

Bill C-2, for the relief of Joseph Fabien Marcell Perras.

Bill D-2, for the relief of Elizabeth Geroux Touchette.

Bill E-2, for the relief of Conrad Donat Joseph Bouffard.

Bill F-2, for the relief of Claire Lenoff Schecter.

Bill G-2, for the relief of Gun Elsa-Maria Stridh Zukrowski.

Bill H-2, for the relief of Dorothy Maureen Allan Cybuliak.

Bill I-2, for the relief of Lita Eleanor Ciceri Desrochers.

Bill J-2, for the relief of Gwendoline Georgina Adelaide McNamee Phillips.

Bill K-2, for the relief of Robert James Beakes.

Bill L-2, for the relief of Elizabeth Ann Vedder Chadwick.

Bill M-2, for the relief of Osbourne Denzil St. Martin.

Bill N-2, for the relief of Elizabeth Janet Davidson Blacklock.

Bill O-2, for the relief of Mary Isabel Bristow Livinston.

Bill P-2, for the relief of Zelda King Neuss.

Bill Q-2, for the relief of Lena Therese Dean Lauzon.

Bill R-2, for the relief of Sydney Wagner.

Bill S-2, for the relief of Margaret Williams Mullins.

Bill T-2, for the relief of Donald Ernest Lamont.

Bill U-2, for the relief of Margo Jean Thornton Savard.

Bill V-2, for the relief of Marie Reina Pauline Duquette Cottier.

Bill W-2, for the relief of Molly Gloria Goldman Mencher.

Bill X-2, for the relief of Marie Marguerite Eugenie Lucie Prevost Dorfman.

Bill Y-2, for the relief of Florence Hewitt Scribner Hartt.

Bill Z-2, for the relief of Mona Areta Emsley Forbes.

The motion was agreed to, and the bills were read the third time, and passed, on division.

## SPEECH FROM THE THRONE

### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from yesterday consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. J. W. de B. Farris:** Honourable senators, I am very pleased to have the opportunity to join in what has already been said many times in this chamber—and each time with sincerity and appreciation—by way of extending congratulations to the mover (Hon. Mr. White) and the seconder (Hon. Mr. Méthot) of the Address in reply to the Speech from the Throne. I congratulate them on two grounds; first of all, on the qualities of the speeches themselves. I listened with appreciation and profit to the speech of the mover. I am sorry to say I did not understand the speech of the seconder, but I got a great deal of satisfaction from just listening to him. I liked his smile and the nice way he presented what he said. I have no doubt that his speech appealed strongly to those honourable members who are fortunate enough to understand the French language. In the second place, I congratulate these two honourable gentlemen on the great opportunity, the unique opportunity, which was given to them. This session marked the first time in the history of the Canadian Parliament that it was possible to move and second an address in reply to a Speech from the Throne made in person in the Senate chamber by a reigning sovereign. That was an occasion that will be long remembered by those two honourable gentlemen and by all of us, and by our children and our children's children. I think we can say without any qualification that the visit of Her Most Gracious Majesty to Canada and to the United States of America was opportune and will contribute much to that national unity and international unity which are so essential in these times of tragic conditions in world affairs.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Farris:** Honourable senators, it gives me great pleasure to join with others in addressing some remarks to His Honour the Speaker. I have been in the Senate for 21 years and I have seen many Speakers. They have all been friends of mine, I am proud to say, and I regard it a great privilege to extend to you, sir, the same high esteem that I have had for your predecessors.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Farris:** I want to say a word to the new senators. I am glad to see them

here. I did not know many of them before their appointment to this chamber, but I have found them very easy to become acquainted with. My acquaintance with them has been one of personal satisfaction to me. I think we all should derive real satisfaction from the fact that the presence of these new senators means that the balance of membership between the two great parties of this country is being restored in this house. I cannot see altogether a great many benefits resulting from the change of Government, but I do believe that one of them is the necessary restoration of this balance that I speak of. There will be brought in here some new ideas, in direct conflict I hope with some of my own and of those of my honourable deskmate (Hon. Mr. Howard), and they will be beneficial for that very reason. Diversity of opinion in a well-balanced house, diversity of opinion that has its basis not in prejudiced or hidebound politics but in an intelligent appreciation of public affairs, is one of the most desirable things in this chamber, and I welcome the fact that the danger of the disappearance of that diversity has now been removed.

Honourable senators, being a lawyer I try to stick reasonably to my text, and I am going to go back a little. I find that one of the things suggested by the Speech from the Throne comes very close to us. It was indicated in that Speech, as I have it here in our *Minutes of the Proceedings* on page 16, that:

Parliamentary government has been fashioned by the wisdom of many centuries.

We can all agree with that.

Its justice, authority and dignity are cherished by men of good will.

I hope we are all included in that.

It will be the high purpose of my ministers not only to preserve these qualities but to take steps to make both Houses of this Parliament more effective in the discharge of their responsibilities to the people of Canada.

I think every senator here will wish the Government well in giving effect to these pious proposals. I have no doubt of their wisdom and ability to deal with the matters which come before them. As to the Commons, I would point out that practically all the ministers of this Government, except my honourable friend the leader in this house (Hon. Mr. Haig), are seated in the House of Commons. As to the Senate, I have had the idea for a long time, and I still have it, that the best reforms for this house, if any are necessary, should come and will come from the Senate itself.

**Hon. Mr. Howard:** Hear, hear.

**Hon. Mr. Farris:** I listened with great interest to my honourable friend who was

the immediate past Speaker of the Senate, and for a number of years before that the Leader of the Government—the Liberal Government—in this house (Hon. Mr. Robertson). He made two proposals which I wish to mention for a moment. One was that some change be made in our present method of dealing with divorce petitions from Quebec and Newfoundland. Honourable senators who were here last year will recall that a bill was introduced by the honourable senator from Rosetown (Hon. Mr. Aseltine), which I supported, providing that divorce petitions from those provinces be dealt with by a court. The bill was defeated in this chamber, and I think it was largely defeated by the speech of my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck), the Chairman of the Divorce Committee. He is in a powerful position in that connection, for everybody regards most highly the duties, well done, that he has carried out as chairman of that committee.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Farris:** He assured this house that he was prepared to carry on those duties, and I believe that was the determining factor in the vote on the bill. But I did not then, and I do not now, agree with my honourable friend. I agree absolutely that his duties have been well done, but I think that in his heart, with all modesty on his part, he will agree with me that if he had spent an equal amount of time, nervous energy, thought and study on the public affairs that come up in the Senate he would have contributed more than any one man could possibly contribute as Chairman of the Divorce Committee. I feel it is unfortunate that he has not been free to give more attention to those affairs. I hope that if I live long enough, or otherwise am allowed to be in this Senate, the time will come when I shall see, not my honourable friend's removal from that position, but the removal of that position from him.

The second suggestion of the honourable senator from Shelburne (Hon. Mr. Robertson) to which I wish to refer, was that the carrying out of the responsibilities of this house would be facilitated by the appointment of several parliamentary assistants. These would be paid assistants, and of course my honourable friend was speaking disinterestedly at that time, because he had no idea of becoming one of them. I think the suggestion is a good one, but that it needs a good deal more consideration.

**Hon. Mr. Reid:** Hear, hear.

**Hon. Mr. Farris:** I recall that when I first came into this house Senator Dandurand was Leader of the Government; and, like my honourable friend who now holds that position (Hon. Mr. Haig), he was leader of a

minority in the house. Senator Arthur Meighen was Leader of the Opposition. Two abler men for those positions have never existed in Canada, but I always felt that their very ability and energy detracted from the Senate's effectiveness.

**Hon. Mr. Haig:** Hear, hear.

**Hon. Mr. Farris:** Senator Dandurand had a capacity that no other man I have ever known had, of explaining a bill about which he knew nothing and proving to everybody that it was all right. Senator Meighen, who was a very close friend of his, enjoyed baiting him just to watch how he would respond. I used to sit almost opposite Senator Meighen, and could watch the smile that came over his face as Senator Dandurand dealt so adroitly with every question that arose. The difficulty with that situation was that the rest of us sat around cooling our heels, for very seldom did we get a chance to participate in debate. I recall that one time, when I could no longer resist the temptation, I got up on my feet—it was quite a daring thing for a young senator to do—and criticized Mr. Meighen as strongly as I could. I was sitting right behind my leader, Senator Dandurand, and was very conscious of the way in which he looked around and glared at me. It was not a popular thing for me to do; however, I got away with it. When Senator Meighen rose and attempted to reply to me, I will say this for Senator Dandurand, he objected on a point of order, because the leader had already spoken.

Honourable senators, all this background leads me to this: when subsequent leaders came into the Senate they changed that policy, and delegated the duty of explaining a considerable number of bills to other honourable senators. This practice has been carried on ever since, and I am pleased to see that the present leader has adopted it. I believe it is a mighty good system. At this session the sponsorship of bills has been given to new senators, who perhaps do not quite know the ropes yet. But I have no doubt of their ability and capacity, and I am sure that for as long as the Government continues as it now is and this work is delegated to these gentlemen by my honourable friend the leader, they will carry out their duties in this house most effectively, and that in consequence we shall be well informed on all legislative measures that come before us.

This session is not a fair test of how this system will work in other sessions to come, if they do come. I do, however, suggest to the leader, particularly if the dearth of senatorial appointments continues and vacancies are not filled, that should he at any

time need help there are a good many volunteers on this side who will be glad to support measures which the Government brings in. My honourable friend from Ottawa West (Hon. Mr. Connolly) has already demonstrated how successful that sort of assistance can be.

**Hon. Mr. Haig:** Hear, hear.

**Hon. Mr. Farris:** My honourable friend from Shelburne (Hon. Mr. Robertson), much to my surprise, omitted to mention what I thought, and what I used to think he thought, was the most important remedy for conditions in the Senate, namely, that more legislation be introduced in this house by ministers sponsoring the legislation. When I first came here it used to be said that ministers would not send their bills to this house because they wanted to father them or champion them themselves—that they did not like to trust them to anyone else, even to one of their own colleagues. I had a good deal to do with changing that situation. My honourable friend from Shelburne co-operated with me, and together we were able to get the Rules of the Senate amended, by the insertion of a new paragraph 18A, which reads as follows:

When a bill or other matter relating to any subject administered by a department of the Government of Canada has originated in and is being considered by the Senate or in Committee of the Whole, a minister representing the department, not being a member of the Senate, may enter the Senate chamber, and, subject to the Rules, Orders, Forms of Proceedings, and usages of the Senate, take part in the debate.

From the date when that amendment was approved, which was quite a few years ago, any minister who wished to introduce a bill in Parliament could introduce it in the Senate. He could present his bill here just as freely as if he were a member of the Senate, and just as freely as if he were introducing it in the House of Commons. No longer could it be said that a minister did not choose to introduce his bill in the Senate because he did not want to trust it to other hands. He could come here with his bill and explain it himself.

Honourable senators, how many times during the régime of the past Government was that amendment taken advantage of? The Honourable Mr. Chevrier came here a couple of times, but I think he came more out of curiosity than for any other reason. Nevertheless, as I remember, he introduced at least two bills here, made his explanation of them, took part in the committee, and everything went very well. I believe some other ministers may have come.

**Hon. Mr. Roebuck:** The Honourable Mr. Garson was one of them.

**Hon. Mr. Farris:** In any event, the number was small, and the record is not to the credit of the Liberal Government.

What is the matter with the Senate? Before I answer that question, may I point out that this house is rather different from the ordinary house, and in this session a great many more bills have been introduced here than is normally the case in the early stages of a session. But in years gone by we have sat here twiddling our thumbs and kicking our heels while the debate on the Speech from the Throne was going on in the other house, long after we had intelligently and completely finished our discussion on it, and no legislation was coming before this house.

Does that involve a reflection on the Senate, or a reflection on the Government? Some persons may ask why we do not bring in measures of our own. Well, anyone who knows anything at all about parliamentary practice knows how useless and futile it would be to do that. Under the modern parliamentary system no bills—outside of private bills—no public bills get anywhere unless brought in by the Government. Private members in the House of Commons who bring in public bills never feel that they are going to pass. So why bring them in? Well, the answer is that in the next election campaign they want to be able to say to their electors, "See what we tried to do, and see what this iniquitous Government did—it would not let our bill go through."

Therefore, being practical and realistic, it is necessary for us to understand clearly that the only bills that are effectively dealt with are Government bills.

But some people say, "Why don't you, for the sake of argument, bring in other bills and discuss public questions?" However, honourable senators, that abstract way of dealing with questions does not land you anywhere. In the first place, the press would not even bother reporting what we did about these matters; it is only interested in reporting on issues which are before the public, issues which are contentious and need to be dealt with, issues which have effect on the country. They are the only issues that the press considers it worth while to bother with. And whether in the Senate or in the House of Commons, those are the only issues that can be effectively and intelligently dealt with.

The reason they are not dealt with better here is not the fault of this house; it is the difficulty that existed through the Liberal régime, and I am afraid it may exist during

this one, of not originating more legislation in this house and letting us deal with it while long-winded speeches on the Speech from the Throne are being made in the other house. Perhaps that is a bad thing for me to say, because I am going to make a long-winded speech today. The sequel to that state of affairs has been the firing in here of legislation, bill after bill, at the very last minute of every session, and we have had the unpleasant choice of either crowding that legislation through or holding up Parliament—and one can appreciate what a howl there would be if those old grey-headed fellows in the Senate held up the members of the House of Commons when their work was finished and they were ready to go home.

I said to my honourable friend opposite on one occasion when he made a speech dealing with this situation: "I would like to back up your challenge, but it is too late this session. However, if you will at the start of next session declare that the Senate will hold up legislation until it is fully discussed, no matter how near prorogation we are, I, for one, and I think many others, will be glad to support you in it." But, we are all human, honourable senators, and nobody has ever yet done that. I would not like to start it now, being in opposition, but I would like to see my honourable friend the Leader of the Government in the Senate start it, and some of us support him in it—not necessarily this session, because this is a special one. But next session, assuming there is going to be one, if there is the same practice of bringing in new legislation at the last minute, let us resolve to delay it until it has been fully considered. In this way we can get back at the House of Commons and perhaps keep honourable members of that house away from home just a little longer.

The next matter that I wish to deal with is the question of old age pensions.

I am sorry that my honourable friend from New Westminster (Hon. Mr. Reid) is here, because I know how he can glare at me if I don't agree with him. He and I have been friends for many years, so any time that he does glare at me, honourable senators, you will know that he does not really mean it.

When the honourable senator from Mille Isles (Hon. Mr. Monette), who is not here today, moved the second reading of the Old Age Security Bill, I think I correctly understood him to say that the principle of the old age security legislation was not involved, that the purpose of the bill was to increase the amount of pension. I agree with him, and for that reason I would not

feel at liberty after the bill has passed to discuss the question of the amount of increase, but I say, honourable senators, that the time will come in this house and in the House of Commons when there should be a reconsideration of the principle of the original legislation.

I understood the honourable senator from Mille Isles to say, and I agree with him, that the principle of the original legislation is that a man or woman at 70 is entitled to a pension. I think that must be the principle of the legislation, and I believe it is a wrong principle. I am over 70, and if my wife were not listening in the gallery I might let the cat out of the bag as to her age. I do not consider that there is justifiable principle that I or my desk-mate here (Hon. Mr. Howard), with his fabulous millions, or any other member of the community in Canada who has a comfortable living allowance is, when over 70, entitled to a pension. I challenge that principle absolutely. When I am told that people over 70 who are living in comfortable conditions can get a pension, but that a man of 65 who is completely in need, as any man of that age may be, is not entitled to a pension because he is not 70, I say there is something wrong with the principle of that legislation.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Farris:** I am speaking now not on any legislation that will come up this session, but on the Speech from the Throne, and of course this provides a proper basis for discussion of what may happen in the future. It is my considered opinion that the time must come when there will be an entirely new look at the principle involved in this legislation.

I note that my honourable friend from New Westminster, suggests that the pension should be put on a contributory basis. I do not know—I have not had time to study that enough—but I may say that if my honourable friend suggests it there must be something worth while in it, because I think he is one of the most thoughtful and studious members of this house.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Farris:** Now, honourable senators, there is another issue that arises out of this Speech from the Throne that it seems to me is more important, certainly of more political importance, than any one piece of legislation referred to in the speech or that has been brought in to supplement it. Here we have a Government which, while it has not a clear majority in the Commons, has the largest number of seats—112—of any party, and everybody knows that those seats or a

substantial number of them are the result of the promises that the then Leader of the Opposition, supported by his party, gave to the electors of Canada. Now I think that one of the proper questions for consideration in the Senate and the House of Commons is: How far is the Government making good on those promises?

At first glance I think the answer would be without any doubt, "It has done well in implementing its promises." I say—but with an "if", and it is a big "if"—that it has done a good job. As every honourable member knows, the promises which brought this Government into power were of two distinct kinds. One lot of undertakings, and they are legion, involved increased expenditures; on the other side of the ledger were promises that if the then Opposition were elected it would immediately call a session to reduce taxation. I suppose that every man of intelligence in the country would favour those two propositions if both could be put into effect. But allow me to call attention to something which seems to me of serious import to this house, to the Commons and to the electors. It is that all the legislation foreshadowed in the Speech from the Throne and so far introduced to implement that Speech requires a further dipping into the the moneys which are in the Treasury, or were there at the time the Liberal party went out of office.

May I now go a little farther afield; and as this is our last sitting of the week honourable senators may not object if I take a little longer than, perhaps, I should otherwise do. I suppose we have no immediate quarrel with the Government with reference to foreign policy. The reason is that it has very closely and very properly followed the course which was adopted by the past Government, and received a particular inspiration from that great world statesman "Mike" Pearson. The Prime Minister has been fortunate in obtaining, in the person of Dr. Sidney Smith, an able man and a distinguished educationist, for the post of Secretary of State for External Affairs; but I think all of us are watching—with fingers crossed, so to speak—whether a man who has never been in politics, excepting academic politics, can equal the capacity and ability of his predecessor, who has been one of the real leaders of the United Nations. I wish Dr. Smith well; I offer no criticism of him. It is to the interest of our party as well as the Conservatives that he shall prove himself equal to the position of high responsibility which he holds.

I pass now to references in the Speech to domestic affairs. It states that there are to be measures to improve the lot of the senior

members of our society; to enable provincial Governments to increase the payments to be made under the Old Age Assistance Act, the Blind Persons Act, and the Disabled Persons Act; to authorize cash advances to permit farmers to receive an advance payment for their grain; to secure additional markets for the products of our fisheries; to assist in creating facilities for the production and transmission of cheaper electric power in the Atlantic provinces, to press for a favourable settlement of problems in connection with the Columbia River,—with all respect, this last statement does not mean much, if anything—and to provide annual vacations with pay for Government employees.

Practically the entire policy outlined in the Speech from the Throne, and to be implemented by legislation, entails additional expenditures and demands from the public treasury. I want to analyse this program with some little care, because—to repeat—if the Government's program can be carried out, and taxation simultaneously reduced, we ought to keep this Government in power for ever. I do not seem to get much audible support for this proposition, but I believe that, if they think it over, even my Conservative friends will agree with me.

Take, first, the increase in the old age pension. Unfortunately I was absent from the meeting of the Senate Banking and Commerce Committee, but my deskmate, the honourable senator from Wellington (Hon. Mr. Howard) was there, and I am indebted to him for this information. Under the rate of allowance which prevailed until recently, when the pension was \$40 per month, the estimated annual expenditure was \$390 million. The provision in the bill which we have just passed will raise this total to \$564 million. On that item alone, therefore, the expected increase is \$174 million—which used to be considered quite a lot of money. As regards other legislation introduced about the same time, providing for assistance to the provinces, to the blind, and the disabled, there will be further expenditures running into millions. I do not know what the total will be, but I think Parliament should have been informed by this time. Maybe the honourable Leader of the Government (Hon. Mr. Haig) can give us the figures. I confess I don't know, except that it is a large sum of money.

But it is not merely the cost involved in these pieces of existing legislation which must give us concern. We must be concerned in the same way that a man is concerned when his wife and children tell him they need more money. He wants to give the money to them but he is likely to be concerned about where it will come from.

Mr. Diefenbaker has told us there is enough money available to carry out all these projects and at the same time to reduce taxation. We should have some assurance of this. He said he was going to call a session in September to do this very thing, but September has gone by.

What are some of these items? I do not know the amounts involved but I know they are large. I listened with a great deal of pleasure to the speech delivered by my honourable friend from Saint John-Albert (Hon. Mr. Emerson). I was born and brought up in the country at Grand Lake, New Brunswick, located on a tributary of the Saint John River. I recall that as a boy I sometimes travelled on the old steamer *May Queen* to Saint John, and I always thought of it as "going to town". I have never gotten over the feeling that in going to Saint John I was going to the greatest place in the world. I had the pleasure of revisiting Saint John some three weeks ago. Later my wife and I drove from there up through Gagetown and Queenstown to Fredericton, and in my opinion the colour and beauty along the Saint John River cannot be excelled anywhere in the world. Despite the gloomy statistics presented by the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) on the agricultural industry of New Brunswick, the charm, glory and inspiration of the beauty of that province cannot be surpassed, even in Nova Scotia.

It is interesting to know that there is some hope for New Brunswick because of the report that the federal Government is going to assist the province in harnessing the tides of the Bay of Fundy to produce a new source of hydro-electric power for industrial development. As an old New Brunswicker who still has fond memories of his native province, I rejoice that this project is to be carried out. However, like a provident father, I wonder just how much it is going to cost. I do not believe the honourable gentleman from Saint John-Albert knows this, and I doubt if even the Government does. We are told, though, that it is going to cost so much that the province of New Brunswick, even with its frugal and careful Conservative Premier, cannot afford to pay the whole cost, and that half of it, which will be a tidy sum of money, is going to be borne by the federal Government.

The Speech from the Throne stated that the federal Government would initiate "new discussions with the Government of Saskatchewan in order to make possible the early commencement of construction of the dam on the South Saskatchewan River". I have some quotations from remarks made by the Prime Minister with respect to this dam. My ties

are not as close to Saskatchewan as they are to New Brunswick, although when I left my native province I went to Regina where, I think before some members of this Senate were born, I was admitted to the Bar. That was in the days of the old Territories, before the creation of the Provinces of Alberta and Saskatchewan. But the urge to "Go west, young man" was still upon me and I moved on to Vancouver. Although times were mighty dull in the coast city at that time, I did not have the price of a return ticket, so I stayed there.

Let us see what Mr. Diefenbaker has had to say about the South Saskatchewan River Dam project. I have here an extract from the *Regina Leader Post*, under date of May 18, 1957, which refers to comments made by Mr. Diefenbaker. It reads:

Prime Minister Louis St. Laurent had once refused to consider it on the grounds that the federal Government would not assist any project involved with power development but since the federal Government's offer of power assistance in the Maritimes and British Columbia "that argument's gone for ever.

"The dam is necessary for the future development of this province and the economy of the nation and there is no further excuse for the federal Government delaying it, much as the Liberals may try to follow that course.

"We in this party are behind this project and give it our entire support", he said to an outbreak of applause.

He certainly would get an outbreak of applause in Regina on that speech, and naturally it would be followed by an outbreak of votes.

Now, honourable senators, it would be in mighty bad taste for a far-westerner and a one-time far-easterner to criticize the expenditure of this money in the province of Saskatchewan, but again I wonder how many millions of dollars it is going to cost. As I think what the total cost of these projects will be, I just wonder about the Prime Minister's promises that taxation is going to be reduced forthwith. At this time I would like to read some quotations from newspapers, which after all are the most reliable sources of information we have in this country, particularly when they are supposed to be quotations from public statements and are not contradicted, and sometimes even when they are contradicted. A certain meeting was held in Toronto on April 25. It was attended by Mr. Diefenbaker and Mr. Frost. Those of us who observe political happenings in Ontario from a distance often wonder why there was not more co-operation between the federal Conservatives and the provincial Conservatives in Ontario. I was always told that the Conservative machine was under the control of the Frost Conservatives. I do not use the

word "machine" offensively, for my understanding of a machine in a political sense is that it is the "Organization of your opponents".

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Farris:** Up until the last election it did not seem that the wheels of the provincial machine were turning very much in support of the federal Conservatives. I suppose I am not qualified to speak on this, but that is the very thing I have been told by some Conservatives, so it must be right. A great change came about and Mr. Frost became very indignant, I have no doubt with cause, at Mr. Harris, who, he claimed, did not give him a big enough share of the spoils of income tax revenue. I think the amount he wanted was a minimum of \$100 million more. I should like to know why Mr. Harris refused that \$100 million. It was not out of pure cussedness, you know; it was not that the money was coming out of his pocket, or coming out of the pockets of Liberals. It could have been for only one reason, that, in his opinion, by the formula that he devised, Ontario was not entitled to that extra \$100 million. And the chances are that the Liberals lost the election because of that refusal, for there is no doubt in the world that it was that refusal which brought Mr. Frost and Mr. Diefenbaker together on that platform on April 25 of this very year. We had assurances from Mr. Diefenbaker that he would make no promises. Well, there are promises and no promises, and other kinds of promises. I have been in politics for a great many years, as have a great many senators here, and I wonder why Mr. Frost was on that platform that night. I will read an excerpt from the *Globe and Mail* of April 26:

Mr. Frost, whose appearance on the platform with Mr. Diefenbaker gave the rally a significant air of party solidarity, hit hard at the tax-sharing deal which the Liberal Government offered the provinces.

These agreements, which had led to a double corporate tax in Ontario, he declared, were completely "unrealistic and unsatisfactory".

"I say that the solution lies in a realistic division of tax sources in the direct tax field (which) belongs equally to the provinces and the federal Government. It is not a matter of the federal Government giving Ontario or the provinces anything. That is the patronizing attitude of Ottawa. All we ask is a reasonable part of our own,"

Which I gather he was not getting but expected to get when he was making that speech in the presence of Mr. Diefenbaker.

"a part which is commensurate with the size of the job we have to do, and upon the accomplishment of which much of Canada's future depends.

"These staggering responsibilities face the provinces: Development of natural resources; nourishment of municipalities; expansion of educational facilities; construction of highways, elimination of pollution and development of water resources.

"I could tell you of the needs of the home and farm owner and the rising tax bills, despite the

fact the province is giving to the municipalities and school boards 40 cents out of every provincial tax dollar.

"The primary issue facing the people of Canada today is how we are going to meet in a realistic way . . . the needs of our people and the provinces and the municipalities which are without question the right arm of development.

The Liberal administration's attitude to these problems, Mr. Frost said, was one of "centralization, born in wartime and ingrained into governmental thinking".

The 10 per cent of personal income tax and 9 per cent of corporate income tax offered the provinces was a "division thrown to us in the rather smug anticipation that it will meet our requirements".

This conclusion is at complete variance with evidence available to everybody, he said, adding that the evidence had been produced not only at the federal-provincial conference but before the Gordon Commission.

"The most elementary study would show that it is inadequate. We have pointed this out time and again. It will not be sufficient to meet more than a portion of the increased cost of education, to say nothing of other requirements I have mentioned." (The new agreements give Ontario an extra \$40,000,000).

"We cannot face complacently the fact that we have rising tax bills, rising debt both provincially and municipally, while we have the federal Government paying everything in cash, hiding away money and even paying the Canada Council \$100,000,000 in advance, paying off debt."

Just think of that!

"and still ending up the year with a surplus of \$500,000,000, to a very large extent derived from tax sources which belong to the provinces."

Well, I happened to have the privilege of being chairman at the meeting when Mr. Harris unqualifiedly disputed that assertion.

Now we come to Mr. Diefenbaker, and I got this report of that same meeting from the Canadian Press. This is from the *Winnipeg Free Press*, and while I believe that paper is more or less a Liberal publication, I do not think it would unduly expand the promises of Mr. Diefenbaker. This is dated April 25, and it says:

Mr. Diefenbaker pledged to work out new tax-sharing arrangements with the provinces which would strengthen Canada's federal system and give provinces and municipalities the funds to carry their responsibilities.

Where are they going to get it? Nowhere but out of the revenues of Canada. The report continues:

He said a Conservative Government, if elected, would immediately call a federal-provincial conference to settle existing problems. The federal system was threatened by "the centralization complex of the St. Laurent Government" and a healthy balance of revenues between federal and provincial governments must be assured.

Honourable senators, there is no question about what that means.

I have another quotation from a speech made in St. Stephen, New Brunswick, on May 3, 1957. This is from a Canadian Press report in the *Halifax Chronicle Herald* of May 4, 1957.

Hon. Mr. Isnor: A good paper!

Hon. Mr. Farris: I would presume so. In my earlier days they were separate papers, and one was a good one! An observation in the report attributes to Mr. Diefenbaker the following:

Municipalities were being pauperized "while the federal Government wallows in surpluses the like of which have not been seen in Canada's history".

I think Mr. Diefenbaker is pretty careful in this choice of words. I looked up the definition of "wallow" in my pocket dictionary, and this is what it says: "roll about; flounder: *the pigs wallowed in the mud.*" "act of wallowing". Well, there would be Liberals wallowing like pigs in the mire, with all these ungodly government surpluses to wallow in. And what are we going to do? There will be no surpluses when we get in—and we are going to spread this mud like the seeds that are sown in the meadow.

I now quote from the *Toronto Daily Star* of May 16, 1957. It refers to a speech made by Mr. Diefenbaker in Manitoba, and I presume it is a correct report:

No province in Canada will get less tax money from Ottawa if a Conservative Government is elected June 10, John Diefenbaker pledged here last night.

The national Conservative leader promised a fair share of tax revenues for all provinces, with more for the poorer provinces but not at the expense of the richer provinces.

"I make this statement unequivocally tonight," he said. "There will be no reduction in the amount now paid to any province through dominion-provincial tax-rental agreements."

The larger provincial shares, he indicated, would come from tax money now retained in the federal treasury.

May I quote from another Canadian Press report in the *Ottawa Journal* of June 4, 1957, referring to a speech Mr. Diefenbaker made in Kentville, Nova Scotia:

In Kentville too, Mr. Diefenbaker said the Canadian people have been fooled for a long time by Liberal promises. He pledged special adjustment grants to equalize the economic positions of all the provinces if a Conservative Government is elected June 10.

I will give you only one more news item: This one is dated Three Rivers, P.Q., June 4, and appeared in the *Montreal Gazette*. It says:

Mr. Diefenbaker told the audience that one of the main planks of the Conservative platform was the preservation of provincial and municipal autonomy.

The Conservative party will restore the true meaning of the British North America Act which guarantees the provinces freedom to carry out various spheres of activity allotted them under the constitution.

We will not only make sure that the Constitution is respected but we will also make sure that the provinces and the municipalities have sufficient money to do the job they are supposed to do.

Now, honourable senators, you may not think it, but there is some method in my madness, in the way in which I am developing my remarks. First, I have indicated to you the known costs that are going to be incurred, then the inevitable costs, and lastly the problematic costs.

There is soon to be a meeting of the premiers of the provinces with the federal Government, at which the rights under the Constitution are going to be restored; principles that have not been recognized are going to be recognized; and out of that meeting will come peace, harmony and more money for everybody. I do not know how much this new deal with the provinces is going to cost. Mr. Pickersgill has estimated—and I saw his speech reported with approval in the *Globe and Mail* as being one of the best—that on the basis of the \$100 million demanded by Frost, and on the basis of the present Harris formula, the total cost of the new deal with the provinces would be \$295 million. But the Harris formula is going to be kicked out; that is not good enough. So, the cost will be \$295 million, plus as much more as your imagination and mine, and our senses, will permit us to estimate.

I have not had the time, but I think somebody should take the time, to put together all these items that are involved in new legislation being introduced—items such as the harnessing of the tides of the Bay of Fundy, and the building of the Saskatchewan River dam, and all the other prospective forms of assistance—and figure out how much the total cost is going to be.

I have before me some very interesting newspaper clippings. For instance, in last night's *Ottawa Journal* there were big headlines—and they also appeared in this morning's *Montreal* and *Toronto* papers—about the Speech from the Throne at the opening of the Quebec Legislature. Mr. Duplessis has seen to it that prior to this conference a demand is made for more money for the province of Quebec.

Honourable senators, in a few minutes I will come back to this topic, but at the moment I will leave it, to refer to a speech made by Mr. Balcer, the Solicitor General. I shall come back to complete this picture of Mr. Duplessis and the Speech from the Throne in the Quebec Legislature, and Mr. Frost sitting on a platform in Massey Hall, and then these two gentlemen coming to this chamber or somewhere nearby to put forward their cases, and afterwards going back for a future election in each of these two great provinces.

This brings me to the question which has given me the most concern. It might well be

said: "Why are you not patient? Rome was not built in a day. We have been in office only a few months, while you Liberals were here for 22 years. How can you expect us to do all of these things right away?"

I agree with that statement 100 per cent. In reply, as far as I, as a senator in this country, am permitted to reply, I would say: "You are quite right. If you want more time to carry out this policy and then go to the country on an appeal after you have shown both sides of the ledger, we are all for it".

But, honourable senators, we are hearing some strange rumours these days; indeed, some of the things we are hearing are probably more than rumours. We hear it said, and it is almost taken for granted, that there is going to be an election; the only speculation is, will the election be before or at the conclusion of another session? I say that raises some very important constitutional and political questions.

I am sorry, but I must again disagree with my honourable friend from Shelburne (Hon. Mr. Robertson). He referred to the address in this house by the Leader of the Government (Hon. Mr. Haig) in which he told us where we got off at. My honourable friend from Shelburne, out of the goodness of his heart, undertook to smooth all that out and gave reasons for it, which I cannot accept. In effect my honourable friend said, "Well, Senator Haig has been Leader of the Opposition for so long that he has forgotten where he now is, and therefore he made this *faux pas*." Let me say to this house, there is no man in the Government of Canada who more fully appreciates, or is more aware of, where he is than my honourable friend the Leader of the Government. I say further, no man is more entitled than he to be where he is, as long as the present Government is in power.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Farris:** When Her Majesty the Queen appeared in this house, on her right stood the Right Honourable Mr. Diefenbaker, and on her left stood the Honourable Leader of the Conservative party in this house. We were proud of our colleague. He appeared then as a co-representative of the Parliament of Canada, a co-leader of the great Conservative party. Now, can my honourable friend from Shelburne tell me that in those circumstances the Leader of the Government in this house does not know what he is talking about? I cannot agree with my friend from Shelburne. I have more respect for the Leader of the Government.

Let me read the words of the leader as quoted by the member from Shelburne, at

page 165 of the Senate *Hansard*. Speaking on the Prairie Grain Advance Payments bill, the leader said this:

We want this bill passed in order to help farmers of this country.

Now, that is a worthy object, but it is not the main object indicated here. He goes on: But I will be quite honest with you.

Now, I never knew my honourable friend not to be honest and when he assures us that he is quite honest we must accept him as speaking by the book, as co-leader along with the Prime Minister.

Nobody would welcome more than the Prime Minister of Canada the Senate's defeat of this bill.

In other words the Prime Minister of Canada, notwithstanding his desire to help the farmers, would rejoice if this bill were defeated by the Senate.

That is all he would want. Just do that and he will do the rest. If the men and women on the opposition side of the house will just stand up and vote solidly to kill this bill, that is all he would ask them to do.

That is a pretty solemn statement to be made by the co-leader of the Conservative party in introducing a bill designed to benefit farmers. He added:

He will do the rest.

I want to say to my honourable friend from Shelburne that you do not need to go scouting around to try to find out what that meant. Every honourable senator in the house knows what that meant.

It meant, "If the Liberal senators vote against that bill, what a wonderful issue we will have, and we will go to the country on that issue." Could it mean anything else?

**Hon. Mr. Euler:** He said it would be the issue.

**Hon. Mr. Farris:** I know, but he did not say it in just those words. But I am challenging my honourable friend from Shelburne. I like to do it, because I do not often get the chance.

Now, honourable senators, I said that this question involves constitutional problems, and it involves high political problems. What was said there was completely confirmed by the position taken by the Prime Minister himself. It is not always proper to refer in the Senate to House of Commons debates for the purpose of criticizing or discussing them, but it is quite proper, as I understand it, Mr. Speaker, to quote the Prime Minister of Canada when he is formulating policy, whether he is formulating it in Parliament or anywhere else. That is to say, he obtains no immunity in this respect because he makes the statement in Parliament.

I heard the speech of the Prime Minister following that of the Leader of the Opposition in which he declared that the Liberal party would not at this time or in this session support a non-confidence motion. That presented a wonderful opportunity for the Prime Minister to congratulate the Leader of the Opposition upon taking such a high position; it was a wonderful opportunity for him to say, "We are here to give effect to our promises, and as long as the Liberal party will support us in legislation of that kind we will carry out these promises and the country will be safe."

Did the Prime Minister take that position? Any honourable members of this house who heard his speech, or any who wish to look up what was said, will know that he did not take that position, but that, on the contrary, he chided in a most petulant manner the Leader of the Opposition for not doing his duty by moving a non-confidence motion and voting for it.

Now, honourable senators, there can be only one conclusion to draw from that, consistent with what was said by my honourable friend the Leader of the Government in this house (Hon. Mr. Haig)—only one conclusion to draw from that: they were seeking an excuse to go to the country while they were spending the money, before Parliament had approved how they were going to raise it, after they had spent it.

**Hon. Mr. Golding:** Hear, hear.

**Hon. Mr. Farris:** And they are still looking for that excuse, honourable senators.

That brings me to the next important matter, and this has to do with a speech made in Toronto by the Solicitor General, the Honourable Léon Balcer. Mr. Balcer, besides being a member of the Government, is president of the Conservative Association of Canada. So, honourable senators, I would take it that next to the Prime Minister and the Leader of the Government in this house, Mr. Balcer can speak with the most authority for the Conservative party of Canada.

I will quote from an article in the *Ottawa Journal* on Mr. Balcer's speech:

Toronto, November 5.

The Conservative Party needs 40 more seats in the House of Commons, Solicitor General Léon Balcer said today and it is "fighting an election campaign right now" to get them.

Why? Why is the campaign on right now to get them? Why does it need those 40 seats at the present time? Has there been one threat in this Parliament to withdraw support from this Government as long as it is implementing its promises? On the contrary, with the complete assurance that this

Government has, it can feel perfectly secure in keeping on and implementing its promises, and not only the one to spread the seeds around so freely, but also the promise to husband the seeds and make sure that no seeds will be squandered, although there are lots there to spread around.

The *Ottawa Journal* continues:

Speaking to more than 1,000 delegates to the annual convention of the party's Ontario body, Mr. Balcer indicated that a major effort to expand house membership would be made in Quebec.

Now, that speech was made on the 5th of November. And yesterday, at the opening of the Quebec Legislature, the Speech from the Throne forecast that the premier of that province, the Honourable Mr. Duplessis, would be demanding more money for his province from the dominion. Does anyone think the Conservatives can win their 40 seats in Quebec unless they play ball with Duplessis?

Well, honourable senators, I put that question to you. There are senators in this house who know the answer to that better than I do. But my guess is that the synchronizing of the two things—the indication by the Honourable Mr. Balcer, the member for Three Rivers, Quebec, that a major effort to elect additional Conservatives would be made in Quebec, and the Honourable Mr. Duplessis' Speech from the Throne—shows where the Treasury of Canada is going to get off in regard to the province of Quebec if we have an election now. This must be coupled with what I have already said about the province of Ontario, and Premier Frost at Massey Hall.

I think this poses a serious constitutional problem. I shall not discuss it as a problem for the Governor General. I remind honourable senators that the British North America Act, section 50, provides that the Parliament of Canada shall continue after a general election for five years unless it is sooner dissolved by the Governor General. That section does not mean, honourable senators, that the Governor General can capriciously, from some whim or notion of his own, decide whether or not there shall be a general election. But the decision when the next election shall be held will be made by the Governor General on its merits. I make no prediction as to when, or upon what grounds. I have the utmost confidence in the great man who has held the office of Governor General for a number of years, and I compliment the present Government on having extended his term of office another year.

This, perhaps, is not the time nor the place for me to presume to lay down the law on what seems to me to be the constitutional problem before the Government. But may I say that, so far as I have been able to ascertain from law and precedent, Mr. Diefenbaker

should not be granted dissolution before he has been defeated in the house. I concede, of course, that, should he come before Parliament with some important problem on which there is a difference between the two major parties, and the issue is fought out, he would be entitled to dissolution. But I know of no instance wherein a Prime Minister, presenting legislation requiring expenditures of public money, and not being defeated, has asked for dissolution within a year of the previous general election.

I have not had time to study the matter, and I am not presuming to spread my wings in the realm of constitutional law. I am a lawyer of sorts, and I took the trouble to look at Dr. Eugene Forsey's book on the dissolution of Parliament, which was written as a result of the controversy between Lord Byng and Mr. Mackenzie King in 1926. I do not agree with the conclusions at which Dr. Forsey arrives with regard to that issue, but I have a great deal of confidence in and respect for him, and I am satisfied that in his book he has carefully and accurately recorded all instances of problems of dissolution which have arisen in Canada, in Great Britain, and in other Empire countries. I repeat that, so far as my search went, I was unable to find any precedent for a situation in which a Prime Minister, in office less than a year after a general election, and not having been defeated, assumed the right to go to the Governor General and demand an election, and when asked for what purpose, replied, "Because I do not like the complexion of the support I am getting now; I want all my supporters to be good Progressive Conservatives".

One thing more. Two or three weeks ago I read an editorial which, I am almost sure—my Montreal friends may correct me if I am wrong—appeared in the *Gazette*. It was to the effect that Mr. Mackenzie King solved, in 1926, the problem of the right to dissolution. This pronouncement indicates that the *Gazette* is a little worried about the question, and finds it necessary to boost editorially the case for the right to dissolution. But what the article really proves is that there is no comparison between the present situation—assuming that Mr. Diefenbaker should go to His Excellency and ask for dissolution without having been defeated—and the events of 31 years ago. What happened then? Mr. King, after the previous election, came back, not with the largest group but with the largest measure of support in the House of Commons, and for some months continued in office. He was then defeated. He asked for dissolution, but it was refused. I could never see any ground for that refusal, except

that Mr. Meighen must have given the assurance that he could form a Government and carry on. As to that, we do not know. However, dissolution was refused; and Mr. Meighen was called upon to form a Government. But on the first vote after he became leader, his Government was defeated. (See p. 291 of this volume.) The issue on which Mr. Mackenzie King fought, as I recall it—and I well remember listening to his great speech in Victoria—was that he had held office for some months, and having then been defeated, and having asked for dissolution, which was refused, and Mr. Meighen having then been called upon and defeated on the first vote, the Governor General should have summoned Mr. Mackenzie King and told him, "I grant you dissolution." There may have been other complications, but I am convinced that this was the essential issue; and when a newspaper of the standing of the *Gazette* finds it necessary to write an editorial which distorts the situation to make it a precedent for the present situation, it would seem that the Conservatives are worried about the current issue and what reason they can offer for an election.

That is as far as I want to go into the constitutional question. When it is decided, all Canadians will accept the decision of His Excellency the Governor General. But I maintain there is here a high political issue which must be further considered now both in this house and in the other house. A new Government has been put in power, not solely through promises of expenditures of money, but on promises to perform the miracle of concurrent reductions of taxation,—representations which, supported by the eloquence and the evangelical persuasiveness of the then Leader of the Opposition, the public of this country accepted. There is no question but that they took his statements seriously. So that he, having been elected on these issues, and having been supported on every item of legislation he has presented thus far, has no right to seek a snap verdict on the basis of the seed he has sown, without waiting for it to bear fruit, and without waiting for the sowing of the other seed which he so solemnly promised to provide if he were returned to power. I say these are issues of the highest constitutional importance in the public life of this country.

Honourable senators, I am sorry that I have taken so long, but I have tried to present these issues to you as I understand them. I believe it is essential for the good government of Canada and for the high reputation of Parliament that no snap verdicts be attempted at this time. But, on the other hand, the Prime Minister, still having the

support of Parliament, should be required to make good his promises on both sides of the ledger before he seeks the support of the electors in an attempt to obtain a clear majority of his own followers.

**Hon. Donald Smith:** Honourable senators, in rising to take part in this debate may I assure you at the outset I do not intend to take up much of your time. I hasten to add, however, that in giving this assurance I have no intention of implying that the speech of the honourable gentleman who has just resumed his seat (Hon. Mr. Farris) has been unduly long. I do not believe I have ever listened with greater attention and profit to any speech made in this chamber.

I desire to join with those who already had an opportunity to express in this chamber their congratulations and best wishes to you, Mr. Speaker, on your appointment to your high office.

I should like also to offer my congratulations to the mover (Hon. Mr. White), and the seconder (Hon. Mr. Méthot), of the Address in reply to the Speech from the Throne, and also to extend my sincere congratulations to all the new senators.

I particularly welcome to this house the new senator from Saint John-Albert (Hon. Mr. Emerson), whose voice in support of measures designed for the Atlantic provinces we can expect to hear both in this chamber and in his party councils. May I remind him and the house that he joins with a group of members here, which numbers 30, when at full strength, representing the Atlantic provinces. The three Maritime provinces have the constitutional right to representation in this chamber of Parliament equal to that of each of the other three regions in Canada: Quebec, Ontario and western Canada. This group of Maritime provinces consisting of 24 senators was fortified by the addition, in 1949, of six new senators from Newfoundland. Without the granting of that equality of representation in the Senate, to act as a counter-balance to the representation by population in the House of Commons, Confederation probably would not have been possible. Without such representation in this chamber to safeguard the position of our region, Confederation might, today or tomorrow, rest on a shaky foundation.

I trust that the new senator from Saint John-Albert will join with the rest of us from the Atlantic provinces in guarding this firm foundation of equality which fosters unity and on which Canada has grown to be a united and prosperous nation, in which the constant aim should be the further development of equality of opportunity for all Canadians. I invite the honourable gentleman to make full use of his present position

of influence on government policy to see that measures bearing on the welfare of the Atlantic provinces are quickly brought forward.

Honourable senators, since the war much progress had been made in this direction by the former Government. The tax rental agreements, measures in the field of social security, measures compensating for the disability caused by our geographical position in relation to transportation problems, and other measures, have been responsible in a significant degree for the economic surge and rapid rise in the standard of living in these provinces in recent years.

New ground was broken early this year, in a field hitherto considered to be one of provincial responsibility, when the former Government announced its decision to assist in the development of cheaper power in the Maritimes, using coal as the source of thermal power. This was a most encouraging step, and particularly in an area where the mining of coal appeared to be a declining industry.

It is hoped that the importance of the proposals of the former Government, with whatever minor amendments were announced today, will not become lost in the present shuffle to salvage the Beechwood Hydro project in New Brunswick. Many qualified engineers have serious doubts about the wisdom of further development on the Saint John River, and, indeed, of the original installation. Guaranteeing the financing of a development already undertaken can add little in the way of solving the problem of obtaining cheaper power in the Maritimes. I am sure of this: assistance to develop uneconomic hydro will not be viewed in a favourable light by those who seek a measure of relief for the serious problems confronting the coal industry, both in New Brunswick and Nova Scotia.

Honourable senators, this house has already approved some of the legislation which was forecast in the Speech from the Throne, for increasing the rates of pensions and providing interest-free advances for the western grain growers. These are relatively simple measures for a new Government to bring forward. These are measures of immediate popularity to those who will receive their share of the taxpayers' money and, of course, a new Government, which may consider itself on the eve of another election, above all things desires to be as popular as possible.

What many Canadians are expecting from a Government that merits their support is the development of imaginative and effective policies providing for a betterment of opportunity for all primary producers—whether they work in the fields, in the mines, in the

forests or on the sea—so that they may have a more satisfactory and secure standard of living. The work of these people is the source of all wealth, and their production must be kept at a high level in order that their fellow Canadians may continue to prosper.

Canadians were told by the Conservative party during the last Parliament, and certainly in most emphatic terms during the election campaign, that most of the economic ills of Canada were directly due to the pursuance of a tight money policy by the Bank of Canada, with the approval of the Government. Hard-pressed municipalities, the small businessman, the potential homeowner, the lumber operators and all other classes in the country were advised that this policy would be quickly changed with a change of Government.

Well, I am informed that to make such a change requires only a scratch of a pen in order to obtain a more plentiful supply of credit together with lower interest rates. That simple step has not been taken.

**Hon. Mr. Horner:** Oh yes, it has.

**Hon. Mr. Smith:** Not at all. In fact, we find there has been a substantial increase in interest rates since the new Government took office, indicating a further tightening of the money supply. I am sure the housebuilding industry and the producers who supply that industry with wood products have been greatly disappointed to learn that credit is even tighter and interest rates higher. They must certainly have been disappointed to learn of the recent increase in interest rates supplied by the Central Mortgage and Housing Corporation, under sections 16 and 17 of the act. The diverting of \$150 million for housing by the Government is not providing additional credit, and the results of that feeble effort have been disappointing. Some attention should be given to the views now held by the Chairman of the Board of the Canadian Bank of Commerce, who was reported in recent weeks as saying that the time for fear of inflation had passed.

It is indeed unfortunate that the judgment of those responsible for holding to a tight-money policy is so clouded by the bogey of inflation that is disappearing over the horizon. They appear to be blinded by the complexities of administering national affairs, with the result that they are unable to see the rapidly changing Canadian economy. They are paying little attention to the unemployment and hardship which exist in varying degrees in each of the provinces of Canada. Base-metal mines, employing thousands of workers, are being closed down. The oil-rich provinces are worried about export markets

and cannot continue to develop the oil and gas industry under present circumstances. The pulp and paper market is shrinking in relation to its present capacity, and further expansion in this uncertain situation is questionable. The automobile industry, with its many subsidiary and far-reaching supply industries, is facing sales difficulties. The lumber industry has not for many years been faced with such marketing problems and had so many unemployed woods workers. The fishing industry is at its lowest point in many years, with market development falling far behind production and most companies in the business operating at a loss.

Isn't it time to do something about the tight money situation, especially in the Atlantic region of Canada, where there are no scarcities of labour and materials such as existed a short time ago in a few sections of the country and which would be responsible for additional inflationary pressures?

Isn't it time now to prime the carburetor of the Canadian economy?

I am sure the present Government is aware of the views of the Conservative Premier of New Brunswick who, at a public session of the meeting of the Atlantic Premiers in Charlottetown in September this year, referred to the tight-money policy. At this meeting he declared that the tight-money policy had not been successful in checking the rising prices. He also said:

The only thing which appears to be in really short supply is money, particularly east of Montreal.

Honourable senators will recall that Premier Stanfield of Nova Scotia gave the keynote address at the convention which selected the present Prime Minister as the newest leader of his party. Has this present Government paid no attention to his opinion on this policy of tight money? The *Halifax Chronicle-Herald* reports that in his address on November 8, at the Empire Club of Toronto, he cited Canada's tight-money policy as one of the main reasons for the Maritime's low economic status. He is quoted as saying this:

While we were carried along in the swell of the great Canadian boom, the Bank of Canada decreed that you were suffering from inflation. Certainly we had none of the obvious symptoms. But, as Premier Flemming said, everyone in the family had to take castor oil whether he needed it or not. . . . So far as we in Nova Scotia are concerned, we view the policy as a unique failure and reasonably expect it to be abandoned.

I believe an editorial in the October edition of the *Maritime Merchant*, the Atlantic provinces merchandising monthly, is a consensus of opinion in the Maritimes on this subject. It says:

It would seem we have reached the end of a period of almost unprecedented prosperity.

Activity has fallen very noticeably in some industries, while in others a levelling out or tapering off is evident. The employment picture has become decidedly more mixed and considerable unemployment exists in some areas . . .

And it concludes:

The tide has turned and the question now is how long will the readjustment stage we are now in continue. Undoubtedly, we will soon see an end to the tight-money policy.

May I be allowed, having this in mind, to refer to just one more illustration of informed Maritime opinion, as expressed in an editorial of the *Halifax Chronicle-Herald*, dated November 13, under the caption *Time to Ease Controls*:

There is growing evidence across this country that the need for the tight money policy applied by the Bank of Canada with the support of the federal Government one year ago has run its course and that, if the monetary brakes are not soon released, Canada will move into a difficult winter.

A new government cannot be expected to do everything at once. Supporters of the opposition parties in the Houses of Parliament have undertaken to provide every opportunity for the Government to reveal its plans and policies in a reasonable length of time. But may I suggest that the present economic situation in Canada, and in the Atlantic provinces particularly, calls for emergency action, with unemployment rising at an alarming rate—almost double what it was last year at this time—with some communities in the Maritimes, for the first time in their experience, being declared by this Government as areas of surplus labour force eligible for assistance in uprooting and transporting them elsewhere, where they might not find employment.

This emergency action should certainly include a reconsideration of the tight-money policy. I believe a change in this policy immediately would have a favourable effect on the development of a new pulp industry in eastern Nova Scotia, where there is an extreme need of new employment opportunities. In the first place, the Government of Nova Scotia would be able to obtain the money for the necessary purchase of certain cutting rights at a more reasonable rate of interest. A company now negotiating with the province for the establishment of the industry would also find the money market in Canada much more favourable for the necessary financing and would therefore be in a position to get the project underway at a much earlier date.

In no part of Canada would an announcement of a change in the policy of tight money and high interest rates be received more warmly than in the Atlantic provinces, where the full effect of the Canadian boom

has never been felt, and from whence little, if any, contribution has been made in the past to the pressures of inflation. The people of that part of Canada are surely not unaware that a policy which allows the extension of credit to a British firm for the purchase of its greatest industry should not permit a situation to continue in which governments, both municipal and provincial, small businesses and individuals are restricted as to the amounts which they would reasonably be expected to borrow and, owing to the scarcity of credit, be obliged to pay almost prohibitive rates of interest.

There are other fields in which the people of the Maritimes expect government action to be taken at once and are awaiting with great interest the immediate implementation of those campaign promises which appear to have been of great influence on the result of the last election.

The announcement that has been made with regard to subventions on coal used in thermal power plants is far short of the commitments made by the present Prime Minister to assist in the cost of transporting coal to points within the Maritime provinces. As a matter of fact, the estimated total of this proposal is merely one-eighth of the assistance promised, since at present 400,000 tons of coal are used for thermal power purposes, compared with a total use of coal in the Atlantic provinces of about 3 million tons.

These proposals are less than the warmed-over proposals of the former Government. And what do these proposals mean in terms of dollar-wide assistance?

It has been announced that the additional subvention will equalize the cost of Nova Scotia coal used in thermal power plants in the Maritimes with the cost of American coal used in power plants in Ontario. Since this difference in cost will vary with the B.T.U. content of the coal used, the additional amount of subvention will therefore vary from plant to plant. But I believe the meagreness of the assistance can be illustrated when I tell you that I have been informed that in some presently established thermal power plants—for example, in Amherst—the additional subvention will be something less than \$1.10 per ton. The users of power and the coal-mining industry must always be reminding themselves of the pledge of the Prime Minister made in New Glasgow on April 30, when he said:

There will be subventions for coal in these provinces, according to your request and to the demands of the people.

To deal with this matter in the manner promised requires no further consideration than was given before the present policy was announced a few weeks ago.

The people of Canada have heard and read so much concerning the wheat marketing problems of the west that perhaps they have not yet been generally made aware of problems associated with the marketing of other products, inasmuch as some of these problems are of more or less recent origin.

I wonder if the people of Canada—or even their present Government—are aware of the depressed state of the lumber and pulpwood market? I wonder whether they are aware of the marketing difficulties of the fisheries industry?

The quickest way for this Government to have indicated that it meant business when it went up and down the Maritime provinces flourishing its so-called National Development Policy, would have been to have met the proposal of the British Government for free trade with enthusiasm rather than with the shocked silence of Canada's Minister of Finance. This could have been the first step in the development of a much wider free-trade area to include the United States and other countries. No greater market opportunities could have been presented to the lumber industry and to the fishing industry of the Atlantic provinces. By the latter, such a policy would have been hailed as a saviour of the industry. At the present time an important part of our fish exports have to meet a moderate tariff barrier, and only a Presidential veto has prevented that barrier from being substantially raised in recent years.

Should the trade policies of this Government develop in a direction opposite to that of free trade the people will be made conscious, in a very painful way, of the difference between Conservative and Liberal thinking concerning this subject; and no amount of debate on other issues will prevent them from letting the Government know in an effective way which party is to be trusted with their confidence in the future.

It has been said and written that those who point out the facts in connection with present economic conditions are to be considered gloom spreaders, and that they do a disservice to the people they represent. May I submit that no greater contribution to the present lack of confidence in the immediate future of this country is possible than is at present being made by the Government of the country in failing to let the people know just what they intend to do about the economic ills which have continued to grow day by day since the Government took office.

There is little doubt in anyone's mind about the long-term future of this country, having in mind her immense resources, material and human. Her place in Destiny is a high place, but one must express regret

that her steady march forward in that high place appears to have been unnecessarily interrupted.

On motion of Hon. Mr. Quinn, for Hon. Mr. Euler, the debate was adjourned.

### DIVORCE

#### REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on

Divorce Nos. 132 to 139, which were presented yesterday.

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved that the reports be adopted.

The motion was agreed to.

The Senate adjourned until Tuesday, November 19, at 8 p.m.

**THE SENATE**

**Tuesday, November 19, 1957**

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

Prayers.

**JOINT COMMITTEE ON RESTAURANT**

COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Resolved: That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Best, Campbell (The Battlefords), Caron, Deslieres, Gour, Grills, Habel, Hales, Jorgenson, Kucherepa, McBain, McDonald (Hamilton South), McGee, McGregor, McIvor, McWilliam, Milligan, Robichaud, Smith (Battle River-Camrose), Stewart (Winnipeg North), Stick, Studer, Villeneuve (Roberval), and Yuill, to assist His Honour the Speaker in the direction of the restaurant so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a Joint Committee of both houses on the Parliamentary Restaurant.

**JOINT COMMITTEE ON PRINTING**

COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Resolved: That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the following members, namely: Messrs. Barnett, Batten, Best, Blackmore, Boivin, Bonnier, Bryce, Campbell (Lambton-Kent), Castleden, Cathers, Coates, Dechene, Doucett, English, Gauthier (Nickel Belt), Gingras, Gour, Hales, Hansell, Harrison, Knowles (Norfolk), Kucherepa, LaCroix, Landry, Langlois, Lennard, L'Heureux, Loiseau MacEwan, MacInnes, Maltais, Martin (Timmins), McGee, McIvor, McWilliam, Menard, Michaud, Montgomery, Muir (Lisgar), Muir (Cape Breton North and Victoria), Patterson, Phillips, Raymond, Regier, Rochefort, Rowe, Rynard, Schneider, Smith (Simcoe North), Thibault, Thomas (Middlesex West), Thompson (Edmonton-Strathcona), Wratten and Yuill, will act as members on the part of this house on the said Joint Committee on the Printing of Parliament.

**JOINT COMMITTEE ON LIBRARY**

COMMONS MEMBERS

The Hon. the Speaker informed the Senate that the following message had been received from the House of Commons:

Resolved: That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Miss Aitken, Anderson, Barbes, Beech, Begin, Best, Blackmore, Bourque, Castleden, Cathers, Coldwell, Deniset, Dinsdale, English, Eudes, Fisher, Habel, Henderson, Houck, Howe, Kirk, LaCroix, Lavigne, Leboe, Leduc (Gatineau), Lennard, MacEwan, Macquarrie, McGrath, McIlraith, Mandziuk, Nicholson, Nixon, Pickersgill, Ratelle, Robichaud, Rowe, Simpson, Small, Smith (Calgary

South), Stefura, Thomas (Wetaskiwin), Valois, and Walker a committee to assist His Honour the Speaker in the direction of the library of parliament so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a Joint Committee of both houses on the Library.

**DIVORCE**

PETITIONS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce: Honourable senators, I have some 21 petitions for divorce which I wish to present. May I also give public notice of what is already known to honourable members, that the 25th of this month is the last day for the filing of petitions. In the recent past it has not been the practice to extend that time, and it will not likely be the practice at this session.

REPORTS OF COMMITTEE

Hon. Mr. Roebuck presented the committee's reports Nos. 142 to 154, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to.

**PRIVATE BILL**

ST. MARY'S RIVER BRIDGE COMPANY—  
FIRST READING

Hon. William H. Golding presented Bill 0-5, respecting St. Mary's River Bridge Company.

The bill was read the first time.

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

Hon. Mr. Golding: Thursday next.

**INTERNATIONAL TRADE**

DESIRABILITY OF ENLARGING CANADA'S  
TRADING AREA

Hon. Wishart McL. Robertson rose in accordance with the following notice:

That he will draw the attention of the Senate to the desirability of Canada following the example of other nations of the Western world in seeking to enlarge her trading area to those countries whose governments are prepared to wholeheartedly co-operate in achieving the maximum economic benefits to all concerned, as a means to:

(1) Combating inflation, reducing cost of living, reducing costs of production, and thereby increasing the marketing opportunities for the products of our primary and secondary industries.

(2) Providing at long last an opportunity for the so-called "Have Not" areas of Canada to attain a degree of economic development comparable to that presently enjoyed by the "Have" areas.

He said: Honourable senators, I welcome the opportunity to draw the attention of the Senate to a matter in which, for a considerable period, I have had a very active interest. I do so not because I possess any special knowledge of the subject, but because I

believe it is one which is of vital importance to Canada; and I think this is a proper theatre in which to bring it up for consideration, since honourable senators not only represent all parts of Canada and all interests in Canada, but many of them also have a very active interest in the subject and are well informed on matters pertaining thereto.

I want to suggest that Canada needs a new trade policy to enable her increased production to find adequate export markets. Surplus production is already beginning to appear, and changing conditions at home and abroad are presenting entirely new problems. I believe our present policies are hopelessly out of date.

I would remind honourable senators that 85 to 95 per cent of Canada's export trade, with which we pay our bills, is comprised of the products of our farms, forests, fisheries and mines. Our secondary industries are, generally speaking, such high-cost producers that they cannot successfully export, and therefore they contribute very little to the total of our export trade.

Canada's exports are sold in highly competitive markets, which may be even more highly competitive in the future; therefore, the cost of production is vital to success. Cost of living is steadily mounting, bringing new demands by labour for higher wages, both in export industries and in the great transportation industries as well. Such increases, if, as and when granted, may further affect our costs.

A new and serious challenge may well come from a new quarter. Soviet Russia, whose area is three times ours, and presumably has three times our resources, may become, sooner or later, a very serious competitor. She has always been a competitor in forest products, and may be more so in the future. Recently she has offered aluminum in London markets at less than world prices. In the course of time she will probably produce anything we do, and she is in a position to sell it at whatever price she sees fit.

Entirely new conditions are arising in many of our export markets. The United Kingdom and Western Europe are moving to create a huge trading area, comprising 285 millions of people; they intend, over a period of from 12 to 15 years, to remove the existing restrictions on the free flow of trade until it becomes one entire trading area, as free of trading restrictions as circumstances may make possible. Their object is to create an area approximating or exceeding that of the United States of America, with the advantage of cheaper costs for their own consumers, and to increase their ability to compete in world

markets. What effect it may have on our export markets is problematical, but while the opportunity to sell may be greater because of increased volume, prices obtainable may well be lower.

Our other major market is the United States. She is, of course, by far our best customer, yet there are unsatisfactory features in respect to our markets there. In recent years governments of both political parties have been co-operative and kindly disposed. Her tremendous purchasing power and rapidly growing population offer a favourable opportunity for us as a market for what we have to sell; yet, because of her Constitution, members of Congress responsible to pressure from their constituency interests can create situations leading to great uncertainty. Isolationist elements in Congress are quick to seize on anything that will aid them in their fight for increased restriction on imports. Recently the Government of Canada has embarked on a largely advertised program of diverting \$600 million of our imports from the United States to the United Kingdom. There are rumours that some of our secondary industries are seeking higher tariffs against United States imports. What may become of both of these projects remains to be seen, but I shall be surprised if it has escaped the notice of protectionist interests in Congress, particularly as they too are currently suffering from the recession.

Honourable senators, apparently as matters now stand the Western world is to be divided into three main trading areas—the United Kingdom and Western Europe, with 285 millions of people; the United States, with 175 millions, and Canada, with 17 millions. Frankly, I do not like the look of it—it looks too much as if we might find ourselves out on a limb.

I had always hoped that our problems in a larger way in respect to trade would be solved by the implementation of Article 2 of the North Atlantic Treaty, which called for economic co-operation among its members, Canada and the United States included. I would remind honourable senators that Article 2 is supposed to have been placed in the North Atlantic Treaty not by Canada, but at her insistence, or at least with her active co-operation. We felt, and it was a view shared by all political parties in Canada, that this new organization which we were entering, and in which we were assuming tremendous obligations, should give serious consideration to economic as well as military co-operation, as a basis for the solidifying of the organization itself.

About four years ago various members of the Canadian Parliament, representing all four political parties, formed an organization known as the Canadian NATO Parliamentary Association. I do not know that they always agreed in respect to details, but they had one common idea in view. They felt that, as the fifteen countries of NATO had bound themselves together for each other's defence for a period which in effect was for perpetuity, it was a most natural area in which to find the element of inter-dependence which existed between them and that this made it a most likely area in which to accomplish economic co-operation.

These members of the Canadian Parliament felt that way, and in due course they met, formed an organization and communicated with like-minded members of all the other fourteen partners of NATO. They found a responsive cord in each country, and three years ago the Canadian delegation, along with delegations from the other fourteen members of NATO, met in Paris to consider various matters of mutual interest in this connection with NATO, and the one common object was the possibilities of increased economic co-operation. There were distinguished representatives at that gathering, including no less a personage than the present Prime Minister of Canada, who led the Conservative delegation. The Minister of Trade and Commerce was not on that particular delegation but he was a very active member of the committee. The present Minister of Fisheries attended the meeting, the present Secretary of State, and during the week's negotiations which took place in Paris there was a pretty definite and common idea that in some way or other something of mutual interest in economic co-operation might exist among the various members of the fifteen countries of NATO.

By the time the next meeting was held, in the following year, there was still the underlying feeling in respect to economic co-operation, but I sensed a very marked difference of viewpoint. One felt there was, perhaps, envy of the prosperity of the North American continent, and while they would desire to co-operate in every way, shape and form there seemed to be, first on the part of the members of the Western European group, a desire to get together in some sort of a common trading area which would approximate the area of the United States. Originally Britain was not considered as likely to be interested. In due course, as honourable senators know, that has taken on a very great importance, and the United Kingdom is seriously entering into the arrangement. It includes, I think, all but one of the European partners of NATO, together

with other countries that are not members of NATO, such as Sweden and some other countries which, though not actually members of NATO, are very closely associated.

What I mean to indicate by that, honourable senators, is that I should have thought co-operation would have been easiest among those fifteen countries that have so much in common, and which bound themselves together for mutual interest. I think it will come inevitably, but at the present moment it seems that it will come on a piecemeal basis. In view of the dramatic events of recent weeks, it may be that at the meeting of the heads of states of the fifteen countries in Paris early in December some proposals may be made along the lines of economic co-operation which I, of course, know nothing of, but there is nothing in the newspapers to indicate that those matters will be considered. It would appear that the meeting will be confined, as other meetings have been in the past, almost exclusively to military co-operation, plus the new co-operation in scientific matters.

Perhaps, as I said, the December conference of heads of the NATO states will do something about this phase of co-operation, but I have my doubts. Certainly, if it does not, we should move to prevent ourselves from being isolated.

Recently the United Kingdom made Canada a proposal that should be seriously considered. The details have never been made public, but, as I understood them, the essence was that while, on one hand, the United Kingdom would join Western Europe in a large trading area, on the other hand she offered to enter into much the same arrangement with Canada. The proposal met with mixed reception, and understandably so. On the one hand many felt that it had distinct possibilities, while others were fearful of the repercussions it might have on our north and south trade with the United States. For my part I think there is a fair chance to meet both viewpoints. I believe we should seriously explore the United Kingdom proposals, but on this condition: that we at the same time seek to enter into a similar arrangement with the United States of America. To me we would form a trading area of 250 million people.

If this were done we would be entering into agreement with the United Kingdom on the one hand, and the United States on the other, to progressively remove trade restrictions over a period of 12 to 15 years, subject to whatever conditions might be mutually agreed to, to prevent undue dislocation of existing conditions. What, then, are the probable effects on the Canadian economy?

Let us take first the position of the producers of products based on the resources of our farms, fisheries, forests and mines. I can see nothing but advantage to them. They would have preferred markets, free from passing threats and day-to-day worries. This would undoubtedly be a definite advantage. And the lower costs of production from lower costs of living would improve profit margins. The success of our primary producers would bring great additional benefits to our transportation and service industries, again with the added advantages of lower costs of living.

However, because of existing circumstances it may well be that our secondary industries, largely located in Ontario and Quebec, would be the greatest beneficiaries of such a change in policy. At the present time they are low-volume, high-cost producers, and their markets are almost entirely confined to Canada's 17 million people. Their production costs are so high that they can exist only by the aid of tariff protection and by charging the Canadian consumer prices much higher than those of the United States, their greatest competitor. These higher selling prices probably vary in amount, but a year ago a prominent Canadian, Mr. H. R. MacMillan, of Vancouver, in a speech at Toronto, gave some information on this point. He gave figures to indicate that eight typical items in the pulp mill construction in British Columbia cost on the average about 30 per cent more than in the Northwestern States. A list of 14 items of consumer goods averages even higher than this figure. Despite these prices the secondary industries are finding it difficult to meet outside competition, and are organizing to ask for additional tariff protection. They will probably meet even keener competition in the future, because the very essence of the arrangements between the United Kingdom and Western Europe is to enlarge their areas so that they will have the advantage of mass production. But there is bound to be great opposition in Canada to any attempts to raise tariffs. The basic difficulty of our manufacturers is that they have a small market of only 17 million people, whereas European countries, such as Western Germany, Britain and France, each with about 50 million people, are moving into larger trading areas to solve their production cost problems. Arrangements with both the United States and the United Kingdom for progressive removal of trade restrictions offer the secondary industries of Canada an opportunity to gradually change from low-volume, high-cost producers to high-volume, low-cost producers. They have cheap power, strategic locations, and, given the volume market, should successfully compete with any industries elsewhere on the continent. This change of policy may afford them an opportunity to

get out of the increasing difficulties with which they now seem to be faced and which, I believe, they will have to meet on an ever-increasing scale in the future.

I want now to say a word with reference to the so-called "have-not" areas in Canada. But I am going to confine myself specifically and entirely to the province of Nova Scotia, which I know best and of which, of course, I am one of the representatives. I would hope that honourable senators from other areas whose populations are not as prosperous as those of some other provinces may rise to assess the impact on their respective communities of such a policy as I am suggesting. I read an editorial in the *Toronto Globe and Mail* of Saturday last which clearly and succinctly states the exact situation. The writer is referring particularly to the Maritimes, and I adopt his remarks as illustrative of the position of Nova Scotia:

For generations they have been lagging behind the rest of Canada in progress and in prosperity: last year, for instance, Nova Scotia's *per capita* income was \$1,000 and New Brunswick's \$923 against a national average of \$1,350.

I take no exception to that statement, though I would qualify it a little in one respect. I should like to correct the impression, if such impression exists, that in recent years the Maritimes—and I speak especially of Nova Scotia, for I know that New Brunswick is ably represented by eloquent speakers and can look after itself—have not made important advances. In fact there has been a very great degree of progress. Because of my legislative duties, in the last ten or twelve years I have not lived in the province of Nova Scotia as continuously as I did before. But every time I go back home I am amazed at the progress which has taken place in some areas. Generally speaking, our primary producers have shared in the general prosperity, with, as well, some of the handicaps experienced by primary producers in other parts of Canada. The steel industry in Cape Breton and eastern Nova Scotia has been successful. The coal industry, perhaps, is not in quite so happy a position.

The city of Halifax has shown tremendous development, spurred by increased ocean shipping, sizeable defence expenditures and the growth of service industries. Anyone who has not visited Halifax for 10 years would hardly believe the development that has taken place. I make this statement to help correct any impression that Nova Scotia has not enjoyed some of the great prosperity enjoyed by Canada over the past 10 years. Perhaps the difficulty is relative. The people of Nova Scotia feel that the general tide of capital which has flown into

Canada by billions of dollars in recent years has almost entirely passed them by. While they welcome the money that has come from increased defence expenditures, they feel the time might come when these expenditures will be discontinued. They are essentially a proud people and they feel Nova Scotia is not enjoying the same degree of prosperity that is being enjoyed by other parts of Canada, and they want something to be done about it.

This is nothing new, of course, and this relative position I have referred to has existed for a long time and has been a lively political issue. Governments have been blamed for sins of commission or omission, but my own judgment, based on some years of experience, is that this practice of blaming governments has been over-emphasized.

Then there has been a tendency to unfairly criticize Nova Scotians themselves. As an illustration of this tendency I would read further from the same editorial:

Previous dominion Governments have treated this condition with handouts; possibly alleviating it, certainly perpetuating it, and encouraging a passive, pessimistic frame of mind among the recipients.

I do not believe that statement is accurate, that there is a passive or pessimistic frame of mind among the people of Nova Scotia. They feel they are entitled to a larger share of the world's goods and the general prosperity that has been flowing into Canada, and many of them cannot understand why something is not done about it. Based on my observations, particularly as a member of the former Government for eight years, I would say that federal Governments have always been disposed to rendering any possible assistance they could. This statement applies to the colleagues of the Government of which I was a member, and I think it applies to the present Government. There has been no lack of good will. The difficulty has always been to decide upon the most practical thing to do under the circumstances. The editorial from which I have read reflects on Nova Scotians and suggests they themselves should do something to improve their position. Human nature being what it is, I suppose people possess certain qualities in varying degrees, but in my judgment the Nova Scotia businessman is just as able, far-sighted and energetic as any businessman in Canada, and I might venture to say even in larger territories.

**Hon. Mr. Isnor:** Hear, hear.

**Hon. Mr. Robertson:** It may be that on the average the Nova Scotia businessman is even superior, for he has to do business in a harder school. Certainly the Nova Scotia businessman

does not lack the ability to size up a good business opportunity.

Honourable senators, during the long period of years from Confederation to the present time there has not been great economic and industrial growth in Nova Scotia. The hard-headed businessmen who have run the industries there, which rely on the products of natural resources—and these are outside the major industries of Canada—have been successful and have accumulated a considerable amount of capital in the process. If they had believed there were further opportunities in the industrial growth of Nova Scotia, having as a primary objective the selling of goods in the markets of Canada, they would have seized upon those opportunities long ago. Their test has always been that of any good businessman, the probability of profitable markets. Wherever they have seen an opportunity for profitable markets they have taken advantage of it. They did not embark on anything which they did not feel would be a profitable venture.

It is difficult to generalize, but I feel that the production and transportation costs that have to be met by businessmen in Nova Scotia, as compared with those that have to be met by businessmen in the densely populated area of the St. Lawrence valley in central Canada, are such that they make the production in Nova Scotia of consumer goods for the Canadian market very difficult. There have been exceptions, of course, as far as Nova Scotia is concerned; but, generally speaking, Nova Scotia is too far away from the centre of Canada's population. The various branches of secondary industries which have come into Canada during the last quarter-century have for the most part gone to Ontario and Quebec—really to a geographical area that is bounded by the city of Quebec on the east and perhaps by Sault Ste. Marie on the west. Because of transportation facilities, and so on, industries have a tendency to congregate. I think any area located far from those east and west boundaries has a great difficulty in producing primarily for the market of 17 million people located in Canada.

That has nothing to do with the acts of the Government, or of grasping characteristics of the provinces of Ontario and Quebec; it is simply that the law of economics governs. The United States itself is an illustration of that fact. Farther west, of course, is an area of great natural resources, and geographical distance provides them with a certain protection, so that to a certain extent the secondary industry may prosper. On the other hand, Nova Scotia is making a very concerted effort on its own behalf, and anything I say should not be taken to mean that I am discouraging the idea. In Nova Scotia, as well

as in the other Maritime provinces, there is a group of active energetic businessmen, forming the Atlantic Provinces Economic Council; they are enthusiastic, and give their time and services to accomplishing something along the lines of industrial development in Nova Scotia. Provincial Governments have organized themselves—that of Nova Scotia prior to the one now in power did, as has the present one,—to provide capital by way of loans to any prospective manufacturer or for any industrial operation in Nova Scotia, and entered upon a very energetic campaign of visiting various countries which might be interested in our development.

Last, but not least, as honourable senators know, very recently the federal Government made a very generous offer in respect to generation of electric power, to which my honourable friend from Saint John-Albert (Hon. Mr. Emerson) referred the other day. While the details are not before us, it has been intimated from Halifax that the project is designed to give cheaper power to the Maritime provinces, and in this case, in Nova Scotia at least, it will not be for either domestic or commercial users, but will be concentrated entirely on providing very much lower costs of power for industrial users. The object is to reduce costs practically to the present costs in the province of Ontario of thermal power generated by imported American coal. This will effect a marked decrease in costs for industrial users. When I say this, I do not wish in any way to discourage or to say anything that might interfere with the energetic efforts of the businessmen of the province of Nova Scotia, and the assistance being rendered. Certainly they have made a major effort to accomplish industrial development in the province with the idea of getting a part or a share of the Canadian market.

Having said that, I come back to the same viewpoint that I have always held in regard to Nova Scotia. Since I was first elected to the Legislature, in 1928, I have not seen anything to change my mind in respect to the position of that province. Yet Nova Scotia suffers a major handicap by reason of her distance from the larger centres of Canada and is, so to speak, on the circumference. Her relative prosperity in the old days was founded upon her maritime position. In the Canada in which we live today her maritime position presents no advantages, but I have always hoped that sooner or later her maritime position would again be utilized. It is perhaps part and parcel of my make-up to feel that way, because I was brought up in a Maritime

household. My maternal grandfather came to Nova Scotia over 100 years ago. Pounds, shillings and pence were the currency in those days, and I doubt if he had 100 pounds to his name when he landed. Yet, within fifteen years, without any favour or assistance from anyone, he built up a fleet of ocean-going vessels which travelled around the world. It was during that period that the relative degree of prosperity in the Maritime provinces was higher than in any other part of British North America. It is therefore naturally embedded in the minds of Nova Scotians, or Maritimers, that somehow, somewhere they will again have the opportunity to utilize to the full the asset of their maritime position. And the experience of 50 years has shown that it simply cannot be done by living on the fringe.

Honourable senators, I feel that if there were economic co-operation by the members of NATO, and if Canada participated in it, a trading area might be created as large as the NATO countries. I do not think that is feasible at the moment, although, as I said before, I believe it will come. However, I feel that we could enter into a long-term trading arrangement with the United Kingdom, on the one hand, and with the United States, on the other, and I see no reason why we should not do so. It would place the province of Nova Scotia virtually in the centre of a trading area of over 250 million people, and as a result the Maritimes would have an opportunity to utilize their maritime position as an asset, for their relative position would change and their trade expand.

I recall that the honourable senator from Churchill (Hon. Mr. Crerar), in speaking in Antigonish, many more years ago than I care to think of, said that "the present trading policies had taken the smell of the sea from the nostrils of the Nova Scotians". That was a picturesque way of describing the exact situation; and the other day when practically the last Canadian ship's registry was transferred to Trinidad, I felt it was a sort of end to the story. I do not blame the Government at all for what has been done, for the attendant circumstances may have made it necessary, but it drove us off the sea, which had been our greatest source of wealth. I am as convinced as I am that I am standing here that it would be to the mutual advantage of Canada if we entered into a long term trading relationship with the United Kingdom, on the one hand, and with the United States, on the other, and that this would provide a fair opportunity of gradually getting back the great advantages that our maritime position gave us in the years gone by.

**Hon. Mr. Euler:** May I ask my friend a question with regard to his final remark? Does he in effect suggest that there should be free trade between these three countries, Great Britain, the United States and Canada?

**Hon. Mr. Robertson:** My honourable friend used the words "in effect". I have in mind that while Great Britain is on the one hand offering to go into a trading area with Western Europe, she is on the other hand offering to make the same arrangement with Canada. I am suggesting that we should consider the offer from the United Kingdom, and at the same time enter into the same arrangement with the United States.

**Hon. Mr. Euler:** That is the answer to my question.

**Hon. Mr. Robertson:** As to the details of the arrangement, I understand that, particularly with respect to the European countries, it is hedged about by a great many qualifications, as indeed one would expect in an arrangement between countries which have been fiercely nationalistic and for many years have been at each other's throats. I say if countries with that historical background—countries varying from Luxembourg, with 300,000 people, to Western Germany, with 50 million—can drop their differences for the common advantage of all, how much simpler it is for three countries like Canada, the United Kingdom and the United States, which have so much in common, to enter into such an arrangement.

Honourable senators, I leave these suggestions with you for your careful and, if need be, your prayerful consideration.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Brunt:** May I ask the honourable gentleman a question?

**Hon. Mr. Robertson:** Certainly.

**Hon. Mr. Brunt:** Do I understand that my friend is advocating that Canada and the United States enter into an agreement for free trade in our natural products, wheat, livestock and lumber?

**Hon. Mr. Robertson:** I said in everything.

**Hon. Mr. Brunt:** Would my honourable friend make that proposal in spite of the fact that the administration in the United States is today doing nothing but conducting fire sales on wheat, and would dump it in on us?

**Hon. Mr. Robertson:** We will mingle with them to reform them.

**Hon. Mr. Brunt:** Do you think that 17 million people can reform 175 million people?

**Hon. Mr. Robertson:** If the conscience is clear.

**Hon. Mr. Smith (Queens-Shelburne):** One man did a great deal more than that.

**Hon. Mr. Robertson:** I repeat, if the conscience is clear it can be done.

**Hon. Arthur W. Roebuck:** Honourable senators, may I take this opportunity of congratulating the honourable senator from Shelburne (Hon. Mr. Robertson) on the magnificent speech he has just delivered. He said that any lack of prosperity in the province of Nova Scotia was not due to any lack of progressiveness on the part of the people of that province. Judging from the Nova Scotians whom I know, I would say that is a true statement. Nevertheless I believe that if all the people of Nova Scotia had the ability and courage of thought which the honourable gentleman from Shelburne has demonstrated in his speech tonight, that province would not be as backward as it is at present.

The honourable senator from Waterloo (Hon. Mr. Euler) asked the honourable senator from Shelburne whether he was in favour of free trade between the three great trading divisions, Canada, the United Kingdom and the United States. I thought my friend hesitated a little too long in his answer to that question. It is true that free trade measures would have to be introduced slowly and carefully, so as not to disturb unduly the present arrangements that have grown up over a number of years under protective conditions. I think the honourable gentleman from Shelburne should have answered—and I answer for myself—with a firm "Yes". I am in favour of free trade over this great area, and I say it without any hesitation whatsoever, subject of course to a common-sense introduction of the appropriate measures.

I come from a great manufacturing city, Toronto, and I am convinced that were we to sweep the border clean of tariffs, and allow goods to pass freely between that city and the populated country to the south, those very people who talk protection most glibly in my town would receive the greatest benefit. Indeed, if we abolished the restrictions between ourselves and the people to the south, the city of Toronto would become another Chicago.

Now, nobody with any common sense believes that we should make such changes too rapidly. The honourable member from Shelburne has suggested that we enter into reciprocal agreements with United States and the United Kingdom to bring about this

change in the course of 10 or 15 years. May I tell him, with my compliments, that I am entirely in favour of such measures.

We in Canada, with our small population, have endeavoured to make ourselves self-sufficient, but of course we have not done so. We must sell our natural products abroad in order to maintain the high standard of living which we have enjoyed, not always, but in the recent past. My memory goes back to the time when Canada was a very poor country, largely because of the protectionist philosophy adopted by ourselves and our neighbours to the south, which prevented the exporting of our products. I recall that when I was a boy on the farm we were unable to sell our sheep and lambs, or our wheat and oats, across the border because of a then recently adopted restrictive policy of the United States. That policy was a disaster not only for us but for them. The maintenance of high tariffs has been equally disadvantageous to both countries.

The prosperity of the United States has in my judgment been due very largely, though not entirely, to the free trade she has enjoyed among her several states in a total population which now numbers 175 million people, stretching from our border at the 49th parallel to the Gulf of Mexico. It is a very large area, populated by a most progressive people, who trade with absolute freedom among themselves. Had we had the courage to make some economic arrangement with the United States—I have no desire to join that country politically—to throw down our tariff walls and so give our manufacturers a chance to compete with the people of the United States in their market, we would have been a much bigger nation today. It is often argued that we cannot let down our tariff walls while others maintain theirs against us. The humble thought I offer to honourable senators is this: If the United States maintained the restrictions it has now imposed on its business people, and we freed ourselves and allowed our people to buy in the cheapest markets and sell in the dearest, we would undersell the Americans in foreign markets, we would beat their heads off in foreign competition. There are those who cannot see beyond their own brick walls. They very honestly feel that were tariffs reduced on the goods they sell, while tariffs were maintained on the things they buy, they could not compete in our own market or abroad with other trading countries. Such people think only of our present trading conditions. A reduction in price would follow a reduction in tariff; and they see nothing but disaster as the result. If they would consider the whole matter carefully they would appreciate that a reduction in the tariff on the articles they make and sell would be offset by a similar reduction on

the goods they buy. In that way they could expect greater profits and faster expansion.

I know there is a very strong protectionist feeling in the cities of Canada—not in the rural areas but in the cities—but I speak from a city viewpoint with, it is true, a rural upbringing, and I am convinced that if what the honourable senator from Shelburne has told us tonight were actually put into effect Canada would be a much greater country, that if Canada took some leads in this respect it would set an example probably to the whole world. If the Western countries are to compete with the great Soviet Union, where there is a free exchange of products among something like 200 million people, the West must abolish the artificial restrictions of tariffs and quotas and other means of discouraging trade and adopt with regard to trade the same principles that they adopt with regard to transportation. At the present moment we are spending millions of dollars to deepen, widen and make more useful the canals of the St. Lawrence River and the Great Lakes in order that trade may be more free and cheaper, and at the same time, illogically we have of our own volition imposed tariffs that will make trade less free and more costly.

When we become logical in that regard and take every step that we know of to make trade free and to facilitate it, make it less costly and increase it in amount, the greater will Canada grow and the better will be our example to the other peoples of this world.

So, honourable senators, let me again congratulate my honourable friend from Shelburne. He has taken a courageous, a thoughtful and a very beneficial stand in the speech he has just made, and I hope that it will be widely read.

**Hon. W. D. Euler:** Honourable senators, I also come from a district which is very heavily industrialized. When I was a member of the House of Commons I was sometimes called a high protectionist, which, of course, I never was and am not today. But I believe our market should not be free to those who close their markets against us.

When I asked the question of the sponsor of the discussion (Hon. Mr. Robertson)—who has spoken so well, and whom I congratulate—I was asking merely for purposes of clarification. I think we indeed understand that what he suggested and recommended is that there should be, in time, complete free trade between Britain, the United States and Canada. Now, in theory, free trade is sound, but you could not possibly bring it into effect in a very short period because there would be such a dislocation of manufacturing businesses in Canada that they simply would not be able to survive.

Some years ago in my city a manufacturer of shoes to whom I spoke about the matter of tariffs between Canada and the United States said to me: "If I could be sure that I would have the American market permanently I would welcome free trade between the two countries. As it is now, with my small production and the immense distances I have to send my travelling salesmen, extending two thousand miles to a small western Canadian market, my selling costs are very high. If I could be assured of permanent free trade with the United States I would have within a distance of two hundred miles a market of some 50 million people. "However," he said, "I do not know"—and I think that is the position of a good many Canadian manufacturers—"that any free trade agreement with the United States would be permanent. If one were made and the United States found that it was not in its interest to keep the contract, it would abrogate the contract and our manufacturers would be left high and dry after adapting themselves to that large market." I think that was a fair argument.

But my friend from Toronto-Trinity (Hon. Mr. Robeuck), who is a philosopher with regard to free trade—and I have no quarrel with him about that either—and my friend from Shelburne (Hon. Mr. Robertson), said that there should be an agreement for free trade among the three countries, Canada, Britain and the United States. I have no desire that it should go any further than that, but I venture to say that if free trade did exist between these three countries it would ultimately result in political union.

On motion of Hon. Mr. Taylor (Norfolk), for Hon. Mr. Crerar, the debate was adjourned.

### SPEECH FROM THE THRONE

On the Order for resuming consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of the Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto:

**Hon. Mr. Euler:** Honourable senators, I would ask that this order, which is in my name, stand until tomorrow.

**The Hon. the Speaker:** The order stands.

### DIVORCE AND ANNULMENT BILLS

#### SECOND READINGS

**Hon. Arthur W. Roebuck,** Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill A-3, for the relief of Marguerite Downie Malo.

Bill B-3, for the relief of Irene Patricia Heffernan Brown.

Bill C-3, for the relief of Catherine Ann Naylor Couture.

Bill D-3, for the relief of Antonio Bucci.

Bill E-3, for the relief of Maurice Robert (Annulment).

Bill F-3, for the relief of Frances Dorothy Denenberg Bloomfield.

Bill G-3, for the relief of Theodore Elbert Holtham.

Bill H-3, for the relief of Claude Murray Kirk.

Bill I-3, for the relief of John Alfred Crease.

Bill J-3, for the relief of Catherine Rita Marian Laker.

Bill K-3, for the relief of Jacqueline Marchand Cote.

Bill L-3, for the relief of Pola Baron Brisebois.

Bill M-3, for the relief of Graziella Bernier Murray.

Bill N-3, for the relief of Claus Elstorpff.

Bill O-3, for the relief of Denis LeBlanc.

Bill P-3, for the relief of Patricia Mary Gorman Walsh.

Bill Q-3, for the relief of Madeline Audrey Booth Hibbard.

Bill R-3, for the relief of Lily Sklar Titleman.

Bill S-3, for the relief of Alice Florence Chaisson Boychuk.

Bill T-3, for the relief of Cecile Chagnon Tremblay.

Bill U-3, for the relief of Roger Albert Bersier.

Bill V-3, for the relief of Herman Rayvals.

Bill W-3, for the relief of Helen Frances Knight Koomas.

Bill X-3, for the relief of Marie Cecile Philomene Gilberte Pregent Bouchard.

Bill Y-3, for the relief of Joyce Eugenie Swanburg Millette.

Bill Z-3, for the relief of Evelyn Mahaffy Major.

Bill A-4, for the relief of Ruth Mary Ledden Wallace.

Bill B-4, for the relief of Catherine Lammie Graham McLean.

Bill C-4, for the relief of Irene Tinkoff Goldmann.

Bill D-4, for the relief of Joseph Fishman.

Bill E-4, for the relief of Lucille Therrien Deguise.

Bill F-4, for the relief of Doris Rose May Cook Thomas.

Bill G-4, for the relief of Olive Clara Benson Pitman.

Bill H-4, for the relief of Mildred Irene Mitchell Gauthier.

Bill I-4, for the relief of Laurette Racine Pollender.

Bill J-4, for the relief of George Wilkinson Pridmore.

Bill K-4, for the relief of Kathleen Mary Hicks Rainville.

Bill L-4, for the relief of Violet June Bockus Good.

Bill M-4, for the relief of Ethel Rappaport Lomon.

Bill N-4, for the relief of William Newell.

The motion was agreed to and the bills were read the second time, on division.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Roebuck:** Next sitting.

#### SECOND READINGS

**Hon. Mr. Roebuck** moved the second reading of the following bills:

Bill O-4, for the relief of Sally Ruth Pall Gold.

Bill P-4, for the relief of Nicholas Vlahos.

Bill Q-4, for the relief of Stefan Weber.

Bill R-4, for the relief of Mary Russell Leclaire.

Bill S-4, for the relief of Joseph Roland Langevin.

Bill T-4, for the relief of Eileen Hannah Thomson Scott.

Bill U-4, for the relief of Miriam Jurist Stern.

Bill V-4, for the relief of Bernice Edith Knights Blake.

Bill W-4, for the relief of Michael Francis McTigue.

Bill X-4, for the relief of Zygmunt Habdank Bielinski.

Bill Y-4, for the relief of Daphne Louisa Ruby Burrows Newland.

Bill Z-4, for the relief of Reine Isabel Charles Bisson.

Bill A-5, for the relief of Elizabeth Cave Collyer DuBoyce.

Bill B-5, for the relief of Elvi Russak Urb.

Bill C-5, for the relief of Norma Rose Cohen Freeman.

Bill D-5, for the relief of Shirley Janet Whitton Ladds.

Bill E-5, for the relief of Venise Gosselin Hotte.

Bill F-5, for the relief of Bertha Wexler Azeman.

Bill G-5, for the relief of Emilia Shutko Suranow.

Bill H-5, for the relief of Amy Isabel Wonham Saunderson.

Bill I-5, for the relief of Marie Anna Eliza Labrecque Ladouceur.

Bill J-5, for the relief of Donald Stewart Walker.

Bill K-5, for the relief of John Joseph Sebaski.

Bill L-5, for the relief of Gwen Horne Segal.

Bill M-5, for the relief of Gwendolyn Alice Wilson Hermann.

Bill N-5, for the relief of Agnes Traiton Rathburn.

The motion was agreed to, and the bills were read the second time, on division.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Roebuck:** Next sitting.

#### REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 140 and 141, which were presented on November 14.

**Hon. Mr. Roebuck** moved that the reports be adopted.

The motion was agreed to.

#### FIRST READINGS

**Hon. Mr. Roebuck** presented the following bills:

Bill P-5, for the relief of Loueisa Knutton Roberge.

Bill Q-5, for the relief of Dorothy Miriam Skinner Stuckey.

Bill R-5, for the relief of Albert Renaud.

Bill S-5, for the relief of David St. Clair Wilson.

Bill T-5, for the relief of Omer Arthur Menard.

Bill U-5, for the relief of Dorothy Nettie Clarke Hay.

Bill V-5, for the relief of Frederick William Hovermann.

Bill W-5, for the relief of Bertha Viola Beatrice Good Malcolm.

Bill X-5, for the relief of Mabel Florence Adams Hadden.

Bill Y-5, for the relief of Ernest Frank Cross.

The bills were read the first time.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the second time?

**Hon. Mr. Roebuck:** Thursday next.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Wednesday, November 20, 1957

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

Prayers.

### WAR VETERANS ALLOWANCE BILL

#### REPORT OF COMMITTEE ADOPTED

**Hon. Salter A. Hayden**, Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 28.

The report was read by the Clerk as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (28) intituled: "An Act to amend the War Veterans Allowance Act, 1952", have in obedience to the order of reference of 13th November, 1957, examined the said bill, and now report the same without any amendment.

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

**Hon. Mr. Hayden:** I move that the report be considered now.

The motion was agreed to.

**The Hon. the Speaker:** Honourable senators, when shall the report be adopted?

**Hon. Mr. Hayden:** I move that the report be adopted now.

**Hon. W. Ross Macdonald:** Honourable senators, before this report is adopted I want once again to make a reference to clause 7. First let me say that I hope the bill will be passed today and given Royal Assent as soon as possible, but I do think we should fully realize what we are doing. Although I approve of the purpose of the bill I think its provisions could be wider, and I have in mind especially clause 7, relating to a veteran's period of service in the United Kingdom during the First World War. This clause extends the provisions of the act to not only those who served in an actual theatre of war, during World War I, but also to those who served in the United Kingdom for a period of at least 365 days prior to November 12, 1918. It will be seen that two groups of veterans who served overseas in World War I come under this clause: those who served in an actual theatre of war—say in France—and those who served for at least 365 days in the United Kingdom prior to November 12, 1918. Those groups will receive the benefits under the act. However, veterans who left Canada but did not get to France, or who did not

stay in England for more than one year, will not receive the benefits under the act. Honourable senators, this means that a soldier who arrived in England on November 11, 1917 and stayed there until November 12, 1918 would be entitled to those benefits—and we were told this morning in committee that conditions in England for members of the Armed Forces who resided there during the last year of the First World War were very favourable for them, that they lived under very comfortable circumstances. Such veterans, I repeat, can claim benefits under the provisions of the act. But those who volunteered in the early days of the war, who left Canada in the fall of 1914 and served in England throughout the winter of 1914-15, living under terrible conditions on Salisbury Plain, but did not remain in England for a year, cannot benefit under the act.

I am sure some of us here will recall the early days of the First World War and the conditions under which our soldiers lived on Salisbury Plain, so I do not need to recount them. Many of them could not stay in England for the year. Someone may say, "Oh, yes, but they receive pensions". Honourable senators, many of them do not receive pensions. In order to qualify for a pension they had to relate their condition directly to army service. Anyone who served in that war, or had relatives who served, know how difficult it is to get military records of the men who served.

It was brought to my attention when I was reading the bill that, to be eligible for an allowance, a soldier must have served in England for a year immediately preceding November 12, 1918. But, honourable senators, in the next clause of the bill it will be observed that for all official purposes World War I ended on August 31, 1921, almost three years later. This means that under the provisions of this bill a man could have left Canada after the war was over—that is, after November 11, 1918—arrived in England, gone to France and, without having heard a shot fired or seen any service whatsoever, spent Christmas day in Paris, suffering all the hardships of Christmas Day in that city, and still claim benefits under this bill; whereas, a man who went to England in the early days of the war, spent a winter on Salisbury Plain, and then was returned to Canada, cannot claim benefits.

**Hon. Mr. Baird:** Excuse me for interrupting the honourable senator, but Paris was out of bounds during those years.

**Hon. Mr. Macdonald:** My honourable friend may know more about that than I do, but with all respect I doubt that Paris was out of bounds on Christmas day of 1918.

**Hon. Mr. Bouffard:** If it was out of bounds, it did not look like it.

**Hon. Mr. Macdonald:** I am told that it certainly did not look as if it was out of bounds, with the number of Canadian soldiers who were there.

One hears it said that not many soldiers left Canada after November 11, 1918, and not many men went to France between that date and Christmas of that year. That question was raised this morning in committee, and it was stated that at least 14,000 Canadian soldiers, maybe more, went to France in that six-week period. And under the provisions of this legislation a soldier who served in France for even one day is entitled to benefit. It matters not what he was doing there; the mere fact that he was in France for at least one day between the commencement of the war and August 31, 1921, is sufficient to qualify him to benefit under this legislation; whereas a man such as the one whom the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) referred to the other day, a veteran who served for 11½ months in England and is now in a feeble and helpless condition, cannot benefit.

Honourable senators, I refer to these matters not with a view to preventing passage of this bill, for as already stated, I think we should pass it today. However, I ask the honourable Leader of the Government (Hon. Mr. Haig) to bring the points I have raised to the attention of the new minister. He himself served in both World Wars, and he is facing up to the veterans' problems with a sympathetic understanding. I am sure some features of the bill have not been brought fully to his attention.

**Hon. George S. White:** Honourable senators, may I say a word in answer to the remarks made by the honourable Leader of the Opposition (Hon. Mr. Macdonald)? The honourable senator was present in the Banking and Commerce Committee this morning and heard a thorough and exhaustive explanation of the bill by the Deputy Minister of the Department of Veterans Affairs, who pointed out clearly that the actual wording of the act describing the theatre of war in the First World War is not being changed: England is not classified as a theatre of war in World War I. An exception has been made with respect to veterans who served in both wars and are classed for dual pension. All that is being done under the section referred to by the honourable Leader of the Opposition is

that the Government has decided the time has arrived when a further group of deserving war veterans should be brought within the benefits of the act of 1952. Every honourable member who has served in the forces and who is familiar with the legislation now on the statute books can readily recall many instances in other acts where there are cut-off dates, where there are restrictions, where certain percentages apply, and other matters of that nature.

The honourable Leader of the Opposition mentioned, both in the committee and in this chamber, the unfortunate case, cited by the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill), of a veteran who had served only 11½ months and therefore would not be eligible for benefits under this measure. If the condition of that veteran is as the honourable senator described it, surely before now he would have been entitled to benefits under the Disabled Persons Act.

The honourable leader opposite also referred to the fact that two dates—November 12, 1918, and August 31, 1921—are mentioned in the legislation, but he now knows, from the explanation given this morning, why those dates are included. It may be true that some veterans left England for France after November 11, 1918. However, I am sure the honourable senator will agree that the number within this category, and who will be qualified to receive an allowance under the provisions of this bill, is very small; and I suggest that no serious attention need be paid to that particular representation.

It was my experience during the years I sat in the other place that members of Parliament who are war veterans, in dealing with veterans affairs, have no regard to party affiliations. It has always been the aim and ambition of them all to do the very best they can for their former comrades. While some may contend that the bill is imperfect in that it does not go far enough, that some deserving persons are excluded, and so forth, I would point out that the amendments it contains will be of the greatest assistance to many thousands of veterans or widows of veterans. The figures which were mentioned this morning indicate that the additional cost to the treasury will be \$9,061,000 a year, and that at least 3,000 to 4,000 persons, veterans as well as widows, will be brought under the provisions by reason of their services in England; as will many ex-Imperials and widows of ex-Imperials who could not qualify hitherto under the 20-year residence qualification.

I have no desire to comment on the veterans legislation which was passed in the first session of this year, but I would point out

that the amendments contained in the bill before us go a great deal farther to assist the veterans than anything which was done earlier in the year. At that time, although an increase was granted to married veterans, no provision was made for single men. Under Bill 28 the residence period is shortened. There are provisions for a new valuation of the home of the veteran which may favourably affect his position in respect of the means test. It is provided he may be absent from Canada for six months. There is also a provision for orphans, and various other items.

While I appreciate very much what the honourable Leader of the Opposition has said, I repeat that in my opinion the bill has gone a long way to meet many of the objections which veterans' associations have made. In particular I would point out that, as the Deputy Minister stated this morning, section 7 of the bill complies precisely with the recommendation which was made by the Canadian Legion. I do not need to add that the Legion contains by far the largest number of veterans of any Canadian organization, and when it makes a recommendation which is accepted, that action, I am sure, will have the approval of a very large number of returned men.

**Hon. John T. Haig:** Honourable senators, the subject-matter of this bill has been so ably discussed by the honourable senator from Hastings-Frontenac (Hon. Mr. White) and the honourable Leader of the Opposition (Hon. Mr. Macdonald) that I do not intend to enlarge on it. Those of us who attended the Banking and Commerce Committee this morning will agree, I am sure, that the Deputy Minister of Veterans Affairs gave us a very able explanation of the bill and went out of his way to answer all questions asked of him; indeed some of us thought he answered too many. However, it was all very satisfactory. It was, I believe, the sentiment of all members of the committee whether or not there was agreement on all details, that the bill represents a great advance over existing legislation. The Deputy Minister pointed out that, no matter what the legislation on veterans affairs, or where the line is drawn, there will be some difficulties. For instance, when you provide that a man must have served, say, 20 years, some will be found to have served only 19 years and 9 months. Such cases arise from time to time, and it is quite understandable that they do. Since lunch I took the opportunity of talking over some of these matters with the Minister of Veterans Affairs, and I agree with the statement of the honourable Leader of the Opposition that the minister is most earnestly concerned with the problems of the returned

soldier. He himself is a veteran, and a very distinguished one, of the First World War; he has been a member of the other place since 1935; and he is determined that veterans shall receive a fair deal from the Canadian people as some compensation for what they did on behalf of Canada.

I appreciate the attitude of the honourable Leader of the Opposition to the bill. While he does not agree with a part of section 7, he believes that under the circumstances the bill should be passed. He knows, as we all do, that whatever inconsistencies this legislation may contain, the next two or three years will bring them to light. The present Deputy Minister is so earnestly interested in the welfare and rights of veterans that you can be sure he will see to it that proper amendments are made to this legislation from time to time. While some of us may think that the arguments presented by the Leader of the Opposition were satisfactorily explained away, the thought in my mind is that some problem does exist. The Deputy Minister admitted this and said the only thing to do is to let it work itself out. I agree with him entirely. This bill will increase Government expenditures on behalf of war veterans by over \$9 million a year, which is a pretty substantial contribution by the taxpayers of this country. Even at that it may not be enough. Those who served in the First World War, or who had boys serving in the last war, appreciate what veterans have gone through. I think we all agree that Canada is determined to do the right thing by her veterans, and this bill goes a long way in improving the present legislation. As a lawyer, I say that while there may be defects in the bill and the legal terminology may lead to appeals before the War Veterans Allowance Board, I know from personal experience that the members of the board will advise the Minister and his officials on whatever difficulties they may encounter, and as a result amending legislation will be brought down.

The Deputy Minister was asked in committee when he thought the summit of expenditures on behalf of war veterans would be reached. I threw in a comment, which I do sometimes when I really shouldn't, and said, "Provided there are no more world wars". The Deputy Minister replied that, in the event there is not another war, the summit of expenditures on behalf of war veterans should be reached within five years, and that from that point on there should be a slight annual decrease. That seemed to be a valuable piece of information. Between now and then deserving cases on behalf of such people as the Leader of the Opposition referred to can be taken care of. I appreciate what he

has said in connection with this bill, and I also want to say that I appreciate the earnestness with which the honourable senator from Hastings-Frontenac (Hon. Mr. White) handled this bill here. I am happy that he has come into our group. In the other place he was always recognized as an outstanding supporter of veterans, and he has brought to this house his experience and good will.

Honourable senators, I would ask you most sincerely to pass this bill. We would like the bill to receive Royal Assent within the next day or two, so that the allowance cheques may be sent out this month to our veterans throughout Canada.

The motion for adoption of the committee's report was agreed to.

### THIRD READING

**Hon. Mr. White** moved the third reading of the bill.

The motion was agreed to, and the bill was read the third time, and passed.

### PRIVATE BILL

#### ALASKA-YUKON PIPELINES LTD.—REPORT OF COMMITTEE

**Hon. A. K. Hugessen**, Chairman of the Standing Committee on Transport and Communications, presented the report of the committee on Bill X-1.

The report was read by the Clerk as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (X-1) intitled: "An Act respecting Alaska-Yukon Pipelines Ltd.", have in obedience to the order of reference of November 12, 1957, examined the said bill and now report the same with the following amendments:

1. Page 1, line 15: After "Columbia," insert the following: "north of the fifty-eighth parallel,"

2. Page 1, lines 27, 28 and 29: Strike out the following: "Provided that the main pipe line or lines for the transmission and transportation of gas shall be located entirely within Canada;"

**The Hon. the Speaker:** Honourable senators, when shall these amendments be taken into consideration?

**Hon. Mr. Hugessen:** Next sitting.

### INTERNAL ECONOMY

#### THREE SENATORS TO ACT DURING RECESS OF PARLIAMENT

**Hon. Gray Turgeon**, Acting Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the third report of the committee.

The report was read by the Clerk as follows:

Your committee recommend that during the coming recess of Parliament the Honourable Senator Haig, Leader of the Government in the Senate, and two senators to be named by him from time

to time, be authorized to act for and on behalf of the Senate in all matters relating to the internal economy of the Senate.

**The Hon. the Speaker:** Honourable senators, when shall this report be considered?

**Hon. Mr. Turgeon:** With leave, I move that the report be adopted now.

The motion was agreed to.

### ELECTRIC POWER IN NOVA SCOTIA

#### NOTICE OF INQUIRY

On the notice of inquiry by Hon. Mr. Robertson:

That he will inquire of the Government: When the legislation will be introduced in Parliament to authorize, in joint action with the Government of Nova Scotia, the creation of facilities for the production and distribution of cheaper electric power in that province.

**Hon. Mr. Robertson:** Is my honourable friend the Leader of the Government (Hon. Mr. Haig) in a position to answer the inquiry?

**Hon. Mr. Haig:** I will make inquiries, and bring in a return in due course.

**The Hon. the Speaker:** The inquiry stands.

### DIVORCE AND ANNULMENT BILLS

#### THIRD READINGS

**Hon. Arthur W. Roebuck**, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill A-3, for the relief of Marguerite Downie Malo.

Bill B-3, for the relief of Irene Patricia Heffernan Brown.

Bill C-3, for the relief of Catherine Ann Naylor Couture.

Bill D-3, for the relief of Antonio Bucci.

Bill E-3, for the relief of Maurice Robert (Annulment).

Bill F-3, for the relief of Frances Dorothy Denenberg Bloomfield.

Bill G-3, for the relief of Theodore Elbert Holtham.

Bill H-3, for the relief of Claude Murray Kirk.

Bill I-3, for the relief of John Alfred Crease.

Bill J-3, for the relief of Catherine Rita Marian Laker.

Bill K-3, for the relief of Jacqueline Marchand Cote.

Bill L-3, for the relief of Pola Baron Brisebois.

Bill M-3, for the relief of Graziella Bernier Murray.

Bill N-3, for the relief of Claus Elstorpf.

Bill O-3, for the relief of Denis LeBlanc.

Bill P-3, for the relief of Patricia Mary Gorman Walsh.

Bill Q-3, for the relief of Madeline Audrey Booth Hibbard.

Bill R-3, for the relief of Lily Sklar Titleman.

Bill S-3, for the relief of Alice Florence Chaisson Boychuk.

Bill T-3, for the relief of Cecile Chagnon Tremblay.

Bill U-3, for the relief of Roger Albert Bersier.

Bill V-3, for the relief of Herman Rayvals.

Bill W-3, for the relief of Helen Frances Knight Koomas.

Bill X-3, for the relief of Marie Cecile Philomene Gilberte Pregent Bouchard.

Bill Y-3, for the relief of Joyce Eugenie Swanburg Millette.

Bill Z-3, for the relief of Evelyn Mahaffy Major.

Bill A-4, for the relief of Ruth Mary Ledden Wallace.

Bill B-4, for the relief of Catherine Lam-mie Graham McLean.

Bill C-4, for the relief of Irene Tinkoff Goldmann.

Bill D-4, for the relief of Joseph Fishman.

Bill E-4, for the relief of Lucille Therrien De guise.

Bill F-4, for the relief of Doris Rose May Cook Thomas.

Bill G-4, for the relief of Olive Clara Benson Pitman.

Bill H-4, for the relief of Mildred Irene Mitchell Gauthier.

Bill I-4, for the relief of Laurette Racine Pollender.

Bill J-4, for the relief of George Wilkinson Pridmore.

Bill K-4, for the relief of Kathleen Mary Hicks Rainville.

Bill L-4, for the relief of Violet June Bockus Good.

Bill M-4, for the relief of Ethel Rappaport Lomon.

Bill N-4, for the relief of William Newell.

The motion was agreed to, and the bills were read the third time, and passed, on division.

**Hon. Mr. Roebuck** moved the third readings of the following bills:

Bill O-4, for the relief of Sally Ruth Pall Gold.

Bill P-4, for the relief of Nicholas Vlahos.

Bill Q-4, for the relief of Stefan Weber.

Bill R-4, for the relief of Mary Russell Leclaire.

Bill S-4, for the relief of Joseph Roland Langevin.

Bill T-4, for the relief of Eileen Hannah Thomson Scott.

Bill U-4, for the relief of Miriam Jurist Stern.

Bill V-4, for the relief of Bernice Edith Knights Blake.

Bill W-4, for the relief of Michael Francis McTigue.

Bill X-4, for the relief of Zygmunt Habdank Bielinski.

Bill Y-4, for the relief of Daphne Louisa Ruby Burrows Newland.

Bill Z-4, for the relief of Reine Isabel Charles Bisson.

Bill A-5, for the relief of Elizabeth Cave Collyer DuBoyce.

Bill B-5, for the relief of Elvi Russak Urb.

Bill C-5, for the relief of Norma Rose Cohen Freeman.

Bill D-5, for the relief of Shirley Janet Whitton Ladds.

Bill E-5, for the relief of Venise Gosselin Hotte.

Bill F-5, for the relief of Bertha Wexler Azeman.

Bill G-5, for the relief of Emilia Shutko Suranow.

Bill H-5, for the relief of Amy Isabel Wollaham Saunderson.

Bill I-5, for the relief of Marie Anna Eliza Labrecque Ladouceur.

Bill J-5, for the relief of Donald Stewart Walker.

Bill K-5, for the relief of John Joseph Sebaski.

Bill L-5, for the relief of Gwen Horne Segal.

Bill M-5, for the relief of Gwendolyn Alice Wilson Hermann.

Bill N-5, for the relief of Agnes Traiton Rathburn.

The motion was agreed to, and the bills were read the third time, and passed, on division.

#### REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 142 to 154, which were presented yesterday.

**Hon. Mr. Roebuck** moved that the reports be adopted.

The motion was agreed to.

## SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—  
DEBATE CONTINUED

The Senate resumed from Thursday, November 14, consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. W. D. Euler:** Honourable senators, may I join at once those of my colleagues who have extended their congratulations to you, Mr. Speaker, to the Leader of the Government in the Senate (Hon. Mr. Haig), and to the mover (Hon. Mr. White) and the seconder (Hon. Mr. Méthot) of the Address in reply to the Speech from the Throne.

As one who has been in Parliament for many years—more years than perhaps I like to contemplate—and in which I believe the senator from Gulf (Hon. Mr. Power) and I hold the record, may I extend a warm welcome to the new senators who were recently appointed to this chamber. In saying that, I might add that in a manner of speaking they have had a narrow escape in entering the Senate.

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Euler:** What is in my mind may not be what some of you think. Most members of this house will remember that two or three sessions ago I introduced here a bill to amend the British North America Act by requiring that every vacancy in the Senate shall be filled within six months from the date on which it occurs. I did that because there had grown up through the years, under both Liberal and Conservative governments, a reprehensible practice of allowing a great number of vacancies to accumulate in the Senate. I thought that was not fair either to the Senate, or to the people of Canada who, if they want a Senate at all—which I sometimes doubt—are at least entitled to have a full representation for the entire country. At the time I introduced the bill at least one-fifth of the seats in the Senate were vacant; some had been vacant for a year, some for two years, and one had actually been vacant for seven years. However, the Government of the day did not like my bill—and I must admit that they did not like some other bills I introduced.

**Hon. Mr. Howard:** And they defeated it.

**Hon. Mr. Euler:** As a matter of course, they defeated it, and my friend helped to defeat it.

**Hon. Mr. Howard:** Sure!

**Hon. Mr. Euler:** Which he had a perfect right to do. But while I still believe that the principle of that bill was thoroughly sound, the defeat had its compensations, because as a result of the recent election it has been made possible for the new Government to correct to some extent, at least, the imbalance between the parties in this body. I hope that the practice which has grown up through the years will not be continued by the present Government, but I am just a little suspicious that it might be, for there are still nine vacancies in the Senate.

My congratulations to my friend the Leader of the Government (Hon. Mr. Haig) are on his appointment to that position and to the Cabinet. While he was Leader of the Opposition he was always fair in his comments, and I believe he will continue so to be. I was just a bit disappointed a few days ago when, in replying to a speech made by the Leader of the Opposition (Hon. Mr. Macdonald) on the Prairie Grain Advance Payments Bill, who said he was in favour of the bill, my friend the Leader of the Government accused him of being opposed to the bill. I think the leader said—although I do not want to attribute to him any unfair motive—that he wanted a reason for issuing a rousing, ringing challenge to those of us who are not supporters of the Government, to defeat the bill so that the Government could go to the country on that issue. But there was no issue, because we were not opposed to the bill.

Now, honourable senators, I did not rise to make a political speech, and I am sure when I am through you will agree that I have not talked party politics. The Leader of the Government was merely following the example of his leader, the present Prime Minister who, when speaking at Charlottetown a few weeks before the session opened, was reported in the *Toronto Globe and Mail* as saying to the opposition parties—the Liberals, the C.C.F.'ers and the Social Crediters—that they had better behave themselves or else. He said he was not going to be pushed around, because he was the Government of Canada; if they pushed him around, they would have an election thrust upon them.

When I read that news item I immediately recalled the words of Brutus in the play *Julius Caesar*:

Upon what meat doth this our Caesar feed, that he is grown so great?

I wondered whether in the flush of a very doubtful victory the Prime Minister had forgotten that, after all, in the House of Commons his party is in a minority of more than 50 members, and on the popular vote throughout the country he is in a minority by several

million votes. Perhaps the Prime Minister would do well to follow in a modified way the advice given by President Theodore Roosevelt: "Speak softly, and carry a big stick." I would suggest to the Prime Minister, if I may, that he speak softly and do not use the big stick too often, because it might break in his hands.

Those of us who have been transplanted to this side of the house found a little difficulty in the first few days of the session in orienting ourselves. For many years some of us who sat on the other side of the house had looked at the depressing paintings on this side, paintings of scenes of desolation and war, which were not cheering in their effect. Now that we have come to this side of the house, we find that while the scenes on the opposite walls are different, they are about as bad as those on this side. If I had my way I would replace them with paintings of more cheerful and more appropriate scenes.

**Hon. Mr. Quinn:** Hear, hear.

**Hon. Mr. Euler:** I intend this afternoon to discuss three topics, one domestic and the other two international in their nature. I shall speak on the domestic topic first.

During the recent campaign the Prime Minister, then the Leader of the Opposition in the other house, made a good many promises, some of which he has carried out; but one of the most important ones, and of which I have seen no evidence of his bringing it into effect, was that there would be a reduction of taxes. He said that he would call a fall session for that purpose.

I do not know what is in the mind of the Prime Minister, but so far practically all the legislation brought before Parliament has involved the spending of more money, but no reduction. I have not calculated the total increase in the proposed expenditures, but it must run into several hundred millions of dollars.

There are, of course, only three ways in which taxes can be reduced. One is by collecting larger revenues. I do not see where we are going to get an increase in revenues through present rates of taxation. As is well known, the great source of revenue is from individual income and corporation taxes. It is a well-known fact that there has recently been some slackening of business, and although business is still good, many corporations are beginning to report smaller profits. If that is the general situation, the corporation taxes will be less, and as a result the public treasury will suffer. If dividends are cut—and some are being cut—the individual taxpayer will have less income on which to pay taxes. So we can expect no increase in revenue from that source.

We could, of course, effect a reduction in taxes if the Government decided to use the surplus that was left to them. Perhaps they could do that, but I would hope they at least would not reduce taxes by increasing the debt of this country. Such a move would not be very popular. So, in my opinion we are left with one method only for the reduction of taxes, namely, the reduction of expenditures.

May I take a moment to look at our present financial situation? I remember very well that before the First World War our budget of annual expenditures was about \$133 million. But at present they exceed \$5,000 million. Indeed, we now spend about \$14 million a day. Before the First World War we spent only \$370,000 a day. Our debt at that time was \$335 million, and today it is more than \$11,000 million.

Those are startling figures, when you look at them in that way. I cite them only to show that there is a real need for us to begin reducing our expenditures.

You may ask, how are we going to reduce our expenditures? I am going to make a statement which probably will be challenged: I think we are spending entirely too much money on our so-called defence. Since the discovery of the guided missile, which the Russians claim can be sent to any point in the world, we are now, according to the Minister of Defence, going to enter upon heavily increased expenditures to develop something to meet that new attack.

May I say that we have been taking ourselves a bit too seriously: we have been trying to play a bigger part than we have any right to play. We are just a little bit too big for our clothes. We cannot hope to compete with a country that has the population and strength of the United States.

I should like to refer to a newspaper report of a speech by Mr. Stuart Armour, a prominent official of the Steel Company of Canada, having to do with the reducing of taxation, especially in the Department of National Defence. First, may I point out that Canada now has in uniform about 120,000 persons, distributed among the three services as follows: Army, 50,000; Air Force, 50,000; and Navy, 20,000. I agree with Mr. Armour's views, which he expresses better than I can. The news item reads:

Politicians, he said, have come to feel that tax cuts are impossible, even though desirable.

There is, however, one field in which I believe Government expenditures can be reduced with considerable resultant easing of our tax burden. I refer to defence expenditures.

It seems strange, he said, that Canada should maintain in uniform something like 100,000

That should be 120,000—

of its most active citizens—and to employ another 40,000 to 50,000 civilians to take care of the book-keeping involved.

I remember a meeting of the Banking and Commerce Committee where we were discussing our expenditures. I brought out the fact that for every two men in uniform we had one office employee to take care of the administration of those two men. That is something like saying that if a manufacturer employs 100 men in his factory, he needs about 50 persons to look after the office work.

Mr. Armour went on to say:

Cutting Canada's armed forces by 50 per cent would lop off \$600 million to \$750 million from the country's defence expenditure.

Now, I shall probably be met with the statement that we cannot afford to cut down on defence expenditures. I will answer that argument a little later, and offer a suggestion, but before doing so let me say that I believe there are other ways of saving money. I think the Civil Service is over-manned, and that we might very well follow the example of the United States—which, however, it is not always well to follow—when they appointed some years ago ex-President Hoover to survey the whole area of administration expenditures and to make a report as to what savings could be effected. In due course he compiled a report, which I think has not been fully implemented. In effect its conclusion was that without injury to the country's welfare some \$4 billion to \$5 billion could be saved annually. Some similar course of action should be undertaken in Canada, and I submit the idea for the consideration of the Leader of the Government (Hon. Mr. Haig).

That brings me to my third and last topic: What our course as a country should be in the present world conditions as between Russia and what is usually called the Western world. I shall take the liberty of quoting from a speech which I made last year. I stated then that in the last few years two events of tremendous international importance had taken place. The one, of course, was the invention of the atomic bomb—later, of the hydrogen bomb—and now, and still more important, of the guided inter-continental missile. I do not know how powerful this last weapon may prove to be, but certainly it has put the fear of God into the United States and other nations. The second important event was the death of Stalin. I pointed out that after this event there had been, apparently, an entire reversal of policy on the part of the Russians. I said:

Since the reversal of Stalin's policy the attempts of these leaders

The Russians—

to come to improved relations with the West appear to be sincere. I am bold enough to say that we cannot afford to ignore these attempts and we should go half way to meet them. Keep your powder dry if you must, but let us use every opportunity of trying to remove the friction that

has existed between the peoples living on either side of the iron curtain.

I still believe that. You cannot destroy all the people of Russia. Nor can you exterminate ideas by violence. As I said last year, there are only two possible courses of action. Either we must go on as we are going, with what is called the "Cold war", involving continually increasing costs to put us on a new plateau of expenditure in order to meet the new conditions brought about by Russia's new achievements, or we must get together on a plane of co-existence, as it is called. To my mind it is just a case of co-existence or no existence at all. Here is a statement made by Mr. Khrushchev, not long ago, which I quote from a dispatch of November 6 from Moscow:

Nikita Khrushchev pledged today that Russia would never start a war. The Communist party chief also proposed that world leaders meet and agree on outlawing war, ending the arms race, and establishing a system of peaceful co-existence between east and west.

He followed that, later on, by saying that he would welcome visits of the United States leaders to Moscow, and that the invitation to British Prime Minister Macmillan to visit Russia still stands. Political leaders must not bear grudges over past differences, he said.

Well, if you can believe that, nothing could be fairer. Probably I shall be met with the statement: "Well, we tried that once. The heads of Government met at Geneva. President Eisenhower and the British Prime Minister were there, the Russians were there, but the meeting ended in failure". So some say, "What is the use?" Well, I say, try again. When one thinks of what the alternative is, is it not our duty to try again? Perhaps I might impose on the good nature of the house to tell a little story which points the moral I am trying to make.

In 1936, when I was in the Department of Trade and Commerce, I, with three of our officials, went to Europe. We went to Britain; we went to Germany, where we made a trade agreement which turned out to be quite successful; we went to Russia and we made some sort of a trade arrangement there. One day, when we were being shown around the city of Moscow, we stopped at an elevated place overlooking the Moscow River. It was a place of refreshment, and, by the way, it was the point from which Napoleon watched the burning of Moscow. As honourable senators know, the city was set on fire by the Russians themselves, and that resulted in the retreat of the French armies through the Russian snows and, finally, in the defeat of Napoleon. As we were sitting there, having a little refreshment—it wasn't vodka—a wasp perched on

top of one of the empty bottles, and, reaching forward a little too far, slipped and fell to the bottom. We sat and watched that wasp as it tried and tried again and again to climb up the inside of the bottle to the top. I suppose it failed ten or twelve times; and we were getting ready to leave when I said to a friend of mine—though I am not a betting man—"I'll bet you 10 rubles that the wasp will not be able to climb out". After what we had seen he would not take my offer. So then I said, "I will bet you 10 rubles that it will crawl out". My companion, being a canny Scot, took the bet at once. Almost as promptly the wasp crawled out of the bottle and I collected the 10 rubles. The story is a trivial one, but I am trying to make this point, that the wasp, like Robert Bruce's spider, tried and tried and tried, and finally succeeded; and my counsel to this house is that, even though we should not succeed the first time in getting together with the Russians, we should try again and again.

For what is the alternative? I will tell you what the alternative is. We shall continue the cold war or have a suicidal world war. I did not get much backing for the speech I made last year, but I have pretty good backing for it now. Almost immediately after President Eisenhower and the British Foreign Secretary refused the invitation of Mr. Khrushchev, statements were issued around the world. Here is one from Canberra, Australia, quoting Prime Minister Robert Menzies as saying:

We ought to be willing to discuss matters with the Soviet Union, as suggested Wednesday by Communist Party Secretary Khrushchev.

That statement comes from the Prime Minister of a sister member of the Commonwealth. It is quite unmistakable. Then there was a statement made by Mr. Pearson, who until recently was Canada's Secretary of State for External Affairs. This is datelined from Minneapolis, November 3, and reads:

Lester B. Pearson, winner of the 1957 Nobel Peace Prize, urged the West today to seize every opportunity to negotiate a peaceful co-existence with Russia.

Here is something that is still more remarkable and conclusive. It is datelined from Washington:

One of this country's most distinguished men of war, General Omar N. Bradley,—

who I think was at one time Chief of Staff of the United States Armed Forces—

has warned the United States that a sputnik race without an attempt to negotiate with the Russians will lead to disaster . . .

"We can compete with sputnik," he said, "and probably create bigger and better sputniks of our own, but what are we doing to prevent the sputnik from evolving into one more weapons system?"

That is what I was speaking about. We get on a new plateau of expenditure to meet new conditions of warfare. General Bradley is quoted further:

If I am sometimes discouraged it is not because of the magnitude of the problem, but by our colossal indifference to it. I am unable to understand why—if we are willing to trust in reason as a restraint on the use of the ready-made, ready-to-fire bomb—we do not make greater, more diligent and more imaginative use of reason and intelligence in seeking an accord and compromise which will make it possible for mankind to control the atom and banish it as an instrument of war.

The *Washington Post*, in commenting on the subject, said:

There is no acceptable alternative to some kind of workable agreement. The race to match sputniks can only lead to war unless an agreement can be negotiated.

I have just one more reference. This comes from the *Financial Post* of last week, and probably many honorable senators have read it. It is headed "Let's Meet Soviets On This Plan" and it goes on to say:

Every sensible person knows that there are only two possible endings for the nightmarish "two-world" system that bedevils this generation. It can blow up in the dreadful cataclysm of a third world war that might kill off the human race. Or it can somehow be resolved into peaceful co-operation and peaceful competition.

The second alternative, which would get 100 per cent of the popular vote in all countries, needs mutual trust. Parties to the great quarrel must have confidence in each other's good intentions before they can stop glowering and begin getting somewhere with disarmament and other disputed questions.

What is to be done to create trust and confidence?

Then the paper conveys a suggestion made by two leading members of the Soviet Academy of Science, calling for:

A broad international conference of scientists to discuss the dangers of thermonuclear war.

I will not read the full message. That is the purport of it, and that is what the *Financial Post* is advocating in this article.

I know that the chief objection to all these suggestions will be that you cannot trust the Russians, that they have betrayed us in the past and have broken their agreements. But in reply to this I again ask, "What is the alternative?" Is it not probable and reasonable that the Russians must be in earnest in wanting to have some sort of a compromise, some way of existing alongside other nations? They must know that even if guided missiles can destroy all large centres in North America, the United States could use its hundreds of airfields surrounding Russia on all sides to destroy that country or a large part of it. Well, I do not believe that any so-called statesmen or world leaders, whether in what we call the free nations or the communist nations, deliberately want to commit suicide.

I recently read a book written by a well-known author in South Africa, and I will attempt to give a brief resumé. The locale of the story is Melbourne, Australia, after World War III. An American submarine had escaped and was at Melbourne. This was an atomic war and life in Europe, Asia and North America had been completely destroyed. The submarine took occasional trips out into the Pacific and on one of these trips it went as far north as Seattle. On the way the crew could observe that cities were still standing but there was no life in them. The moving part of the story is that the people in Melbourne knew that poisonous gases were spreading toward them and that they had only a few months to live. When they learned that the people north of them in Queensland had perished they knew that their own time was very limited. Before long they all died and the earth became a dead planet.

Perhaps that picture is a little too dismal, but from what we hear there are just two courses open to us: we have got to live with these people or destroy them and be destroyed ourselves. My thought is that this Government should do what it can to bring about a meeting such as has been suggested, even if this suggestion does come from Russia.

I will conclude my remarks by quoting from what I said last year in this house:

Anything we can do, either through trade or in some other way, to replace international friction by good will, to remove the threat of war and restore to our people a sense of security,—

which they have not had for two generations now—

will certainly be in the best interest of Canada and of the whole world.

In this our own Government has a responsibility from which it must not shrink.

**Hon. Senators:** Hear, hear.

**Hon. T. A. Crerar:** Honourable senators, whatever views we may have of the suggestions made by my colleague (Hon. Mr. Euler) who has just resumed his seat, I think we must all agree that he put forward a very challenging thought indeed. We are now approaching the end of a rather lengthy debate on what we call the Speech from the Throne, and there have been many excellent speeches. The occasion was a notable one when Her Majesty, from the chair just behind you, Mr. Speaker, read the Speech that set in motion the machinery for this present session. It was a notable occasion because it was the first time, as has been said before, that a reigning sovereign opened Parliament in this country. That is significant, for Her Gracious Majesty is not only the Queen of Great Britain but

also the Queen of the Commonwealth countries, and the Commonwealth countries are far flung on the surface of the globe. Among them there are many diversities. For instance, there is little in common between South Africa and Canada; perhaps there is less in common between the new dominion of Ghana and New Zealand. Yet through this mystic symbol of the Crown there is a measure of unity, not only in parliamentary practice, but in the higher ideals of our civilization. Consequently, it was an important occasion.

Honourable senators, I must come to the part of my address where I desire to pay some compliments. My first compliment, Mr. Speaker, is to yourself. You have been appointed to the important office of presiding over our deliberations. Those of us who have met you since your appointment and who have watched your care over the proceedings of this assembly have no doubt that you will continue to discharge your duties with dignity and with honour in this house.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Crerar:** I also wish to mention my honourable friend the Leader of the Government in the Senate (Hon. Mr. Haig). We are old personal friends. No one was more delighted than I when I saw him attain to the high honour of membership in the Privy Council of Canada, for that is one of the highest honours in our Canadian way of life. I wish him success—perhaps, sir, not too much success—in the discharge of his duties as Leader of the Government in the Senate. No doubt there will be occasions when, notwithstanding our personal friendships, it may be necessary to offer a chiding or an admonitory word.

Next, I wish to compliment the mover (Hon. Mr. White) and the seconder (Hon. Mr. Méthot) of the motion we are now discussing. The mover is a veteran of the parliamentary wars, for he was for many years in the House of Commons. I was interested in watching his maiden effort in this house, and it seemed to me that although he came from a region of strong partisan controversy he had already absorbed something of the more sedate atmosphere of this chamber. I regret that I could not follow the honourable seconder of the motion; it is my great misfortune that I do not speak the French language, but I am afraid that like my honourable colleague from Waterloo (Hon. Mr. Euler) I am a bit too old to start to learn now.

**Hon. Mr. Euler:** Speak for yourself.

**Hon. Mr. Crerar:** Well, I extend a challenge to my honourable friend. If he will undertake seriously to study the French language, I shall do the same.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Crerar:** Honourable senators, it is less than eight months since this house came to the close of the previous session. Since that time there has been a sort of a political convulsion in Canada. We who were supporters of the Government of that day no longer sit to the right of His Honour: we occupy the seats of Opposition. Perhaps in the long run this might be a good thing for us. However, there are a few things I should like to say. The election campaign was a strenuous one, which of course by-passed the placidity of this house.

In a few moments I shall deal with some of the promises made by the present Prime Minister at a time when, I suspect, he had no expectation that he would be called upon to discharge the high duties of the Prime Ministership after the election. First, however, I wish to say a word or two about two old colleagues of mine, namely, the former Prime Minister, the Right Honourable Mr. St. Laurent, and my old friend of more than forty years' standing, Mr. Howe. I do this because I believe there was a great deal of misrepresentation of the motives of these two gentlemen during the election. No one will ever convince me that the late Prime Minister, now the Leader of the Opposition in the other place, had in his make-up a vestige of dictatorship. He had nothing of the kind. He may have been somewhat inexperienced in the rough ways of the partisan side roads, but no finer, no more honourable man, ever held the high office of Prime Minister of this country than the Right Honourable Louis St. Laurent.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Crerar:** As to my old friend Mr. Howe, his difficulty was that he was not what is popularly called a politician; but likewise there was not the remotest shred of the spirit of dictatorship in C. D. Howe.

**Hon. Mr. Macdonald:** Hear, hear.

**Hon. Mr. Crerar:** Not the remotest shred. He was a man who wanted to get things done, and perhaps he was too impatient with the ordinary parliamentary processes.

I am not here defending some of the things that happened in the last year or two of the old administration; things happened that should not have happened. Mr. Howe got the blame for a large number of these things, and perhaps superficially some of the criticism was coming to him. But I would remind this house that Canada never had a more faithful public servant in the discharge of his duties than Mr. Howe.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Crerar:** These two men were my colleagues for five years, and I know them. From the outbreak of the last war, and for the next five or six years, there passed over the desk of Mr. Howe some tens of billions of dollars' worth of expenditures in Canada; and there never has been anywhere in this country, in the press or elsewhere, the slightest taint of suspicion raised against the spending of that money.

Well, honourable senators, I do not know what you think of that record, but I think it is a superb one. I say further: no other allied country in the war made a more effective contribution, having regard to its population and resources, than did Canada. The fact that Canada's whole economic system was quickly geared to war, and produced the sinews necessary to win that war, was due more to Mr. Howe than to any other man. Notwithstanding the fact that he may at times have been impatient, that at times he may not have had due regard for parliamentary processes, I pay my tribute of respect to him for the great work he did in the war.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Crerar:** That brings me to the Speech from the Throne, and some comments I wish to make upon it. The Prime Minister ascended his Mount Sinai and brought down the speech which was read by Her Gracious Majesty. Unlike Moses of old, who brought down the tablets of the Law from another Mount Sinai, the Prime Minister brought down a speech that is really a combination of platitudes and promises. There is not in this whole speech one single, solitary word concerning the importance of economy in the day to day life of the Government of our country. There is in it not a single word on the importance of savings. And yet, if this danger of inflation—and it is a real danger—is to be met, we must have more economy in public spending and more savings in our personal relationships. But one does not find a word about economy in the Speech from the Throne. Indeed, it is a fulfilment of some of the promises made during the election campaign which, I think I may charitably say, would not have been made in the way they were made if the present Prime Minister had expected that within a few months he would be head of the Government of this country.

I now come to a discussion of some of the things contained in the Speech from the Throne. The first to which I wish to allude is that paragraph which tells us the Government proposes to hold a conference with the provinces about fiscal matters. That conference takes place in this chamber next Monday and Tuesday.

During the election campaign the Prime Minister was rather critical of the old administration because of its parsimony in dealing with the provinces. One of the most vexing and perplexing problems which face governments today is that of finding the essential revenues to carry on the activities which they think should be carried on. Under the present arrangement, which I believe expires within a year, the federal Government pays large amounts to the various provinces in lieu of personal and corporation income taxes. It is a well-known fact that Mr. Frost, the Premier of Ontario, is far from satisfied with the existing arrangement. At present Ontario is allowed to levy an income tax of 10 per cent on personal incomes and 9 per cent on corporation incomes—I believe those figures are correct—and that amount is deducted from the collections made by Ottawa and paid to Mr. Frost's Government. Now Mr. Frost wants 15 per cent of the personal income taxes and 15 per cent of the corporation income taxes, and a continuation of the present arrangement under which his Government receives 50 per cent of succession duties. I believe that Mr. Duplessis, without surrendering his position that the federal Government should not be in certain taxation fields, which he believes should be left to the provinces, is going to ask for the same arrangement. We shall see.

The point I wish to make is this: If these requests are acceded to in accordance with the implied promise of the Prime Minister during the election campaign, and the equalization principle in the distribution of revenue to the provinces is also maintained, the burden on the federal treasury will be increased by almost \$300 million a year. I do not know what may come out of this conference, but the distribution of revenues is I believe one of the most dangerous and vexing questions affecting the unity of Canada.

Many years ago, when I was a political sophomore, I joined Sir Robert Borden's Union Government; as a matter of fact, I was a member of a government before I had ever been elected to Parliament. One of my colleagues was the late Honourable Arthur Sifton, who had been Premier of Alberta. Shortly after the election in 1917 and the return of the Union Government, Mr. Sifton presented me with a bound copy of the British North America Act, with these words: "I am giving you this because I hope your career in public life will be long and successful; but whether it be long or not, there is nothing more important for the unity of Canada than the maintenance of proper, sound relationships between the federal authorities

and the provincial Governments." That incident made a profound impression on me at the time, and I still hold as strongly as ever to the view Mr. Sifton expressed.

A good deal of bickering, of criticism back and forth, is being heard. In other words, as I said on another occasion, we are like jealous heirs who are quarrelling over the distribution of an estate; and that spirit is not good enough if this country is to go ahead in the spirit of unity which certainly was the dream and hope of the founders of Confederation.

Honourable senators, I am now going to say something on the matter of old age security; and here I quite expect I shall find myself at variance with a good many of my colleagues in this house. On this matter I am neither a doctrinaire nor a bigot. However, I should like to give the house some information.

In accordance with a promise which was made during the election, the Old Age Security Act has been amended to increase the amount of pension to \$55 per month from the \$46 at which it was left by the late Liberal administration. Honourable senators will recall that provision for old age security was made by an act passed in 1950, operative on January 1, 1951. If we throw our minds back to those days, not so far away, we shall remember that the \$40 per month was given as a contribution, an aid, to elderly people to maintain reasonable comfort in their declining years. The method of computing the cost of living index was changed in 1949, so that by 1951, the Korean war having meanwhile intervened, this index stood at 107.7. By March, 1957 the figure had risen to 120.5, and I mention the month because that was when legislation was passed to increase the pension by \$6 per month. Had Mr. Harris provided for \$48 instead of \$46, the \$8 total increase would have balanced to a fraction of a point the rise meanwhile in the cost of living. But by 1957 a new theory respecting old age pensions had developed. It was, not that a pension is an aid to elderly people to sustain themselves in comfort, but that they are entitled as of right to an amount sufficient to maintain them in comfort even though they have no resources of their own. It was largely upon this theory that the Prime Minister and his present colleagues campaigned in the recent election. I want to examine this idea for a few moments.

In the first place, if it is a social obligation of the state to maintain elderly people with little or no resources of their own in the degree of comfort and decency to which some of our sociologists claim to be their

due, I say that \$55 per month is not enough. Further, if we accept this principle, and if we are to base old age security payments not on need of the older folk, nor as an aid, but on the assumption that they are entitled to it as of right, where ultimately will this principle lead us? Because it seems obvious to me that if we accept the theory that a Government must or should pay pensions adequate to maintain people over 70, or even of 65 years of age, in decency and comfort, the incentive of people to work and save for themselves during their working years will be in large measure destroyed. That, I think, is incontrovertible.

Furthermore, society does not owe a debt to our old people. Take a boy, or a young man: society pays its debt to him as he lives. It educates him and gives him the protection of law and order for his person and his property during his entire life. He is free to work and save or waste his substance. If a man starts to work at 20 years of age and retires at 65, he has had 45 years in which to earn and save.

The problem as I see it is that we are steadily eroding away the desire on the part of individual citizens to make provision for their old age. That is a very unfortunate state of affairs. I have some estimates here given by the Minister of National Health and Welfare in the House of Commons with respect to social security measures which we passed through this house recently. He estimated that during the next fiscal year the increased expenditures on old age security payments will be paid to 855,000 persons and the amount required will be \$564 million. There is no doubt that the reduction in the residence requirement period from 20 to 10 years has added substantially to the cost. It is worth while noting that in 1951, when the old age security scheme was introduced, the total payments amounted to about \$250 million. They have more than doubled since that time. We are also increasing pensions for the disabled, the blind and those who come under the Old Age Assistance Act. The Minister was unable to say how much all these increases, including old age security, will come to, but they will amount to over \$100 million a year.

Let me give you some other figures. The Government paid out \$245 million in family allowances in 1946, and \$398 million in 1956. That is a progression away beyond any increase in our gross national product.

I would remind honourable senators that payments by the federal Government are not the only ones made in the field of social security. I have a statement here issued by the Bureau of Statistics. We used to assemble these figures when our Finance Committee

was operating, but we have not had them for a few years. According to this information, which I have no doubt is reliable, the federal Government spent over \$910 million in 1955 under the heading of "General health and social welfare expenditures". During the same period the provinces spent over \$380 million, and the municipalities, mainly the larger cities, over \$95 million. That made under this heading a total spending across Canada, at all levels of government, of almost \$1,400 million. I venture to say that this year the amount will total \$1,700 million—there is no doubt that it will be well over \$1,500 million.

Let me draw the attention of honourable senators to another fact. We have never had so full employment as during the past few years. It is true that employment is tending to diminish now. The question of employment is of real concern, for a reason which I will give in a moment. I submit it is important to do everything possible to encourage savings and to encourage people to look after themselves. There are many members in this honourable house who started with very humble beginnings and they made their way in life because they saved their money and invested it wisely. I have a theory that at least 75 per cent of the Canadian people are good, decent, honest, hard-working citizens who desire, above everything else, good, honest economical government. I do not think I am wrong. These are the people who in the past year have established an increase in home ownership. Statistics clearly indicate this. They are the people who contribute to bank savings. Just look at the figures of bank savings and see how they have increased year by year. They are also the people who have purchased savings bonds to the extent of hundreds of millions of dollars.

An incident occurred a few weeks ago that was very interesting to me. I happened to be in a bank in one of the smaller towns in Manitoba, waiting to see the manager. It was not a very large room, and I noticed a lady come in, who I judged, from her appearance, was probably a workman's wife. She went over to the accountant and took from her handbag some Government bonds. I observed the accountant clip coupons of three different bonds—I was not eavesdropping or inquisitive, but I was so near that I could not fail to observe it—which this lady wanted credited to the proper account. Honourable senators, is that a desirable thing? I think it is. Is it not something to be encouraged? I think it is.

The danger of these mounting expenditures of Government is very evident to me. Professor Deutsch, who is now Professor of Political Economy at the University of British Columbia, gave not long ago an address in

which he stated that at all levels of government we were taking from the taxpayers a total of over 27 per cent of the gross national product. If it were put on the basis of the net national income, which is probably a better basis, that would run well over 30 per cent; in other words, we are probably taking pretty close to a third of our net national income in taxes today. And the spending goes on.

Honourable senators, what does all this mean? May I be permitted a personal reference? In 1939 I had an insurance policy which matured, and I left it where it was. Some day it will go to my estate. At present the proceeds of that insurance policy would buy less than half of what it would have bought in 1939. The point I wish to make is that there has been a steady erosion of the savings that hundreds of thousands of our people have made over the years, and that fact is embarrassing a great many people today. Is this process to go on, or are we going to be courageous enough to try to stop it? Inflation is a deadly menace. Probably 25 per cent of our population never save; they are thriftless—lazy, if you like—and it is this 25 per cent to whom our public men have been paying the most attention in the last 10 or 15 years. I suggest, honourable senators, that it is time we paid a little attention to the 75 per cent, the good and worthy citizens of this country, who are its backbone and its mainstay, not only in matters of federal government, but in provincial and municipal work, and in school districts and the like. That is an important consideration. If we go on with these heavy expenditures and run into deficits, as we are almost certain to do, the Minister of Finance will have to show these when he brings down another budget. At all costs we should avoid feeding the fires of inflation. Nothing is more important than maintaining the integrity of our money. It may be a nice thing to give a pension on the theory that, well, we are helping the old people, but it is not going to be of any great value within two or three years if the pension is worn and eroded away by the inflationary process.

Honourable senators, I have spoken longer than I had intended. I am quite certain that some of the views I have expressed will not find a warm reception in the minds of some honourable members, but I felt that I should express them because I think this is a matter of profound importance.

My concluding thought is this, that so far as I know there never has been in history a revolution that was not preceded by inflation. Take France. She is a great country, a mother of much of the culture of the world, but she has been faced with a steady depreciating

value of the franc for years past, and today her Government, notwithstanding the natural riches of the country, is compelled to borrow money where it can, compelled to levy heavy additional taxation in order to try to maintain solvency. I think that is a warning worth heeding. I make no bones about my conviction that the greatest thing, for me, at least, is the preservation of freedom and liberty. I have always belonged to the Liberal party because I believe that in the philosophy of that party is the very core of freedom and liberty. If these are lost, all else does not matter, for the most precious things in life will have disappeared into the limbo of forgotten things.

**Some Hon. Senators:** Hear, hear.

**Hon. F. Elsie Inman:** Honourable senators—

**Hon. Senators:** Hear, hear.

**Hon. Mrs. Inman:**—I wish to join with the honourable senators who have already spoken in expressing the great pleasure we all received in welcoming our most gracious and lovely Queen and her charming consort, Prince Philip, to this historic chamber, when she came to open the present session of Parliament. It was an honour and an occasion which we who were privileged to be present will never forget, and one that we would all be delighted to have repeated from time to time.

I wish also to extend my congratulations and best wishes to His Honour the Speaker, to the Leader of the Government in the Senate (Hon. Mr. Haig); and to the mover (Hon. Mr. White) and the seconder (Hon. Mr. Méthot) of the Address in reply to the Speech from the Throne, who gave such a splendid account of themselves by their excellent speeches.

To the new senators in this chamber, it is a pleasure to say a very warm welcome. I hope they will enjoy their sojourn among these friendly and distinguished colleagues as much as I have enjoyed mine since becoming a member of the Senate.

I now turn for a few minutes to the more mundane things of life which occupy our attention at this session of Parliament—potatoes, for instance. From the early days of the pioneers to the present time potatoes have played a most important role in my province. Almost the first thing a settler did, as soon as he found some shelter for his family, was to clear a piece of ground and plant potatoes, sometimes even planting the sets among the tree stumps. To those first arrivals in a new country, potatoes constituted the staff of life; with fish from the sea and potatoes from their land they could live.

The soil and climate of our Island are particularly adapted to the production of potatoes, and the quality of Prince Edward Island seed and table stock is well recognized over most of North America, the West Indies, and as far as Argentina in South America.

Potato production today presents of course a very different problem from that of the early years in Prince Edward Island, owing to changes in cultural methods, such as the use of commercial fertilizers necessary in higher yielding varieties; increased harvesting costs, which amount to from \$3 to \$4 a day for pickers, even for children ten years old; the cost of grading, transporting and packaging; the scientific control of disease and insect pests. All these things add greatly to the financial investment of the grower. As it costs at least \$1 to grow a bushel of potatoes, a farmer who cultivates a large acreage takes chances with a considerable sum of money, which he could very well lose completely and even find himself heavily in debt, should the crop be a failure or the market bad.

The growing of potatoes is to the farmers of Prince Edward Island what the growing of wheat is to the farmers of the midwest, a cash crop; but whereas wheat can be kept and stored for a long period of time, potatoes are perishable and can be stored for a maximum period of only about eight months. As they are susceptible to frost, storage cellars must be frostproof and watertight, and every so often the potatoes must be culled so as to eliminate rot.

We are all pleased that the wheat growers are to have some further financial assistance; wheat is a very necessary commodity. However, at the same time I do believe our potato growers are also entitled to be looked after.

For several years past the pit-prop and pulpwood industry has contributed very considerably to the income of those engaged in that activity in our province. That business has now gone, or has almost gone, and with it has gone the added income, which will make it more difficult for many of our citizens to make ends meet. This will also add to our unemployment situation this winter, for many of our farmers spend the winter months at this work. We Islanders would be pleased to see some monetary support given to this business.

Fox farming was at one time a thriving industry in Prince Edward Island, especially in the Prince County and Summerside area, "the home of the silver fox". But that industry has faded away and that source of income has disappeared. Next to farming, fishing is the big business with us, especially the lobster and oyster fisheries. To the fishermen

the lobster business alone is worth \$2,688,000, and the oyster business, \$195,000. I may add that Malpeque oysters are the finest in the world and command high market prices.

**Hon. Senators:** Hear, hear.

**Hon. Mrs. Inman:** We have three large fish processing plants and numerous canning plants; but, with the exception of lobsters and oysters, the fishermen have had poor catches and low markets this past season. That situation constitutes a hardship for many. Fish can be kept in salted form for some time, it is true, but not for more than a year; after that time it deteriorates very quickly: salted and smoked fish becomes extremely dry and hard, and pickled fish becomes rusty. Fish may be canned but, except for canned lobsters, that market is limited. So the loss of markets for fresh, pickled, dry and frozen fish means a great drop in the economy of our Island. I feel strongly that the federal government should do more for this industry in my province than is at present being done.

Now, honourable senators, so that you will never forget the wonders of Prince Edward Island, I am going to speak for a short while about the tourist industry in the Atlantic provinces, and particularly in the province from which I come. The importance of tourism as an industry to Prince Edward Island cannot be too strongly stressed. In a province which has such a limited range of industry, it is necessary to expand as much as possible those industries which we have in order to ensure the welfare and prosperity of our citizens.

The closer we look at the past, the closer we must look at the present and ask ourselves what the future holds for Canada's hospitality industry in those provinces where tourism can be big business. To those who like to spend their vacations in a sequestered, quiet, restful spot, undisturbed by the rush and roar of the big vacation resorts, Prince Edward Island has peculiar charms: its well kept, cultivated farms, its rolling seas and magnificent white beaches are an attraction to any tourist. It is the romantic land portrayed by Lucy Maud Montgomery, our beloved authoress. There is hardly a square mile but affords a view of the sea, with its invigorating breeze. For pure air, beauty of scenery and general appearance of comfort and independence the Island is without rival. Nature has been very generous with us.

Prince Edward Island has everything one requires for a restful happy vacation: warm sun, fresh salt sea air, perfect swimming and bathing, secluded streams and ponds, teeming with speckled trout just asking to be caught, and deep sea fishing with a sure catch on every trip.

Visitors to our province find a complete change from anything they have ever seen; it is almost like being in another world. It is perhaps a unique spot in Canada, this Garden province, this Eden, unspoiled, memorable because of its glorious scenery, natural beauty and sweet-scented fields and groves. Here in this Island, the birthplace of Confederation, is the fellowship of peace, and the hospitality of a people who welcome visitors with genuine warmth and good will, and beauty all around.

But in the province of Prince Edward Island one of the greatest problems facing the tourist industry is transportation. We make a great effort to attract visitors to our province, and then they are very often left stranded for hours at the ferry terminals. Our means of transportation are very inadequate. We have on the Caribou-Wood Islands service two boats, one with a capacity of about 14 cars and trucks, and the other somewhat larger. Still another larger boat is being built, but it will not be sufficient to look after the traffic at this end of our Island. On the Borden-Tormentine route, some 65 to 80 automobiles can be carried on each crossing. But again, many times during July and August more than 100 cars are left at each side waiting for transportation. I may say from personal experience that this is a very annoying situation. On one occasion I sat in a car at Tormentine for six hours before getting on the boat. A car dare not leave the line-up, because it would lose its priority, and it is impossible to get food at the pier.

In comparison with the huge sums of money that are being spent these days, the amount required to improve facilities—whether by way of the construction of a causeway, which we hope to have before too long, or by providing more and larger boats—to expedite transportation to and from our province, should not be considered out of reason. Perhaps a large automobile ferry would meet the need until we get the causeway. Something should be done to aid the promoting and developing of the tourist business, one of the few industries which could bring a high economic return to our province.

At the present time tourist spending in Prince Edward Island amounts to more than \$5 million, and with greater and more convenient transportation facilities, and increased accommodation in hotels, motels, tourist homes and cottages, that amount would very quickly be doubled—a very significant factor in the economy of a small province. Apart from Summerside, Charlottetown and the National Park, our tourist accommodation is very limited. An extension of our National Park to take in a portion of Prince and Kings counties would also be of great benefit to the industry. Accessibility and accommodation are our greatest needs at the present time with respect to tourism in Prince Edward Island. We have something to sell to the tourists in scenery, historic attractions, and recreational facilities, but we need the means to promote the sale. To foster the tourist industry would indeed be a sound investment for any government.

This little province, set in the Gulf of St. Lawrence, has a small population—less than 100,000 people when the last census was taken. We have been modest in our demands. We do not ask for much, and we have never received much, from the federal Government, but I do think the time has come when we should ask for and receive some financial consideration to help our primary producers, when assistance is being given to others in this way.

Honourable senators, these are not days for brashness or for guessing contests, but days when knowledge and experience are very necessary indeed to weigh and consider most carefully the affairs of our country in order to give the best legislation possible. The problems of each province require a good deal of study and consideration by those in authority, in order to provide the legislation that will contribute most to the welfare of our citizens and the development of our resources, not only for our own good, but for the ultimate good of our great heritage, this vast and rich land of Canada.

**Some Hon. Senators:** Hear, hear.

On motion of Hon. Mr. Horner, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Thursday, November 21, 1957

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

Prayers.

## ROYAL ASSENT

## NOTICE

**The Hon. the Speaker:** Honourable senators, I have the honour to inform you that I have received the following message from the Secretary to the Governor General:

GOVERNMENT HOUSE  
Ottawa

November 21, 1957

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 21st November, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,  
Sir,

Your obedient servant,  
J. F. Delaute  
Secretary to the Governor General  
(Administrative)

The Honourable  
The Speaker of the Senate,  
Ottawa.

## TERRITORIAL LANDS BILL

AUTHORITY TO PRINT COMMITTEE  
PROCEEDINGS

**Hon. Cyrille Vaillancourt,** Chairman of the Standing Committee on Natural Resources, presented the report of the committee on Bill L.

The report was read by the Clerk as follows:

The Standing Committee on Natural Resources, to whom was referred the Bill (L) intituled: "An Act to amend the Territorial Lands Act", report as follows:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of the proceedings on the said bill, and that Rule 100 be suspended in relation to the said printing.

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

**Hon. Mr. Vaillancourt:** I move that the report be concurred in now.

The motion was agreed to.

## DIVORCE BILLS

## FIRST READINGS

**Hon. Arthur W. Roebuck,** Chairman of the Standing Committee on Divorce, presented the following bills:

Bill Z-5, for the relief of Marie Marthe Moreau Roy.

Bill A-6, for the relief of Pierrette Picard Gagnon.

Bill B-6, for the relief of Marcelle Richard Deschambault.

Bill C-6, for the relief of Florence Irene Burness Williams.

Bill D-6, for the relief of Jean Paul Pelletier.

Bill E-6, for the relief of Mildred Mabel Desmarais Demers Joly.

Bill F-6, for the relief of Leonne Liane Andree Belanger Botham.

Bill G-6, for the relief of Shirley Alma Lawson Wilson.

Bill H-6, for the relief of Sarah Yampolsky Pinsky.

Bill I-6, for the relief of Karina Mercs Bunte.

Bill J-6, for the relief of William Garnet Mills.

Bill K-6, for the relief of Violet Pitman Proulx.

The bills were read the first time.

## SECOND READINGS

**The Hon. the Speaker:** When shall these bills be read the second time?

**Hon. Mr. Roebuck:** Honourable senators, with the unanimous consent of the house, I would move second reading of these bills now.

I should like at this time to give a few figures with respect to the progress being made in the work of the Divorce Committee. We have had expression of approval of this practice by honourable senators who are not members of the committee, and it is some little while since I have placed any statistics before the house.

The progress report as of today is as follows:

Petitions filed .....	331
Petitions presented .....	325
Petitions withdrawn .....	1
Petitions recommended .....	158
Petitions rejected .....	2
Petitions partly heard .....	2
Petitions listed for hearing .....	27

Of the petitions listed for hearing, five are marked as being opposed and one is a resumed hearing.

The motion was agreed to, and the bills were read the second time, on division.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Roebuck:** Next sitting.

## ADJOURNMENT

**Hon. Mr. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until Wednesday next, November 27, at 3 o'clock in the afternoon.

The motion was agreed to.

## CRIMINAL LAW

REPORT OF ROYAL COMMISSION ON INSANITY  
AS A DEFENCE

On the Orders of the Day:

**Hon. W. Ross Macdonald:** Honourable senators, yesterday I spoke to the Leader of the Government in the Senate (Hon. Mr. Haig) and asked him if he would table a copy of the report of the Royal Commission on the law of insanity as a defence in criminal cases. May I inquire of my honourable friend now if he has had an opportunity to obtain a copy? I know he has been engaged in Cabinet most of the day, so perhaps he was too busy to attend to this.

**Hon. John T. Haig:** Honourable senators, I was busy all morning at a Cabinet meeting and could not find time to obtain a copy of the report requested. As a matter of fact, I was busy also in trying to arrange to have Royal Assent given to bills this afternoon, in order that we would not need to sit tomorrow. It took a great deal of time to arrange things, as everybody else had a better idea than I had, so they thought. I apologize for not having a copy of the report to table this afternoon, and I shall have one here at our next sitting.

## SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—  
DEBATE CONTINUED

The Senate resumed from yesterday consideration of Her Majesty the Queen's speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. R. B. Horner:** Honourable senators, those of you who are old-timers here will find nothing unusual in my attempt to have something to say in the debate on the Address in reply to the Speech from the Throne.

At the outset I would like to say how thankful I was to a kind Providence for being privileged to be present on the historic occasion when Her Majesty, accompanied by Prince Philip, opened the present session of Parliament. It was an occasion that we will all long remember.

I wish to congratulate your Honour on your appointment to the high office of presiding officer of this chamber, and on the

manner in which you have carried out your duties. I also wish to congratulate my desk-mate (Hon. Mr. White), the mover of the motion for an Address, and the seconder (Hon. Mr. Méthot).

We have had a number of excellent speeches in the chamber recently. I was particularly taken with the speech of the honourable senator from Waterloo (Hon. Mr. Euler). Surely it is an honourable effort for anyone to advocate, as he did, the maintenance of peace at this time and in the present state of the world.

May I offer congratulations also to the junior senator from Winnipeg (Hon. Mr. Wall). He has had a long experience as a teacher, and he delivered a well prepared and splendid speech.

I am sorry that the honourable senator from Shelburne (Hon. Mr. Robertson), former Leader of the Government in the Senate and former Speaker, is not in the chamber at present, for I intended to pay my respects to him. He has had, through means of his inquiry in regard to international trade, an opportunity of making two speeches on the Address. I am somewhat concerned lest I find myself in a similar position. It seems to me that he is so much better on Your Honour's left than he was when he sat on Your Honour's right. Also, the thought has occurred to me that I may be totally useless as a supporter of the Government, whereas I may have been useful in Opposition. I believe in recalling and thinking seriously about the advice I have given the Government down through the years, and it rather alarms me to think that, had they taken my advice, I might still have been sitting to Your Honour's left.

Let me mention some of the things which have troubled me. The honourable senator from Churchill (Hon. Mr. Crerar), drawing on his many years' experience and his knowledge of almost the whole of Canada, always gives us an interesting talk. But the question arises in my mind, why do honourable senators on the Opposition side demand that so much be done immediately which they had the opportunity to do, and did not do, in the last 22 years? The honourable senator from Shelburne gave us a great story of Nova Scotia and its needs. Surely the Government which he has supported for over 20 years could have made some start to remedy these conditions. It is not necessary for him to tell us that Nova Scotians are a very fine people: we have many of them in western Canada, and they are first-class citizens. I thought he was getting on rather thin ice, however, when he brought up the subject of reform of this chamber. The only attempt he made at

reform was of great benefit to himself and one other honourable senator, and it placed all the rest of us in a different condition. However, I had the temerity to oppose the proposal, and for that reason, no doubt, I am never to be found away from this chamber on trips to NATO or other official business: because of my remarks in this connection I am thoroughly well grounded here.

I have with me some clippings which, I believe, justify my view that some serious mistakes were made, although there were few who agreed with me when I said so. I objected to the allotment of \$100 million to the Canada Council; I do not believe in "culture-buying". I notice in the *Ottawa Citizen* a suggestion by Dr. A. W. Trueman, director of the council, that members of the Lord's Day Alliance "need their heads read". When the Reverend Harold Allen, president of the Alliance, objected to the remark, Dr. Trueman said he would like to make it clear that he was speaking for himself and not for the Canada Council. I do not know how it is possible to separate the two. He and his associates are the men who are supposed to purchase for us \$100 million worth of culture. I objected and I still object to the idea. I also criticized the terms of the wheat agreement with Great Britain. Now we have it on no less an authority than the honourable senator from Churchill that that arrangement has cost the Western farmers \$500 million.

I must say that I am somewhat tired of listening to men of the legal profession trying to explain the problems of farmers in Saskatchewan. These legal people wouldn't know what to do if you showed them a sick animal, and if you asked them to strike a straight furrow down a mile they would be all over the place. But the honourable Leader of the Government (Hon. Mr. Haig) proceeds to tell us what he knows about Saskatchewan as well as Manitoba.

Speaking of losses suffered by western farmers, I recently read an interesting article about economic difficulties in the various sections of the country: Alberta, British Columbia, the two central provinces and the have-not areas of the east. The writer, a professor of economics, particularly stressed how the tight-money policy of the former Government hit the have-not areas. He did not mention Saskatchewan at all. As one who comes from that province I feel it is my duty to point out that we grow more wheat there than is grown in all the other provinces of Canada combined. In a normal year Manitoba produces something like 50 million bushels, Saskatchewan about 350 million bushels, and Alberta about 100 million bushels. So Saskatchewan was the chief loser under the wheat agreement, and she is the chief loser through freight rates. The Leader

of the Opposition (Hon. Mr. Macdonald) said in this debate that the former Government had been in power for 22 years and he referred to them as "twenty-two glorious years".

**Hon. Mr. Macdonald:** That is right.

**Hon. Mr. Horner:** I was not surprised at his remark and I would expect him to make it; but I am bound to say that they were glorious years not because of the Liberal Government but in spite of the Liberal Government. They were good years throughout practically the whole world. Look at the progress that some of the war-devastated countries have made. Take Germany, for instance. She was torn by war, and even after the end of hostilities there was senseless destruction of many of her fine plants, much of her machinery and equipment having been shipped to Russia and other countries. But look how Germany has come back. She now has on hand a gold balance of \$5,400 million, a fact which is embarrassing to her neighbouring countries. How did Germany accomplish this? By hard work, not by any five-day work week. The German people have worked hard to build up their country, and now she is able to export many products.

I am concerned about Canada's exports generally, and I am sure many of them are going to face difficulties. We feel relatively secure in Saskatchewan, because grain is a product that is consumed every day, but such items as aluminum products, for instance, may last a hundred years. What about iron and pulpwood? During those glorious years that have been referred to several hundred million dollars were spent in Quebec on construction of pulp mills. This development produced revenue, but in what position do these mills find themselves today? They are doing the same thing as we in Saskatchewan are doing with wheat—over-producing. And so it goes all down the line. The iron and steel industries may find themselves in the same position unless they are able to curtail production costs.

Recourse to labour strikes has been an alarming factor in connection with freight rate costs, and I believe this has affected Saskatchewan more than any other province. I pleaded with the former Government to try to find some method whereby labour and management could settle disputes without strikes. Whenever there is a strike it usually means that some people are put out of work through no fault of their own, and they have to go on picket lines, and so on. Labour organizations are so strong they can employ highly paid counsel to fight their cases in court. A few years ago we had a country-wide railway strike that lasted ten days.

This meant an enormous cost to the country as a whole, and in particular to the railroads and railroad labour. I know that during that period a lot of people started transporting their goods by truck and they have never gone back to the railroads. For instances, in spite of the fact there are railroad lines leading from Saskatoon to Winnipeg, huge truck trailers carrying almost a carload of cattle are busy all the time transporting cattle between these two points. In other words, railroad men have deprived themselves of this revenue. They gave the truckers an opportunity to demonstrate what they could do with trucks, and the railroads have never got the business back.

There is another matter about which not much has been said, but from which the provinces of Alberta and Saskatchewan suffered immensely. A foot and mouth disease broke out among cattle in Mexico, and as a result beef started to sell on the United States market at 34 and 35 cents a pound live weight. To keep the cost of beef down in Canada the federal Government placed an embargo against our cattle, and for nearly two years we were prevented from taking advantage of the high prices offered for beef in the United States. Alberta and Saskatchewan ranchers asked the federal Government to do something about this, but they had no success. The United States would have been very glad to buy our cattle. They were paying 34 cents a pound for finished cattle but we were getting only 10 to 11 cents here. I remember that very well. A number of ranchers asked me for information but I could not give them any. I said that the purpose of the embargo must be to keep the cost of beef down in the rest of Canada. The ranchers suffered because of this and a lot of them went into the winter months without sufficient feed for their cattle. They were hoping that the embargo would be lifted and that they would be able to sell their cattle, but that did not happen, and thousands of cattle died for lack of food. That embargo cost the province of Saskatchewan a great deal of money.

Honourable senators, the St. Lawrence Seaway may be a wonderful undertaking, but what hope have we in Saskatchewan of benefiting from it in any way? I have said this before and I say it again: I am convinced that Saskatchewan farmers will pay a higher freight rate on grain shipped through the St. Lawrence than they pay now.

**Hon. Mr. Euler:** We are going to build you a dam in Saskatchewan.

**Hon. Mr. Horner:** There are going to be toll charges on the St. Lawrence Seaway, so the Saskatchewan wheat shipped through the seaway over the years will pay a great deal of the cost of that undertaking. That may be the intention. The honourable senator from Kennebec (Hon. Mr. Vaillancourt) stated that he was in favour of these things, and that they were of great benefit to the people of Canada.

The honourable senator from Churchill (Hon. Mr. Crerar), in speaking yesterday about election promises, said he did not believe the present Prime Minister thought he would be elected to that office. Of course he expected to be elected. The great disappointment was that he did not have an overall majority.

May I remind the honourable senator from New Westminster (Hon. Mr. Reid) that when we voted on the Trans-Canada Pipe Line question—I am not sure whether he was present at the time—I voted against it for the simple reason that the gas was to be carried from Emerson and delivered in the United States at one-third of what it would cost the people of Winnipeg. The honourable senator had no complaint then to offer against a higher price. He reminds me of a story. In the early days when people travelled on horseback—there was no other way, of getting about then—a fine old Presbyterian lady saw an Anglican clergyman ride by, and his horse was worn. She said to herself, "Such a merciful man, but not so merciful to his beast." Later a Presbyterian clergyman rode by on his horse, which also was worn, and the lady said, "He is a fair, good man; he is paid to work, and he is eager to be at it." I think that story fits the honourable gentleman.

**Hon. Mr. Reid:** Some time I will tell you another one.

**Hon. Mr. Horner:** I am reminded of another story that I like telling. In the Old Country, many, many years ago, at a funeral the corpse was carried; and the mourners, who were hired, used to wear big black hats, and sometimes they were given a toddy or two before starting off in the procession. On one occasion two old boys who were following along respectfully, with their heads down, missed the funeral procession and found themselves up a back lane. One of the fellows started to sniff, and said, "They kept him too long." I think the people of Canada now realize that they kept the former Government in power too long.

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Bouffard:** Does that also apply to the senator from New Westminster?

**Hon. Mr. Horner:** Oh, no, I do not think so.

**Hon. Mr. Reid:** You cannot tack that on to me.

**Hon. Mr. Horner:** On the question of inflation, which we hear so much about, I will read an editorial from the *Globe and Mail*, under the caption "Look at the Record":

A Canadian Press dispatch from Moose Jaw quotes Mr. Lester Pearson as saying that "inflation had not got out of hand when the Liberal Government left office last June".

It is as well to look at the record. During the five and a half years of the Second World War, Canada's cost of living index rose from 100 (the 1939 base) to 118.1. During the next seven years, it roared up to 183.5. At this point (October, 1952) the Liberal Government made things look better by shifting to a new cost of living index, which took 1949 as the base year. On that basis, the old-style figure of 183.5 gave way to a new-style 116.

Yet this index, too, steadily rose, reaching 121.6 last June. During 22 years of Liberal administration, the Canadian dollar had lost a good half of its value. And as the above figures show, only a small part of the loss took place during the war. Most of it took place following the war.

Other nations have had worse, and faster, inflation than Canada. But let it not be suggested that our inflation was kept prudently in hand. Any Canadian who bought bonds during the war, any Canadian trying to live on a fixed income, knows better.

The honourable senator from Churchill (Hon. Mr. Crerar) said something to the effect that a man starting out to work at age 20 should be able to provide for himself at 65. Perhaps he has overlooked the fact that the income tax rate has steadily risen in Canada, and that if the ordinary man lives according to the generally accepted standard he has nothing left in the later years to provide for old age, or to invest in Canadian industry. I think that is a serious matter, and I hope this Government will carry out its promise to reduce taxes considerably, both for single and married people to enable them to share in the investments and developments of this country. That is the policy of the Government that I have the honour to support. I am not at all concerned, as the honourable senator from Kennebec appears to be, that we balance the budget. We have an immense country, with all that we need. What worries me most is the possibility of people losing their desire to work, and therefore their inability to keep up a proper type of home.

In that connection, may I say that I am annoyed at this talk about an economic farm unit. Economic for whom? Who are advocating this—the machinery companies, the oil companies, or the mortgage companies that are interested in deriving revenue from farm mortgages? Honourable senators, I can tell you that the happiest families are raised on small farms, where horses, rather than machinery, are used. The man who farms

with horses in western Canada does not need a cash advance, and has no debts. Not long ago I met a westerner who farms with horses, and I asked him how he was getting along. He said: "I am on my way to take my boy to the university. All my grain is in the granary, fresh and dry; I have no gas bills to be paid, no bills for repairs to a tractor; in fact, all my debts are paid." I said, "That is fine, and if there were more people like you the country would be better off."

Of course, if everyone decided to feed all their grain to beef cattle, the cattle would become a drug on the market. One hears a good deal of talk about economic farm units. I do not believe that is really farmers' talk; it is the talk of people who are interested in seeing individual farmers operate larger farms and have to buy expensive machinery to do so. Let me say, honourable senators, that if a man is not a success on a small farm, you are surely running a risk if you advance him money to go into a large farming operation. If he is not efficient on a small farm, there is much less chance that he will be efficient on a large farm. Furthermore, if he is an efficient operator he will make his own arrangements for getting money to operate the bigger farm.

This past autumn a man of only 54 years of age, who lived near my home, died suddenly in his truck. I was speaking to his brother with a view to getting him to do some work on my car, and he said that he was having a lot of trouble over his brother's estate, because pending the settlement of succession duties the Government would allow him only \$500 to take the crop off. I asked him how much land his late brother had, and he said that he operated seven sections and had about 80,000 bushels of wheat. Let me say this: if he had been going a little slower he might have been living today.

**Hon. Mr. McDonald:** May I ask the honourable gentleman a question? Would he give us the comparable cost of producing grain by the older method of using horses and the modern method of machine operations?

**Hon. Mr. Horner:** That is a pretty difficult question to answer, but I can tell you what my practice was when I used horses: I used to figure on producing a thousand bushels of wheat per horse. It must be remembered, of course, that some men are skilful in handling horses and know nothing about machinery, while others are good mechanics and have no ability for handling horses.

The great trouble with us today seems to be that the only criterion is whether we can make money or not. Perhaps we do make money, only to die in a truck beside our property. There seems to be little thought

given to what I regard as our primary purpose, that of raising good Canadian citizens; and, to my mind, there is no better place to raise them than on the farm. So much of what we do takes away from our people their ability and willingness to work; when we discourage their desire to work, we take away something that money cannot replace. The most valuable asset of any nation is its people and their homes.

We hear and read much today about the amount of delinquency among young people. Even when money and work are plentiful, crime does not seem to let up. To my way of thinking, we are perhaps setting a bad example for our young people. The honourable senator from Medicine Hat (Hon. Mr. Gershaw) spoke with feeling about the terrible loss of life through traffic accidents on the highway. He pointed to the very good record of the city of Medicine Hat in that respect. I believe Saskatoon and Prince Albert also have good accident records.

In this connection I should like to read an article entitled "Cheated out of Life", which appeared in the *Montreal Gazette* of November 14 last. Before doing so, may I remind honourable senators of the bad example set by a father who breaks traffic laws, and the effect it may have on young people riding with him. This is the article:

Since the beginning of this year, 115 persons have lost their lives in traffic accidents on the streets of Montreal. It is a painfully large number. And it is all the worse when it is compared with last year. In the same nine months of 1956 the total was 97.

Perhaps there are always a certain number of true accidents—accidents in which no one is to blame. But it would seem likely that in most cases "accidents do not happen, they are caused". And most of them are caused by the cheaters.

A cheater, in anything, is the person who breaks the rules. It is regarded as a very contemptible thing if a person cheats when playing a card game, or in a golf match. And yet the cheaters driving their cars on the streets are always trying to break the rules. Though the rules are laid down for everyone's real benefit and safety, they are always being regarded as something to get the better of.

At almost any intersection you can see cars breaking the law by crossing in front of the up-going traffic. Lanes that are reserved for the use of motorists turning left or right on green arrows are usurped by people going ahead, as thereby they can beat the motorists holding their place in line.

One can well appreciate what effect this course of conduct would have on a child who is watching his parents closely. The article continues:

Many motorists have only one idea and that is to beat the car in front, even if it means exceeding the speed limit, or breaking some other traffic law. Then there are those who cheat again and again when it comes to switching from one lane of traffic to another, throwing a whole stream of traffic into confusion.

Not all the cheating is done by those in cars. Pedestrians can cheat, too. The jaywalker is risking other lives than his own; for a motorist, trying to avoid hitting him, may cause a collision.

Perhaps it is time when people ought to get their values right. It seems odd that there should be more moral censure against the person who cheats at cards or on the golf course than for the person who cheats on the highways. Yet it is these traffic cheaters who run the risk of killing and maiming. By their cheating the greater number of those 115 fatal accidents may have been caused in the first nine months of this year.

The traffic cheater thinks it is all right if you can get away with it. But it is a terrible thought for anyone to have, that he was the means of cheating someone else of his life.

I agree wholeheartedly with that article, because I think it explains much of the general picture of carelessness among car drivers.

Speaking of men and women, their character and stability, I am reminded of the heroic escape two years ago of 9 Eskimos who were marooned on an ice-floe. They were given up for lost by the search planes. But 17 days later they walked into their own village none the worse for their experience. To me, that is a more heroic deed than putting a Sputnik into outer space.

On the subject of education, I would like to point to our loss from Canada of many trained persons. The point is well made in an article entitled "3,000 Engineers quit Canada in Five Years", which reads:

More than 3,000 engineers left Canada between 1951 and 1956, a figure equivalent to almost one-third of the graduating classes of that period and 10 per cent of all the professional engineers in Canada. Eight hundred other scientists also left Canada in those years.

These figures are contained in the annual report of the Technical Service Council, released by the chairman, Dr. Robert A. Bryce. The council is a non-profit organization which attempts to keep engineers and scientists in Canada by finding them jobs.

"The largest missile centre in the western world could be set up with the Canadian scientists who have emigrated to the United States recently," Dr. Bryce said. "This depletion of our greatest natural resource has been increasing steadily. It is likely to expand further now that young immigrants are in less danger of being drafted into the U.S. armed forces."

In 1951 the graduate engineers who left for the United States amounted to 11 per cent of the total of the classes. By 1956 the figure had soared to 46 per cent. Last year more chemists emigrated than were graduated.

"Many of these men, trained at great expense to the taxpayers, are research workers with post-graduate degrees," Dr. Bryce said. "They leave Canada because they cannot get positions in their field of interest."

Higher salaries and the greater recognition given in the United States to postgraduate training, also attract Canadians.

Terming this emigration a serious waste of the very men who can do the most to develop Canada's natural resources, Dr. Bryce said these trained persons also help to build up the industries of Canada's greater trade competitors.

The scientists leaving Canada are not replaced by newcomers. U.S. engineers coming to Canada frequently do so to take senior jobs in subsidiaries.

I want to say a special word of congratulation to honourable senators opposite and to mention how pleased I am with the manner in which they have acted since the change of Government. Most if not all of them have expressed satisfaction, and an attitude of that kind is in the best interests of our two-party system of Government. A very pleasant atmosphere exists indeed. I may say that I did not approve of the manner or the tone of voice adopted by my Leader (Hon. Mr. Haig) when he snapped a defiance at the Opposition in this house to vote down the Prairie Grain Advance Payments Bill. I did not approve of that, in view of the fact that we had been shown nothing but kindness.

Many of you have probably been reading the articles in the *Saturday Evening Post* by Bernard Baruch. He is known as an astute operator in financial circles and has acted as adviser to several Presidents. He says that the market is the people, meaning that confidence on the part of the people is reflected in the state of the market. I have not noticed any honourable senator predicting blue ruin for this country; but rather, honourable senators have been talking the other way. However, some would-be prominent members of the other chamber have been going about the country suggesting that depression faces Canada now that the Conservative Party is in power. That is one of the greatest disservices that can be rendered to this country of ours, and I am happy to say I do not recollect any honourable senators being guilty of this practice.

I myself believe what Bernard Baruch says, that the market is the people. I would like to apply that to our own affairs with a minority Government in power. Many honourable senators probably believe that this Government lacks the stability and go-ahead that perhaps Canadian businessmen and Canadian investors would like to see in a Government with an overall majority. So let me say, in the kindest way I possibly can, honourable senators, that you might be doing Canada a service if you were to ask the Government to go further with social legislation, and perhaps oppose it, the result of which would be an early election in the best interests of everyone in Canada. In speaking these words I am speaking for myself alone, and I do so with the kindest thoughts possible.

Honourable senators, I have talked longer than I had intended. You have been very patient, and I thank you.

**Hon. Mr. Barbour:** Honourable senators, I would like to ask a question of the honourable senator from Blaine Lake, (Hon. Mr. Horner). As everyone knows, for the past five or six years large wheat crops have been harvested

in the west and there is a big surplus. Can the honourable senator tell the house how much it costs to grow a bushel of wheat in Saskatchewan?

**Hon. Mr. Horner:** That is a very difficult question to answer. I may say to the honourable senator that he could drive from village to village in the west and perhaps receive a different answer, though given honestly, from every farmer of whom he asked that question.

**Hon. L. M. Gouin:** Honourable senators, first of all, I wish to thank our senator from Blaine Lake (Hon. Mr. Horner), for his remark promising us an early election because, as he understands it, it might be desirable to have an early election. By way of introduction, I wish to remark quite frankly that our attitude to some extent might be explained by the fact that we are going to have a national Liberal convention in the middle of January, to choose a new leader.

Last year my honourable friend's party was in practically the same situation as the Liberal party is in now, and at that time Mr. St. Laurent promised that we would give to the Conservative party all the time required to hold its convention and to prepare for the next campaign. This we did. The Conservative party chose an excellent leader, I have no doubt about that, and I say that it is a matter of fair play to give to us an opportunity to do the same thing, if our democracy is to survive and operate properly.

Honourable senators, I wish to record what an extraordinary privilege it was to attend the opening of the present session of Parliament by Her Majesty the Queen. That she acted and spoke then as the Queen of Canada is made clear beyond any doubt by the first words of the Speech from the Throne:

I greet you as your Queen. Together we constitute the Parliament of Canada. For the first time the representatives of the people of Canada and their sovereign are here assembled on the occasion of the opening of Parliament. This is for all of us a moment to remember.

Yes, honourable senators, throughout our lives we shall cherish, as a most precious memory, the remembrance of that great day which marked the beginning of a new chapter in our national history. With great emotion, at the end of her speech, we heard Her Gracious Majesty express the wish that she might count the glory of her crown to reign in Canada with our loves and so to be remembered in the days to come. That wish is already accomplished. A beloved monarch is the living incarnation of the unity of our

Commonwealth. Her throne is based upon the rock of freedom, not of compulsion. Our free and voluntary association of sovereign nations is strong because we are bound together, not by force, but by a common heritage of parliamentary institutions and of democratic traditions. Our loyalty to the Crown is the result of our love, our admiration and respect for our radiant sovereign, Elizabeth II.

It is my very pleasant task to offer congratulations to some honourable members of this house.

(Translation):

Mr. Speaker, I would, first of all, offer you my most heartfelt congratulations. From the very first day you have fulfilled your delicate and important functions with the greatest tact and dignity. In appointing you, the Government has followed a well-established tradition in this house, whereby the Chair in the Senate is occupied alternately by a French-speaking and an English-speaking senator.

(Text):

I wish also to congratulate most sincerely—I hope he will allow me to call him my friend—the honourable Leader of the Government (Hon. Mr. Haig). He is a parliamentarian of outstanding experience. I have for him a great respect and friendship.

I welcome to this house all the newly appointed senators. I congratulate especially the mover and seconder of the Address upon their excellent speeches. Several of our new members have contributed to our debates, and in a very interesting and constructive way. May I offer my sincere personal congratulations to my distinguished confrère, our senator from Mille Isles (Hon. Mr. Monette).

Now I wish to discuss, as briefly as possible, some questions relating to international affairs which were mentioned in the Speech from the Throne. First of all I, although an opponent of the Government, agree completely with the statement that our Commonwealth association is "a pervasive force for good in an unquiet world". I am glad also to note that this new Government will continue to support the Colombo Plan. Some politicians in Quebec during the last campaign blamed the Liberal party for spending money to assist underdeveloped countries, for *des dons aux étrangers*—making gifts to foreigners. I am glad to see that the Government paid no attention to such criticism, and that, on the contrary, larger amounts will be voted to this very noble cause. Such assistance is as a matter of fact the best means to combat Communism.

I am also in full agreement with this Government's declaration that—

Canada's active participation in NATO is essential for the preservation of peace.

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But, honourable senators, in recent times our Atlantic unity has been faced with a series of critical situations. Great Britain and France decided alone to intervene in Egypt; for some years Cyprus has been a crucial problem in our relations with Greece; and today France is indignant because Great Britain and the United States have shipped arms to Tunisia. Paris feels that some of these arms might fall into the hands of Algerian rebels; and Frenchmen say, "Our sons will be killed with American and British bullets." I do not pass judgment on anybody, but I wish to call the attention of this house to the seriousness of the present crisis, which follows many others. Yesterday, in his address at the McGill Conference on World Affairs, Mr. Pearson said:

In my opinion the dispute will be settled before France withdraws.

That is from NATO.

It must be settled for the sake of Western unity.

Mr. Pearson added:

It is my hope that all NATO nations will have access to atomic weapons.

But I ask the question, what are armaments worth without a common policy, without unity among our allies? May I repeat here the words of the Right Honourable Louis St. Laurent, spoken at Bonn on February 10, 1954:

Perhaps the time has now come to consider whether some of the steps toward closer integration which we must take if our concept of civilization is not to perish should be taken within the larger framework of the North Atlantic community.

At all events, there is no conflict between our allegiance to NATO and our adherence to the United Nations. As stated in the Speech from the Throne:

We continue to hope that through the United Nations the aspirations of men and women for peace and security will be fulfilled.

From the order of my quotations from the Speech from the Throne and from various addresses delivered outside this house, it seems that the Government wants to put emphasis on our Commonwealth relationship. Honourable senators are aware of my loyalty to the Commonwealth, but from a practical point of view we cannot ignore the realities of geography and our national economy. I am convinced that our exports to the United Kingdom and to the various parts of the Commonwealth cannot be very much increased. It is desirable to seek new markets, but such a process will require prolonged efforts and will, I am convinced, achieve at the best only a relative degree of success.

I realize the problems created by what I would call our economic dependence upon

the United States. However, we need American trade, and we need American capital. We may try to revise to some extent the conditions under which we import goods and capital from our great neighbour to the south; we may endeavour to reduce somehow the imbalance of our trade; but again such changes can be made only gradually and most patiently.

I come now to the vital question of our national defence. On November 13, at Oklahoma City, President Eisenhower warned all the world:

There is danger ahead for free men everywhere.

I may add that this is particularly true of North America. For purposes of defence it is evident that the closest co-operation between the United States and Canada is an absolute necessity.

I face the future with confidence. I am not an alarmist, but we must also face the future with courage and we must accept the sacrifices which are made necessary by the Soviet advance in intercontinental missiles.

In the past negotiations with Russia, the West has not yet achieved any result. The great Richelieu used to say "*Négocier, négocier toujours*". I still favour negotiation, but we must negotiate from a position of strength. Our North American system of defence will have to be altered to adequately meet new means of attack which are now available against us.

Additional expenses will have to be incurred. Changes in defensive weapons will also entail changes in our defence production. Temporary unemployment may result from such alterations in our military program. According to a front page story in this morning's *Montreal Gazette*, Mr. Claude Jodoin, President of the Canadian Labour Congress, says that unemployment constitutes a national emergency. The article points out that a survey conducted by the Bureau of Statistics shows that 208,000 Canadians were without jobs and seeking work as of October 19, a jump of 110,000 in this category since mid-October 1956. Mr. Jodoin states that this situation calls for emergency action, especially in view of the expected high level of unemployment this coming winter.

I am not alarmed by this situation. I am convinced our people, with the grace of God, will be able to overcome all the difficulties which the near future may hold in store for us. But, whatever our political allegiance may be, we must obtain guidance and reassurance from the Government. It is in a spirit of co-operation that I speak, realizing that we must try as much as possible to keep above party politics when dealing with questions relating to our national defence, our

policy on foreign affairs, and indeed our very survival.

Honourable senators, Canada has acquired in an outstanding way at the United Nations the reputation of serving the cause of peace. I trust that we will maintain that tradition. What was achieved in the way of peace by our former Secretary of State for External Affairs, Mr. Pearson, won for him the Nobel Peace Prize. That speaks for itself. Mr. Pearson has become a legendary figure at the United Nations, but he is the first to admit the inspiration and support which he constantly received from Mr. Louis St. Laurent, whose name now belongs to history. Mr. St. Laurent has cemented our national unity. He has caused the name of Canada to be respected all over the world and to enjoy a prestige which is not equalled by any other nation of our size.

The work for peace so well done by the outgoing team has not been completed. A crisis now exists. I am not a supporter of the present Government, but as a Canadian I wish well to all its members, particularly to the Prime Minister and Mr. Sidney Smith. I respectfully suggest that those now in power do not over-emphasize their optimism for the time being, and that they prepare us for the very hard days which seem to be not too far distant. In other words, I want Canada to be ready for any emergency. I am sure that Canadians at large are anxious to put our national security above political advantage. Whatever may be our party, we must be able to say sincerely and effectively "Canada, we stand on guard for thee."

**Hon. Senators:** Hear, hear.

**Hon. Jean-François Pouliot:** Honourable senators, I move the adjournment of the debate.

**Hon. Felix P. Quinn:** Honourable senators, as Chief Whip of the Government it is my duty to try to regulate the order of speeches in this and other debates. It was my understanding that the honourable gentleman from De la Durantaye (Hon. Mr. Pouliot) was to address the house immediately after the speech by the honourable senator from De Salaberry (Hon. Mr. Gouin). It is hoped that this debate will be concluded next week, and as we do not expect to meet again until next Wednesday that will not leave us much time. There are two more major contributions to be made in this debate, one by the new senator from North York (Hon. Mr. Sullivan), on an important subject, and one by the honourable senator from Banff (Hon. Mr. Cameron). If it is possible I would like the honourable senator from De la Durantaye to address the house this afternoon. It is only 4.30 o'clock and there is plenty of time at his disposal.

**Hon. Mr. Pouliot:** Honourable senators, I shall be only too pleased to commence my remarks, on the understanding that I may complete them when sittings are resumed next week.

The presence of Her Majesty at the Opening of Parliament was a remarkable event. She spoke with regal dignity and proverbial tact, and personal charm and grace. What she said so well in both official languages was appreciated by all Canadians. What is much more important is that she herself said that she was here as Queen of Canada. She followed in the footsteps of her father, King George VI, who sat previously in this chamber as King of his Realm of Canada. Her Majesty the Queen added something more, which shall not be forgotten. And it was one of the happy events of this session, which started so well, and it has to be mentioned, that Your Honour was appointed Speaker and now occupies the Chair. It is a great honour, but your task is easier than that of your colleague in the House of Commons, who had to restore the dignity of the House of Commons, while you followed the tradition of the Senate, which is very good; and in that line you are true to the tradition established by the great Speakers of both houses, your able predecessors, and including the honourable Leader of the Opposition (Hon. Mr. Macdonald), who left his mark as an able and fair Speaker in the House of Commons.

I would like, Mr. Speaker, to mention to your colleagues of this house a very fine article published a little while ago by Mr. Marcel Gingras, in *Le Droit*, as correspondent of that paper. The article is about yourself; it contains no exaggeration, and it is a credit to the Senate to see you in the Chair. Fine tributes have been paid to you by all those who have taken part in this debate, and they have done so earnestly. For my part, I would be pleased to put on record this article by Mr. Marcel Gingras as part of my speech. I think it would be more convenient for English-speaking honourable members to read it in the text of *Hansard*, if it is their pleasure that it should be included.

(Translation):

The Speaker of the Senate is a credit to his fellow-countrymen

Although it was to interview the Speaker of the Senate that I entered the office of Hon. Mark Drouin, I had, upon leaving it, obtained much more information concerning the president of the *Théâtre du Nouveau-Monde* than about the Upper Chamber's young Speaker.

Chairman of the T.N.M.

An expert corporation lawyer as well as a very successful criminologist, the Speaker of the Senate, who was vice-president of the National Conservative Association and party organizer in the Quebec district from 1949 to 1956, has, for the last few months, been a governor of the National Drama

Festival. First, and probably foremost, Hon. Senator Mark Drouin is the founder of the *Théâtre du Nouveau-Monde* and president of that drama organization.

In 1951, having, quite by chance, met Jean Gascon, Jean Louis Roux and Guy Hoffman, he found twenty of his friends who, by promissory notes, committed themselves to give financial help to a group of artists. The now famous *Théâtre du Nouveau-Monde* was founded.

From success to success

Far beyond the most optimistic forecasts, the T.N.M., from its very first season, was a real artistic and financial success. Such was its financial success, indeed, that it has not yet been necessary to draw upon the \$10,000 in promissory notes put up by the patrons recruited by Mr. Drouin. The artistic triumph of that first year, as everyone knows, was Molière's *L'avare*.

Since then, the same artists have scored one success after another. Two years ago they took part in the Paris festival, and last year they appeared at the Edinburgh festival. Next spring they are going to Brussels, where they intend to put on three plays during the International Fair. After their stay in Brussels, the players go to Paris, where they propose to stay for three weeks before visiting several French towns.

South America and Canada

Following their visit to France, the players will journey to South America where, beginning with Brazil, they are going on a scheduled tour. From there they go to Vancouver, and thence to Montreal, after playing before audiences throughout the provinces. Their travels over, their regular season opens at the beginning of November.

And they are already busy. For the past two weeks they have been giving *L'œil du peuple*, a play by André Langevin which received first prize in the T.N.M. competition where 82 manuscripts were considered.

Building of a theatre

Their renewed success this year at the Orpheum, which has a seating capacity of 1,200, encourages the artists to build their own theatre as soon as possible.

The 1,000-seat theatre they have in mind would cost \$400,000, the stage itself, with all necessary facilities, involving an expenditure of \$75,000. To finance this large project, the T.N.M. proposes in the spring to launch a public subscription. Funds are already coming in, with the Quebec Government, the city of Montreal and Arts Council contributing \$10,000 each.

The Speaker of the Senate

The cultural activities of the Speaker of the Senate do not prevent him from fulfilling the duties of his high office with all the required dignity. Called to the Senate by Her Majesty nine days before the opening of Parliament, Senator Drouin is most grateful to the Senate staff and to his colleagues who, by their kind advice, have facilitated his work.

The duties of the Speaker are not over when the meeting adjourns. The Speaker is also the head of the Senate and, as such, directs its internal economy. Jointly with the Speaker of the House of Commons, he also presides over the administration of the Parliamentary Library and Restaurant.

The cordial atmosphere which prevails in the Senate and throughout the city of Ottawa have won over the new Speaker. Born of a French-speaking father and a Scottish mother, Hon. Mark Drouin expresses himself perfectly in the two official languages of Canada. He has friends both among the French-speaking and the English-speaking groups.

## Sports

At the beginning of this article, attention was drawn to the Speaker's interest in sports. Without going into this subject to any undue length, it might be pointed out that from 1936 to 1954, he was First Vice-president and Governor of the senior hockey league.

In 1954 he retired from that function in protest against the hockey magnates' decision to enter on the draft list the names of young players without, beforehand, having consulted their parents. Shortly afterwards, a bill sponsored in the House of Commons by Mr. Bona Arsenault, proposed, although it was later defeated, to put an end to this practice. Ever since then, their parents' signature is required before young players can be taken on by the major clubs.

(Text):

When something good happens to the Senate I appreciate it very highly, and what is remarkable is the fine co-operation that exists between all members of the Senate.

Now, I congratulate the honourable Leader (Hon. Mr. Haig). He has been in politics for quite a long time; he knows politics from the inside; he is a gentleman who has acquired a great experience, and his leadership will, I am sure, be as good as that of his immediate predecessor (Hon. Mr. Macdonald), which is no mean compliment.

I am glad to follow along the lines of the speeches of the two honourable senators who spoke before me, in welcoming the new honourable senators to this chamber. Not only are they welcome, but they are more fortunate than we were when we came here two years ago. They have the opportunity to hear what is said in the Senate, and they do not have to breathe drowsy and thick air that puts one to sleep. Also, the lighting is better. That is a great improvement, and we no longer see a shadow around or above us. What is more important is that the walls are clean—everything is clean and brilliant in the Senate, just as brilliant as my honourable colleagues themselves. Well, that is something. But you do not owe these improvements to any single senator, you owe them to the good co-operation that has existed between all the members of the Senate to accomplish this reform. It is more pleasant to work at desks in a room that is worthy of you, and that was worthy of Her Majesty. There are still some other improvements to be made in due course, and I am sure that—

**Hon. Mr. Roebuck:** May I ask if the honourable gentleman intends to speak of the galleries?

**Hon. Mr. Pouliot:** I was just coming to that. I hope that with regard to the gallery and the ugly pictures on the wall we will have the same co-operation from the junior senators as there was between their admirable brethren

for the first reform. The reform is not complete. I thank the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) for his suggestion. He has been interested in this for a long time, and so have the honourable senator from De Lorimier (Hon. Mr. Vien) and others. The new galleries would not be a huge undertaking; we could start with a gallery at one side, and honourable senators would see the difference it would make when listening to debates. There have been improvements because of the installations of the Bell Telephone Company for better hearing in this chamber. Of course, the system is not perfect, and if we have new galleries it would not be much better. However, honourable senators, if you desire some more information about this, why do you not go to see Mr. Armstrong, Chief Clerk of Committees, who has the plans that were made some time ago and left on the shelf? The plans will explain to you what would be an important improvement for the Senate chamber.

Repairs were made in order that the Senate chamber might be in decent condition when Her Majesty came. Are we not all pleased with what has been accomplished? Once again, it was the result of co-operation.

Honourable senators, I would not express my personal feelings if I did not congratulate very warmly the mover of the Address in reply to the Speech from the Throne (Hon. Mr. White), whom I had the pleasure to meet and sit with in the House of Commons for many years, and who has had a remarkable career as a member of Parliament. Also, it gives me pleasure to welcome and congratulate the honourable seconder (Hon. Mr. Méthot), who made a most interesting speech. I was delighted to listen to him.

I would like to mention another happy event, which has not been mentioned here yet, but which reflects honour upon the Senate. I refer to the election of one of our colleagues as mayor of the metropolis of Canada: I mean the election of the Honourable Sarto Fournier as Mayor of Montreal, the largest city in Canada. It is a signal honour, and he deserves our warmest congratulations. I think highly of the Prime Minister of each province. Each is the first citizen in his province. First there is the Prime Minister of Canada, then each of the provincial Prime Ministers, and in my view the gentleman who comes next is the Mayor of Montreal. Toronto is pretty big but it is not as large as Montreal.

**Hon. Mr. Roebuck:** My friend has reversed the order; other than that he is right.

**Hon. Mr. Pouliot:** I am always pleased when my honourable friend is here; he is an inspiration to me, with his friendly smile and pleasant remarks.

Honourable senators, the topic on which I want to say a few words to you is one of great importance, and one which was mentioned in a Canadian Press dispatch of October 15 last. The item is entitled "Plan to establish Bill of Rights studied at Ottawa", and it reads as follows:

The Justice Department is giving earnest consideration to legislation embodying a bill of rights for Canada, Prime Minister Diefenbaker said today.

He was replying in the Commons to Alistair Stewart (C.C.F., Winnipeg North) who asked when legislation establishing a bill of rights might be introduced.

The Prime Minister said the Justice Department is looking into the possibility of establishing a bill of rights. Before this could be done, the department had to study it carefully in order to "bring together all the questions that must be given consideration".

This is a matter of considerable importance to all Canadians; there are so many who say, we need a Bill of Rights in Canada. Many honourable senators will be surprised when I tell them that we have such a Bill of Rights in one of our provinces and that it dates back before Confederation; and if the province of Ontario also does not have one, it is because that province has dropped it from its Statute Book.

If we go back more than a hundred years ago, to the time of the LaFontaine-Baldwin Government, we will see in the statutes, which one will find in the library, a very important statute which contains the Bill for the abolition of the Clergy Reserves. What you may find particularly interesting is that the law for the freedom of religion is found in the preamble of the Act for abolition of the Clergy Reserves. It reads as follows:

Whereas the recognition of legal equality among all Religious Denominations is an admitted principle of Colonial Legislation; And whereas in the state and condition of this Province, to which such a principle is peculiarly applicable, it is desirable that the same should receive the sanction of direct Legislative Authority recognizing and declaring the same as a fundamental principle of our civil polity:

And it is hereby declared and enacted by the authority of the same, That the free exercise and enjoyment of Religious Profession and Worship, without discrimination or preference, so as the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the Province, is by the constitution and laws of this Province allowed to all Her Majesty's subjects within the same.

This is to be found in (1851) 14 and 15 Vict., Ch. 175, sec. 1. It is also to be found in the Revised Statutes of United Canada (1859)—which was eight years before Confederation—Ch. 74; and in the Revised Statutes of Quebec (1888)—the first revised statutes published after Confederation—sec. 3439; in the Revised Statutes of Quebec (1909), sec. 4387; in the Revised Statutes of Quebec (1925) ch. 198; and in the last Revised Statutes of Quebec (1941), ch. 307.

Those are the titles of nobility of this statute, which has been jealously kept by the Province of Quebec in its statute books. The same was done twice by the Province of Ontario, and it appeared in the Consolidated Statutes of 1877 and 1887. For your information, honourable senators, I will read you the text of the law of Ontario, which was similar to that of 1852, and which has been preserved as a treasure by the Province of Quebec:

The free exercise and enjoyment of religious profession and worship, without discrimination or preference, provided the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the Province, is by the constitution and laws of this Province assured to all Her Majesty's subjects within the same.

That is from the Consolidated Statutes of Ontario 1877, ch. 215, sec. 1. That same section was also in the Consolidated Statutes of Ontario 1887, Volume 2, page 236, at the time when Sir Oliver Mowat was Prime Minister of Ontario, but in the following Consolidation it was, unfortunately, dropped.

My point is that the continuation and preservation of the same legislation in the Statute Book of the province of Quebec shows that it has been considered as provincial legislation from the start and that it has remained such.

**Hon. Mr. Macdonald:** May I ask the honourable senator a question? He said it was dropped from the Consolidated Statutes of Ontario. Was it repealed by the Legislature?

**Hon. Mr. Pouliot:** I cannot answer that question of the honourable gentleman, but what I must tell him is that I have not found it in any editions of the Consolidated Statutes of Ontario after those of 1887. If we look at the Consolidated Statutes of Ontario that are now in force we do not find it there. It was dropped in the editions that followed that of 1887 and it was not placed on the Statute Book thereafter.

**Hon. Mr. Macdonald:** But did you find an act repealing it?

**Hon. Mr. Pouliot:** No. It was probably just dropped by those who were doing the consolidation of the statutes.

**Hon. Mr. Roebuck:** May I ask my honourable friend whether he is aware of another important statute, prior to the one of which he has spoken? I think the very first statute placed on the Statute Book of the Legislature of the Province of Upper Canada provided for the abolition of slavery.

**Hon. Mr. Pouliot:** Oh, yes. But I am not discussing that for the time being; I am speaking of freedom of religion only.

**Hon. Mr. Haig:** Would the honourable gentleman allow me to interrupt him for a moment? I would like to call his attention, as well as that of others, Mr. Speaker, to the fact that we have present just one senator more than a quorum. If the house fails to hold a quorum we shall have to sit tomorrow. I certainly will not get caught like this again. I think we will have to send out and see if any other members can be brought in, because if we lose a quorum we automatically go over till tomorrow.

**The Hon. the Speaker:** I was watching that very closely.

**Hon. Mr. Haig:** I think we ought to take some action to see that no one else leaves the house.

**Hon. Thomas Reid:** I wanted to leave, but I realized there was just a bare quorum here.

**Hon. Mr. Haig:** Once a quorum is lost we automatically go over till the next day.

**The Hon. the Speaker:** I suggest that the two Whips see that the attendance is kept above a quorum.

**Hon. Mr. Macdonald:** The trouble is that if the two Whips leave we won't have a quorum.

**The Hon. the Speaker:** One at a time.

**Hon. Mr. Quinn:** I would request those who are present not to leave the chamber.

**Hon. Mr. Pouliot:** Honourable senators, I am in your hands. If you want me to continue I can do so, or if it is your pleasure I will adjourn the debate.

**Hon. Mr. Quinn:** Continue.

**Hon. Mr. Pouliot:** I hope that everybody understands my point, which is that that legislation dates back a long time, to the time of the Union régime which existed before Confederation; and my argument for the Province of Quebec is good also for the Province of Ontario.

The Province of Quebec has kept its statute, and so did the Province Ontario after Confederation, but we do not find that legislation in the Statute Book of the Dominion of Canada at all. The Canadian Government did not touch this legislation, and this is the more remarkable because at the time of the first revision of consolidations of the Statutes of both Ontario and Quebec many Fathers of Confederation were still alive. They were also in Parliament at the time of the first consolidation of the Dominion Statutes after Confederation. These gentlemen, who were familiar with the legislation of 1851, which was kept in force at first by both Ontario and Quebec and which was left untouched

by the Parliament of Canada, were then alive; yet they did not suggest putting that legislation in the Revised Statutes of Canada.

Now, honourable senators, let us look at section 129 of the British North America Act. I am trying to make a very serious argument in order that no one may miss the point which was unfortunately overlooked by the Supreme Court of Canada in a recent case. That is why I would like to adjourn the debate to next week, in order to give more precise information about the matter. Section 129 of the British North America Act, 1867 is as follows:

129. Except as otherwise provided by this Act, all Laws in force in Canada, Nova Scotia, or New Brunswick at the Union, and all Courts of Civil and Criminal Jurisdiction, and all legal Commissions, Powers, and Authorities, and all Officers, Judicial, Administrative, and Ministerial, existing therein at the Union, shall continue in Ontario, Quebec, Nova Scotia, and New Brunswick respectively, as if the Union had not been made; subject nevertheless—

I omit a few lines, which refer to Imperial statutes—

to be repealed, abolished, or altered by the Parliament of Canada, or by the Legislature of the respective Province, according to the Authority of the Parliament or of that Legislature under this Act.

Now, having read practically the whole article, may I quote from it only that which concerns my argument. It is as follows:

129. Except as otherwise provided by this Act, all Laws in force in Canada . . . shall continue in Ontario, Quebec . . . respectively, as if the Union had not been made; subject nevertheless . . . to be repealed, abolished or altered by the Parliament of Canada, or by the Legislature of the respective Province, according to the Authority of the Parliament or of that Legislature under this Act.

At the time that the Act of Confederation was passed, the Civil Code of the Province of Quebec had been in force one year—from 1866. But the Civil Code did not comprise all the civil laws of the Province of Quebec: there were many other civil enactments which were not included, and one of them was the act concerning the freedom of religion. Religion is a highly personal right, and a civil right. No one can deny that statement. But some judges have done so; they have contended that, because the act had not been amended or repealed by the Parliament of Canada, it followed—strange to say—that it was a dominion statute, a civil right which belongs to the jurisdiction of Parliament. What an absurdity! In virtue of section 129 of the British North America Act, 1867, all the body of laws that existed in Canada, which comprised those of the provinces of Ontario and Quebec as well as Nova Scotia and New Brunswick, together formed the respective *corpus juris* of the provinces. But

some of the legislation which had been left until then to the provinces was, by the Act of Confederation, transferred to the Parliament of Canada. Therefore one cannot do other than understand the spirit and the letter of section 129 of the British North America Act to mean that the acts which had been under the authority of the provinces until the time of Confederation were of two kinds, namely, those which were transferred to the jurisdiction of Ottawa and those which remained within the jurisdiction of the respective provinces. That is as clear as spring water.

Having made this explanation, I shall read again the part of section 129 which relates to my argument; and all of you will see that there was some legislation which belonged to the federal jurisdiction and could be repealed or amended only by Parliament, and some other legislation which belonged to the provinces, as being under their jurisdiction, and could be repealed or amended only by the provinces themselves.

129. Except as otherwise provided by this Act, all Laws in force in Canada, Nova Scotia . . . at the Union . . . shall continue in Ontario and Quebec respectively, as if the Union had not been made; subject nevertheless . . . to be repealed, abolished or altered by Parliament of Canada, or

I repeat, "or".

by the Legislature of the respective Province, according to the Authority of the Parliament or of that Legislature under this Act.

This section is very clear. There is no clouded issue. Parliament can abolish or alter only legislation which has been expressly transferred to its jurisdiction from the body of provincial laws which were then in force, but the remainder evidently belongs to the exclusive jurisdiction of the provinces, which alone can repeal or amend it. Therefore I cannot understand how it is that the Supreme Court decided, quite recently, that freedom of religion is a federal issue, and comes under the jurisdiction of Parliament. It could not be so. It is not. I hope my views are not judged otherwise than as I express them, but I regret to a certain extent the abolition of the Privy Council, which would have been like the sword of Damocles over the Supreme Court of Canada. I say this, not because the decisions of the Privy Council are always right, but it would have forced the Supreme Court judges to be more careful in their rulings.

**Hon. Mr. Roebuck:** May I ask my honourable friend to what cases he is referring?

**Hon. Mr. Pouliot:** I am referring to the case of the Witnesses of Jehovah, and I am sure that my honourable friend knows it very well. *En passant*, may I say I regret very much that we have more opinions than

judgments in the reports of the Supreme Court, and it is very difficult to find the meaning of a judgment among the heterogeneous opinions contained in the notes of the judges.

Honourable senators, that is the foundation of what I intend to discuss briefly when the house resumes next week. I wanted to lay a foundation today for my argument, on a subject which is of great importance. How many people say "We are for the freedom of religion"? We are all for it. Freedom of religion is accepted in this country, but it is a matter of provincial jurisdiction. If the Province of Ontario wants certain legislation concerning freedom of religion, then let the Ontario Government pass such legislation. It is under their jurisdiction. The Parliament of Canada has no jurisdiction whatever in the matter. It would be absurd to deprive the Province of Quebec of the rights that it has cherished and kept for so long.

I shall take the house in my confidence before adjourning the debate and tell honourable senators why I suggested in this house recently that the ten provincial Prime Ministers be appointed to the Privy Council. A Prime Minister of a province is the first citizen of his province, and if the ten provincial Prime Ministers were Privy Councillors, they would come here as the accredited representatives of their provinces on an equal footing with the Prime Minister of Canada. This would be for the very good and obvious reason that the federal Parliament has exclusive jurisdiction in certain matters and the provincial Legislatures have exclusive jurisdiction in other matters. Each province has authority in its domain, and the federal Parliament has authority in its domain. I think it would be wise to follow my suggestion. However, I am not going to repeat what I have already said in this connection.

I appreciate the interest that my honourable colleagues have shown in my presentation of this matter, which is of the utmost importance to all Canadians. I must tell them now that, whatever may be said, if they want to go to a part of Canada which is a land of liberty, they have only to go to the province of Quebec.

Honourable senators, I move the adjournment of the debate.

**The Hon. the Speaker:** Honourable senators, the question is on the motion of the Honourable Senator Pouliot, seconded by the Honourable Senator Veniot, for the adjournment of the debate. Is it your pleasure to adopt the motion?

**Hon. Mr. Haig:** On division.

The motion of Hon. Mr. Pouliot for adjournment of the debate was agreed to, on division.

### PRIVATE BILL

#### ST. MARY'S RIVER BRIDGE COMPANY— SECOND READING

**Hon. William H. Golding** moved the second reading of Bill O-5, respecting St. Mary's River Bridge Company.

He said: Honourable senators, I am moving the second reading of this bill on behalf of my colleague and room-mate, the honourable senator from Algoma (Hon. Mr. Farquhar), who is unavoidably absent as a result of a serious operation. I am glad to report that the honourable senator is making good progress toward recovery.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Golding:** The St. Mary's River Bridge Company was incorporated by an act of the Parliament of Canada passed on May 4, 1955. The act authorized the company to construct, maintain and operate a bridge or tunnel across or under the St. Mary's River at or near the city of Sault Ste. Marie, Ontario. The act was passed on the instigation of the Council of the City of Sault Ste. Marie, which, for a number of years prior to the passing of the act, had maintained a committee to take steps towards securing a bridge or tunnel, and to study and advise the Council in regard to the possibility of so doing.

One hundred and forty-one shares of the capital stock consisting of a total of 150 shares of the company are owned by the Corporation of the City of Sault Ste. Marie, Canada. At the time the act was passed in 1955 it had the support of many civic and political groups in the area to be served by the bridge or tunnel.

Section 18 of the act provided that if approval of the Governor in Council to the bridging or tunnelling had not been obtained within three years of the passing of the act, the powers granted for the construction would cease and be null and void. The purpose of the bill now before the house is to amend that section in order to grant an extension of a further three years to obtain such approval.

Any bridge or tunnel to be constructed must, of course, have the approval and cooperation of United States authorities. In accordance with the terms of the act of incorporation, the rights and powers of the company were transferred to the International Bridge Authority of Michigan to enable it to proceed with the financing and construction of the project. There have been some unavoidable delays in connection with arranging

for the financing of the project, and the necessity of amending legislation of the State of Michigan, and it may not be possible for the company to obtain approval of the Governor in Council as required by section 18 within the three-year limit. For the reasons stated, Parliament is being asked to amend the incorporating act to extend the time for obtaining the approval of the Governor in Council from three to six years.

Honourable senators, if this bill receives second reading, I shall move that it be referred to the Standing Committee on Transport and Communications, the committee which dealt with the original bill that was passed in 1955.

**Hon. Mr. Macdonald:** Agreed.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Golding, the bill was referred to the Standing Committee on Transport and Communications.

### DIVORCE BILLS

#### SECOND READINGS

**Hon. Mr. Roebuck,** Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill P-5, for the relief of Loueisa Knutton Roberge.

Bill Q-5, for the relief of Dorothy Miriam Skinner Stuckey.

Bill R-5, for the relief of Albert Renaud.

Bill S-5, for the relief of David St. Clair Wilson.

Bill T-5, for the relief of Omer Arthur Menard.

Bill U-5, for the relief of Dorothy Nettie Clarke Hay.

Bill V-5, for the relief of Frederick William Hovermann.

Bill W-5, for the relief of Bertha Viola Beatrice Good Malcolm.

Bill X-5, for the relief of Mabel Florence Adams Hadden.

Bill Y-5, for the relief of Ernest Frank Cross.

The motion was agreed to, and the bills were read the second time, on division.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Roebuck:** Next sitting.

**PRIVATE BILL**

**ALASKA-YUKON PIPELINES LTD.—COMMITTEE AMENDMENTS CONCURRED IN**

The Senate proceeded to consideration of the amendments made by the Standing Committee on Transportation and Communications to Bill X-1, respecting Alaska-Yukon Pipelines Ltd.

**Hon. William H. Golding**, for Hon. Mr. Bouffard, moved that the amendments be concurred in.

**Hon. Mr. Pouliot**: May I ask the honourable senator first if he will kindly tell us what the proposed amendments are?

**Hon. Mr. Golding**: I have not the amendments before me. They were dealt with in committee, of which the honourable senator from Inkerman (Hon. Mr. Hugessen) was chairman.

**Hon. Mr. Haig**: One of the amendments was put in at the suggestion of the Law Clerk of the Senate, so as to make it definite that the bill when passed would be binding in Canada. Under this amendment the following words were inserted after the reference to the provinces of Alberta and British Columbia "north of the 58th parallel".

**Hon. Mr. Pouliot**: I understood that the provinces were to be invited.

**Hon. Mr. Macdonald**: No, I do not think that is so.

**Hon. Mr. Pouliot**: That is all right, then.

The motion was agreed to, and the amendments were concurred in.

**THIRD READING**

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

**Hon. Mr. Connolly (Ottawa West)**: Now.

**Hon. Mr. Golding**: On behalf of the honourable senator from Grandville (Hon. Mr. Bouffard) I move, with leave, that this bill be read the third time now.

The motion was agreed to, and the bill was read the third time, and passed.

The Senate adjourned during pleasure.

**ROYAL ASSENT**

The Honourable Patrick Kerwin, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give Royal Assent to the following bills:

- An Act to amend the Old Age Assistance Act.
- An Act to amend the Blind Persons Act.
- An Act to amend the Disabled Persons Act.
- An Act to amend the War Veterans Allowance Act, 1952.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Wednesday, November 27, at 3 p.m.

## THE SENATE

Wednesday, November 27, 1957

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

Prayers.

## DIVORCE

## REPORTS OF COMMITTEE

**Hon. Arthur W. Roebuck**, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 155 to 172, and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to.

BUFFALO AND FORT ERIE PUBLIC  
BRIDGE COMPANY BILL

## FIRST READING

**Hon. John T. Haig** presented Bill L-6, to amend an Act respecting the Buffalo and Fort Erie Public Bridge Company.

The bill was read the first time.

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

**Hon. Mr. Haig:** Next sitting.

## ELECTRIC POWER IN NOVA SCOTIA

## INQUIRY AND ANSWER

**Hon. Wishart McL. Robertson** inquired of the Government, pursuant to notice:

When the legislation will be introduced in Parliament to authorize, in joint action with the Government of Nova Scotia, the creation of facilities for the production and distribution of cheaper electric power in that province.

**Hon. John T. Haig:** I have the following answer to the honourable gentleman's inquiry:

Drafts of legislation and appropriate items in the estimates in connection with the creation of facilities for the production and distribution of cheaper electric power in New Brunswick and Nova Scotia are now receiving final consideration.

## HON. LESTER B. PEARSON

DINNER IN HONOUR OF NOBEL PEACE PRIZE  
WINNER

On the Orders of the Day:

**The Hon. the Speaker:** Honourable senators, before the Orders of the Day are proceeded with I wish to make a brief announcement. As honourable senators are probably aware, on Monday evening next the Honourable Mr. Michener, Speaker of the House of Com-

mons, and I will be hosts to the Honourable Lester B. Pearson at a dinner in the Parliamentary Restaurant. All honourable gentlemen are invited. Tickets, at \$2, are available from the Clerk of the Senate, Mr. MacNeill; and the Honourable Senator Beaubien, whom I thank for his co-operation, has a certain number. We hope that the attendance will be large. The \$2 charge is to cover the cost of the dinner and also a presentation which will be made to the Honourable Mr. Pearson in recognition of his winning the Nobel Prize for peace.

It is a non-partisan dinner and I hope you will all come. Mr. Michener and I will be looking forward to receiving you. The time is Monday night, December 2, from 6 o'clock until 7.30.

**Hon. Mrs. Hodges:** I take it that women senators are included in that invitation, Mr. Speaker?

**The Hon. the Speaker:** At times in the past I have been criticized for using the term "honourable gentlemen" instead of "honourable senators", when addressing the chamber. This time I was careful not to repeat the same mistake and I addressed you as "Honourable senators", which, of course, includes the ladies. We, therefore, extend a special invitation to the ladies.

## FEDERAL-PROVINCIAL CONFERENCE

## REPORT OF PROCEEDINGS—INQUIRY

On the Orders of the Day:

**Hon. Thomas Reid:** Honourable senators, may I inquire of the Leader of the Government (Hon. Mr. Haig) whether he has given some thought to having printed in the Senate *Hansard* copies of the proceedings at the opening of the Dominion-Provincial Conference last Monday.

**Hon. Mr. Haig:** I have thought of this, but I understand that the Government have ordered the printing of the proceedings as an official record. The conference was held upon their invitation, not ours, and I think it should be left to them to authorize the printing. I assure honourable senators that if the proceedings are printed I shall have copies distributed to them.

## DIVORCE BILLS

## THIRD READINGS

**Hon. Mr. Roebuck** moved the third reading of the following bills:

Bill P-5, for the relief of Loueisa Knutton Roberge.

Bill Q-5, for the relief of Dorothy Miriam Skinner Stuckey.

Bill R-5, for the relief of Albert Renaud.  
 Bill S-5, for the relief of David St. Clair Wilson.

Bill T-5, for the relief of Omer Arthur Menard.

Bill U-5, for the relief of Dorothy Nettie Clarke Hay.

Bill V-5, for the relief of Frederick William Hovermann.

Bill W-5, for the relief of Bertha Viola Beatrice Good Malcolm.

Bill X-5, for the relief of Mabel Florence Adams Hadden.

Bill Y-5, for the relief of Ernest Frank Cross.

The motion was agreed to and the bills were read the third time, and passed, on division.

### THIRD READINGS

**Hon. Mr. Roebuck** moved the third reading of the following bills:

Bill Z-5, for the relief of Marie Marthe Moreau Roy.

Bill A-6, for the relief of Pierrette Picard Gagnon.

Bill B-6, for the relief of Marcelle Richard Deschambault.

Bill C-6, for the relief of Florence Irene Burness Williams.

Bill D-6, for the relief of Jean Paul Pelletier.

Bill E-6, for the relief of Mildred Mabel Desmarais Demers Joly.

Bill F-6, for the relief of Leonne Liane Andree Belanger Botham.

Bill G-6, for the relief of Shirley Alma Lawson Wilson.

Bill H-6, for the relief of Sarah Yampolsky Pinsky.

Bill I-6, for the relief of Karina Mercs Bunte.

Bill J-6, for the relief of William Garnet Mills.

Bill K-6, for the relief of Violet Pitman Proulx.

The motion was agreed to, and the bills were read the third time, and passed, on division.

### SPEECH FROM THE THRONE

#### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from Thursday, November 21, consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. Jean-François Pouliot:** Honourable senators, at the outset of my remarks on the Address on Thursday last I paid compliments to the honourable Leader of the Opposition (Hon. Mr. Macdonald); and, as happens often, I find myself penalized for the good that I say about someone. It is unfortunate, but it happens at times. I was very much surprised when the honourable gentleman opposite said "On division" when I moved the adjournment of the debate at the conclusion of my remarks. During my long experience in Parliament I never before knew a leader of any party to call out "On division" when a member moved the adjournment of a debate.

**Hon. Mr. Macdonald:** I do not recall having said that the other day.

**Hon. Mr. Pouliot:** No, it was the Leader of the Government (Hon. Mr. Haig). I paid him a great compliment by comparing him to the present Leader of the Opposition (Hon. Mr. Macdonald). My compliment would have been even greater, for I would have compared him to his two predecessors, if he had not handled the old age legislation in the manner he did. But I thought it was very complimentary to compare him to the Leader of the Opposition. I have too much regard for the Leader of the Government to withdraw what I said about him. I only express my regret at what was done on that occasion. I hope it will not constitute a precedent, and that in future when a debate is adjourned, according to the good will of my honourable colleagues, there will be no expression of division.

Another regret I have is that the Government has paid no attention to my suggestion for the appointment of the ten provincial Prime Ministers as Privy Councillors. My suggestion was the only one made which, if carried out, would have cost nothing, except the price of a Bible for each Prime Minister. It would have honoured them and put them on a footing of equality with the cabinet ministers who form the Government of Canada, and if the provincial Prime Ministers are not to get any more from the Government it would have at least shown what the late Mr. Mackenzie King called good will.

The third remark I wish to make, before I continue with my argument concerning a very important constitutional issue, is a reference to the fact that some eminent speakers claim that a distinctive Canadian flag should not carry the emblem of any other nation. This is not satisfactory. It seems to me that one should be more precise and say exactly the kind of flag that one wants to have, because, as it is described by some people, it is just an abstraction. In

order that people might understand what is meant by those who advocate a national flag, a complete description should be given. For instance, with regard to the Canadian flag, if you say you do not want on that flag the emblem of any other nation or country, that does not indicate what you do wish to have on the flag. Somebody might like to have on the flag a picture of a nice big pumpkin, a vegetable that is grown by many people in Canada, and it could be described as our national emblem. I favour the maple leaf, which I find more noble than the pumpkin. That shows that the question of the flag should be discussed in more precise manner, in order to be better understood by the people; but as we are not to have a national flag for quite a long time I will come back to my legal argument.

What I am discussing now means much more to the people of Canada than all the promises of the Government together, and more than the promises made by all the candidates in any election, because it refers to spiritual values, to the freedom of religion, to the right to exercise one's religious duty as one thinks fit. It is a very serious matter, and my contention is that according to the Constitution of this country it is evident that jurisdiction in this matter belongs unmistakably to Legislatures and not to Parliament.

If we go back to the Address that was voted by the Legislature of Canada in 1866 we see the first draft of the British North America Act. It is particularly interesting, and it appears at the end of that book with which all honourable senators are very familiar, that is the *Debates on Confederation of the British North American Provinces*, Third Session, Eighth Parliament, 1865. There is the list of the powers of Parliament, which is called the General Parliament. But that list refers, in particular, to trade and commerce, customs, excise duties, postal service, ships, railways, telegraph communications, census, militia, navigation and shipping, quarantine, currency and coinage, banking, savings banks, weights and measures, bills of exchange, bankruptcy and insolvency, copyrights, naturalization and aliens, criminal law etc. All of that at the time of the union of the government of United Canada of 1840 to 1867 was under the jurisdiction of the provinces. That address was brought before the Parliament at Westminster and was amended, and the unfortunate part is that we have not the Votes and Proceedings of the House of Lords and of the House of Commons at Westminster, but only a few of the amendments which were made by the Commons and by the House of Lords. We have not all the amendments,

but we have the British North America Act as it came into force in 1867, and it is enough to prove our argument.

Well, there have been some very important amendments passed by both Houses of Parliament in London, England, for instance, with regard to paragraph 45 of that address.

At the time of the coming into force of the B.N.A. Act, there were two distinct categories of laws in the Statute Book of United Canada: those which remained under provincial jurisdiction, and those which were transferred to federal jurisdiction, in accordance with the new Constitution. The second part of section 129 of the B.N.A. Act, from "subject nevertheless", granted to the Parliament of Canada the power "to repeal, abolish, or alter" the formerly provincial laws which were turned over to the authority of Parliament, and, on the other hand, to the Legislatures of the provinces the power "to repeal, abolish or alter" the provincial acts which had remained under the authority of the Legislatures under the B.N.A. Act.

There is no other possible interpretation than that the powers of Parliament and those of the Legislatures are absolutely and positively distinct. Parliament has no more authority to repeal, abolish, or alter the provincial laws which were remaining under provincial jurisdiction than had any province to repeal, abolish, or alter the laws which had been previously under provincial jurisdiction and were transferred to Parliament by the B.N.A. Act. Section 129 of that act had surely its *raison d'être* in making a distinction which was imperative and which allowed Parliament and the Legislatures to function normally within the limits of their respectively exclusive jurisdictions.

Upper and Lower Canada were on a footing of equality; both had the same legislative powers and the same statutes. It is evident that there was then no question, as there is today, of conflicting jurisdictions, nor of making any distinction between the legislative jurisdiction of the provinces, which was in force at the time, and the federal jurisdiction, which did not yet exist. Therefore, the legislation adopted by the united provinces before Confederation could only be provincial, whatever were its subject-matter and its scope. With the only exception of that part which has been transferred to dominion jurisdiction by virtue of section 91 of the British North America Act, which deals with the exclusive jurisdiction of Parliament, all the legislation of Upper and Lower Canada which was in force at the time of Confederation has remained exclusively provincial. It has not been affected by the change of the

Constitution; it has stayed in the provincial statute books exactly "as if the union had not been made".

The demarcation between provincial and federal legislation by the Confederation Act has necessitated such a division of the provincial acts which were then in force. Some have kept their purely provincial character and have remained in the *corpus juris* of the provinces by virtue of section 129 of the British North America Act, while others have by section 91 been transferred to the jurisdiction of Parliament.

All the provincial acts have not ceased to remain provincial legislation. The intention of the Fathers of Confederation was unmistakable. The forty-third paragraph of the first Address which was voted in March 18, 1865, to demand federal union, read thus:

43. The Local Legislatures shall have power to make laws respecting the following subjects:

15. Property and Civil Rights, excepting those portions thereof assigned to the General Parliament.

The forty-fifth paragraph read as follows:

In regard to all subjects over which jurisdiction belongs to both the General and Local Legislatures, the laws of the General Parliament shall control and supersede those made by the Local Legislature, and the latter shall be void so far as they are repugnant to, or inconsistent with, the former.

That was the principle which was strongly objected to by the provinces; and part of the Address was removed, and substituted therefor was section 129 of the British North America Act, which I put on *Hansard* last Thursday. I read the full text. It was drafted hastily; nevertheless, the letter and the spirit of the law are clear. I hope honourable senators will have time to check the quotation in the act itself. It should read as follows:

Except as otherwise provided by this act, all laws in force in Canada, . . . shall continue in Ontario, Quebec . . . respectively, as if the union had not been made;

This is the first part of the new section 129, which is entirely different from what we find in the first draft of the Address of 1865. The second part makes a condition:

. . . subject nevertheless . . . to be repealed, abolished or altered by the Parliament of Canada, according to the authority of the Parliament under this Act, or by the Legislature of the respective Province, according to the authority of the Legislature under this Act.

This is how section 129 of the British North America Act should read, had it been drafted in a better way; but in spite of the manner in which it was drafted, it is easy to understand that such was the intent of the law makers—I mean the Fathers of Confederation.

It is clear, after having read sections 91 and 92 concerning the exclusive rights of Parliament and on the other hand, the

exclusive rights of the Legislatures, that the Imperial Parliament was not to pass another section that would destroy the meaning of what had been enacted in previous sections 91 and 92. It would be illogical to contend that the power to repeal, abolish or alter under section 129 of the British North America Act could be exercised indiscriminately by Parliament and the Legislatures in the federal domain and as well in the provincial domain.

To fix the bounds of the respective jurisdictions of Parliament and of the Legislatures, section 129 of the British North America Act has as much importance as sections 91 and 92, and section 129 should even have preceded the other two sections in the act, because it deals with legislation that was already existing and in force at the time of the coming into force of the British North America Act, while sections 91 and 92 enumerate a power which Parliament and the Legislatures could exercise in the future, in subsequent sessions of Parliament and the Legislatures. Therefore, sections 91 and 92 are complementary to section 129.

What has to be recalled is that the legislation concerning freedom of religion has been preserved by the Provinces of Ontario and Quebec. In Ontario that legislation remained on the Statute Book as long as Sir Oliver Mowat was in power. Sir Oliver Mowat was one of the keenest legal minds of the time, and he had a most distinguished career. He studied law with Sir John A. Macdonald. He was a commissioner for consolidating the Public General Statutes for Canada and Upper Canada in 1856. He was a member of the Quebec Conference, held in 1864, to discuss the union of the provinces. He was Provincial Secretary in the Brown-Dorion administration; then Postmaster General in two other administrations, from May 1863 until November 14, 1864. He was Premier and Attorney General of the province of Ontario from October 31, 1872 to July 9, 1896. He was summoned to the Senate and appointed Minister of Justice in the Laurier administration in July 1896. Sir Oliver Mowat had great experience in statutory matters. He had contributed to the consolidation of the statutes. He knew what it was all about. As long as he was head of the Government of the province of Ontario the legislation concerning freedom of religion remained in the Statute Book of that province.

The Province of Quebec has kept the legislation as a treasure. I am not going to repeat the titles of nobility or the statutory references I mentioned the other day, which show that the Province of Quebec has kept the statute about freedom of religion in its Revised Statutes. It is still there and its terminology has not been changed at all.

**Hon. Mr. Macdonald:** May I ask the honourable gentleman a question? I understood him to say that the Ontario act has been dropped from the Revised Statutes of that province, but does he know whether it has been repealed? My understanding is that an act can be dropped from the Revised Statutes but still remain in effect.

**Hon. Mr. Pouliot:** If my honourable friend will permit me, I never said that it was not in effect in the province of Ontario; I said that it was dropped from the consolidation. What I say is that as long as Sir Oliver Mowat was Premier of Ontario it remained in the Statute Book of Ontario, but we do not find it in the consolidation of 1897, which was completed in 1902, although it might still be in force according to the law of that province. I am not in a position to discuss that point now; it does not come into my argument, which is that a man like Sir Oliver Mowat, who was familiar with all the details pertaining to Confederation, kept that statute in the Statute Book of the province of Ontario. The fact that the Fathers of Confederation from the province of Quebec did likewise shows that these men, who were legislators of the time, considered that legislation as provincial, and the more so because the Government of Canada did not incorporate it in the dominion Statute Book. It has never been there; it has never been considered a dominion statute.

Honourable senators, both the provinces of Saskatchewan and Alberta have passed Bills of Rights in virtue of section 92 the British North America Act, but the case of the province of Quebec is entirely different. Quebec has had that statute in its Statute Book since 1851, when it was passed, and 1852, when it came into force on sanction of the late Queen Victoria in person. It was considered a provincial act, and there is a reference to it even in the statutes, not only in the Statutes of United Canada, 1859, but in the Statutes of Lower Canada, where it is marked with a (C) in the index, which means that it belongs to Lower Canada; and it refers to the full text, which is to be found in the Statutes of the United Provinces of Canada for 1859.

**Hon. Mr. Connolly (Ottawa West):** Would the honourable senator permit a question? Would he give the citation for that legislation in the Revised Statutes of Quebec? It might be useful to have that on the record. And would he also say when it was dropped from the Revised Statutes of Ontario? Was it ever in the Revised Statutes of Ontario after 1867? *(The hon. member reads from the Revised Statutes of Ontario.)*

**Hon. Mr. Pouliot:** Yes, surely. I mentioned it last Thursday. For the sake of the argument I will read from the text of the statute which is in the Ontario consolidation of 1877:

The free exercise and enjoyment of religious profession and worship, without discrimination or preference, provided the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the Province, is by the constitution and laws of this Province assured to all Her Majesty's subjects within the same.

That is from the Consolidated Statutes of Ontario, 1877, Ch. 215, sec. 1. That same section was also in the Consolidated Statutes of Ontario, 1887, volume 2, Ch. 236.

This is the same text and the same kind of legislation as is now in force in the province of Quebec. As I stated to the honourable Leader of the Opposition (Hon. Mr. Macdonald), subsequent to 1887, in the consolidation which, as the honourable senator from Ottawa West (Hon. Mr. Connolly) knows, was begun in 1897 and completed in 1902, no one can find this enactment, nor does it appear in the subsequent consolidations. This fact does not constitute a reflection on those who made the consolidation of the Statutes of Ontario. My purpose in mentioning it is to establish that from the beginning both the Provinces of Ontario and Quebec regarded that legislation as provincial legislation; and the Government of Canada never raised a finger either to include it in the dominion statutes or to intervene in any case under it.

This enactment had been in force as a provincial statute of Quebec for more than a century when, in 1953, a case was brought by the Witnesses of Jehovah before the Superior Court. It is Saumur *versus* the City of Quebec, and is reported in Canada Supreme Court Reports (1953), pages 299 to 389. There was an intervention in that case from the Attorney General of Quebec but none on behalf of the Government of Canada. It was deemed to be a private affair between Mr. Saumur and the City of Quebec. What happened will, I hope, interest my colleagues. Distribution was made of some pamphlets which contained gross insults against those professing the Catholic faith. These circulars were confiscated by the Chief of Police of the City of Quebec. I hate to read the summary of the evidence given by Mr. Covington, who is vice-president of the Witnesses of Jehovah. We hear so much about freedom of this and freedom of that, that I want to put squarely and honestly before the Senate the question of where we stand with regard to freedom, and whether, if there is to be continual abuse and insult by some who declare themselves against all religions, including the Jewish faith, those who act in this fashion can be

said to be practising freedom of religion. It is beyond me; I cannot understand it. I am convinced that in any religion there must be a positive element of worship, and that if there is none, what is being done by those who pretend to profess a religious cult amounts to nothing, and they are not entitled to the privilege of "free exercise and enjoyment of worship" as mentioned in the act.

As I have said, Mr. Covington spoke with authority for the Witnesses of Jehovah because he was vice-president of the organization. He resides somewhere in the United States, and his evidence is reported in the Canada Supreme Court Reports and has been quoted by the former Chief Justice. I trust that my honourable colleagues will not be astonished if, to do justice to my case, I quote from the language used by the Witnesses of Jehovah. Perhaps it could be put on record without being read. From the standpoint of courtesy and respect to our lady colleagues I am rather embarrassed, for the language which is used is common language, and blasphemous. However, I extract some quotations from pamphlets which it was intended to distribute in the City of Quebec, and which are an insult to the belief of the large majority of Quebecers:

. . . Religion is the adulteress and idolatress that befriends and commits religious fornication with the political and commercial elements. She is the lover of this world and blesses the world from the balcony of the Vatican and in the pulpits. Religion, whose most powerful representative has ruled from Rome for sixteen centuries, traces her origin all the way back to Babylon of Nimrod's founding, and organized religion deservedly bears the name Babylon . . .

I have too much respect for my honourable colleagues to go on reading this, but I will read just one question that was put to the witness Covington, and his answer:

Q. Do you consider necessary for your organization to attack the other religions, in fact, the Catholic, the Protestant and the Jews?

All religions without exception.

A. Indeed. The reason for that is because the Almighty God commands that error shall be exposed and not persons or nations.

It goes on like that. I presume honourable senators have heard enough to realize that if any one of you had been the Chief of Police of the city of Quebec you would have confiscated those pamphlets. They go beyond bounds. What was the reaction of the courts about it? The Superior Court rejected the action and its judgment was maintained by the Court of Appeal. In the Supreme Court of Canada there was a division of 4 to 5. Two justices were in favour of maintaining the judgment of the Court of Appeal, and two others did not express themselves about that point. They spoke about the

autonomy of the municipalities to see that the streets are not encumbered with waste-paper, and so on. Five others rendered very strange judgments. I will not give any names but I will refer to the pages of the Supreme Court Reports where the verbatim quotations can be found.

I address you, my honourable colleagues, as members of the High Court of Parliament, because there is no appeal from the Supreme Court of Canada, and one cannot tolerate judgments like that being left on record without any protest from a legislative body such as ours. I respect the Senate and I respect Parliament, and I am proud to be a member of it. That is why I bring this matter to the attention of my honourable colleagues.

A judgment rendered by one of the judges was most extraordinary. He quoted the law which is still in force in the province of Quebec—and I have read it—concerning the free exercise of religion. Then he quoted section 129 of the British North America Act to the effect that federal legislation could be amended by Parliament and that provincial legislation could be amended by the provinces. Then he goes on to say, at page 321:

By virtue of this section that part of the pre-Confederation statute extracted above continued to operate in the Province of Quebec at the time of the coming into force of the British North America Act.

That is true.

Since then the Quebec Legislature enacted legislation practically in the same words, and certainly to the same effect,

The Quebec Legislature at that time, which was a long time ago, did not enact "legislation practically in the same words, and certainly to the same effect".

which legislation has been continued from time to time and is now found in section 2 of R.S.Q. 1941, chapter 307, The Freedom of Worship Act.

That statement is wrong. The Quebec Legislature did not enact legislation "practically in the same words". It kept the same legislation, which is entirely different. It was not new legislation adopted in virtue of any section of the B.N.A. Act. It was the same legislation, kept in virtue of section 129, and not section 92 of the B.N.A. Act.

I continue to read from page 321:

Whether or not such legislation be taken to supersede the pre-Confederation enactment,

That was not the question at all. It was not a question of superseding any statute. It was the same statute.

no statutes such as the Quebec City Charter, in the general terms in which they are expressed, and whenever originally enacted, have the effect of abrogating the specific terms of the enactment providing for freedom of worship.

There was a charter of the City of Quebec which was a pre-Confederation statute, but it had nothing to do with the Freedom of Worship Act, although both were pre-Confederation statutes. The question of freedom of religion was brought in very cleverly by the solicitor for Saumur in order to disturb the minds of the judges. By using that statute on behalf of his own client he prevented the other side from using it against him. This is why the minds of the judges were so confused. It was a very clever move.

Then the judgment goes on:

It appears from the material filed on behalf of the appellant that the Jehovah's Witnesses not only do not consider themselves as belonging to a religion but vehemently attack anything that may ordinarily be so termed but in my view they are entitled to "the free exercise and enjoyment of (their) Religious Profession and Worship".

They deny all religion, they insult everybody. Are they entitled to the privileges of those who worship? I wonder if there is anyone in this chamber who can explain it to me.

The Witnesses attempt to spread their views by way of the printed and written word as well as orally and state that such attempts are part of their belief. Their attacks on religion generally, or on one in particular, do not bring them within the exception "so as the same be not made an excuse for licentiousness or a justification of practices inconsistent with the peace and safety of the Province". While several definitions of "licentious" appear in the standard dictionaries, a prevailing sense of that term is said to be "libertine, lascivious, lewd".

Naturally one must take into consideration the terminology, the phraseology, that was used at the time. But there is another meaning of "licentiousness". According to the dictionary it is also "want of due restraint in any respect; the state or character of being licentious; indulging in great freedom; exceeding due bounds of propriety. . .". That is the meaning, certainly, in which "licentiousness" was used.

The judgment continues:

To certain biblical expressions the pamphlets, etc., of Jehovah Witnesses which they desire to distribute attach a meaning which is offensive to a great majority of the inhabitants of the province of Quebec. But, if they have a legal right to attempt to spread their beliefs, as I think they have, the expressions used by them in so doing, as exemplified in the exhibits filed, do not fall within the first part of the exception. Nor in my opinion are their attacks "inconsistent with the peace and safety of the province" even where they are directed particularly against the religion of most of the province's residents.

It was a strange way to consider the evidence in that case. But there was another judge who spoke in a manner that cannot be understood. It was very strange, but I will not insist very much about it; however, his language was unusual. What strikes me is that some judges take for granted that

the law is such-and-such, and then they go back to precedents and try to prove to themselves that they are right. They should proceed otherwise, in a more philosophical manner. This is not a comparison between common law and civil law, but it is a statement that shows that anyone who has a sound legal formation shall proceed otherwise in arguing or explaining a case.

There is more. It is that professional deformation may lead some judges to try uselessly to find in jurisprudence what they could easily find in the law itself, and the superimposition of hypotheses without foundation naturally creates confusion in the interpretation of laws. But I hope that in due course the Supreme Court will have an opportunity to reconsider its jurisprudence in relation to provincial matters, although more recent judgments with regard to other matters give little hope for any improvement.

I have put that case before Parliament to establish that the freedom of religion is a highly personal and civil right which belongs exclusively to provincial jurisdiction. The Province of Quebec has kept it for a long number of years. The province of Ontario still has it, as has been said, although it is no longer in its statutes. The western provinces of Alberta and Saskatchewan have adopted a Bill of Rights in virtue of section 92 of the Act of Confederation. That matter is strictly provincial, and that is the argument that I intended to make on the floor of the Senate. The Justices of the Supreme Court should be very careful to respect the letter and the spirit of the Constitution, which they had better read twice rather than the Encyclopaedia Britannica, Halsbury, and all the other books of reference. Their first duty is to post themselves well on the law which governs this country. The B.N.A. Act is the governing principle in this country. It should be interpreted with knowledge and fairness.

I have done my best to be careful about individuals. But the time has now come when the opinions of judges should be given less importance than the judgments of the court. The court should give judgments, as the Privy Council did, instead of opinions, which are useful only to the parties in the case.

Before closing my remarks, may I express my thanks to the honourable senator from Kingston (Hon. Mr. Davies), who did a real service to the Senate by introducing us to each other. It is something I myself wanted to do for a long time, but I did not have an opportunity to do it. What he has done is highly appreciated, because it was so well done.

**Some Hon. Senators:** Hear, hear.

**Hon. Joseph A. Sullivan:** Honourable senators, on this occasion, it is only fitting and proper that I should immediately allude to the momentous historical event that has so recently transpired in this august chamber. I can find no more appropriate words than those of the Prime Minister when he said:

The history-making visit of Her Majesty Queen Elizabeth the Second and Her Royal Consort, Prince Philip, who came to open the first session of the present Parliament and to visit with the people of Canada (in person and by radio and television), giving us, as never before in history, the opportunity to proclaim to the world that she is indeed, in love as well as in law, our Queen, Elizabeth the Second, by the Grace of God, Queen of Canada.

What a day, what an event! Sitting here in this chamber, it made one proud to be a British subject. This gleaming Queen, reigning only for what is good and right, a beacon light of faith in this troubled and tormented world.

I take this opportunity, Mr. Speaker, to pay my respects to you and to congratulate you on the high and noble position which you occupy. Possessing all the grace and dignity of your ancient race, joining with your fellow countrymen of different race and language, yet firmly united as one: Canadians all!

(Translation):

May I take this opportunity, Mr. Speaker, to extend to you my sincere congratulations upon your appointment to this very honourable office. You have all the grace and dignity of your race, as well as those of your fellow citizens of other racial groups, all firmly united as Canadians.

(Text):

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Sullivan:** Honourable senators, I shall do better next time.

Permit me to pay my compliments in no empty way, nor merely because it is usual, to the mover (Hon. Mr. White, and to the seconder (Hon. Mr. Méthot) of the Address in reply to the Speech from the Throne. The contents of their addresses speak for themselves, as do the actions already taken by the Government to implement exactly what it said it would do.

I would like to thank the honourable senator from Kingston (Hon. Mr. Davies) for the kind remarks he made pertaining to myself, and also the honourable senator from Saint John-Albert (Hon. Mr. Emerson). I pray I will live up to this commendation in the carrying out of my duties and functions in this ennobled chamber.

Honourable senators, if I were to follow the pattern of the honourable senator from Medicine Hat (Hon. Mr. Gershaw), I should commence talking about Ontario. Well, we will allow Ontario to care for itself. It is customary for a neophyte in any society or organization, as I have learned over the years, through belonging to national and international medical societies, to be seen and not heard.

However, honourable senators, I crave your indulgence and your patience, if I am to avail myself of this opportunity and in this venerable chamber to speak upon a subject so serious in its portent that it is upon the mind of every conscientious thinking medical man in this country. The medical profession as a body, united in action, cries out "halt".

I am fully cognizant of this basic fact, that it is much easier to be a destructive critic than to be a constructive critic. What I have to say is entirely from a constructive point of view, in an attempt to elucidate and clarify the underlying causes of this social upheaval that is making itself manifest throughout the world, namely, "state medicine" or what I prefer to call the "assault on medicine". I have not time today to give you the medical profession's answer and a possible, practical solution to this problem, but I can assure you that, with my honourable leader's permission, I will place it before you at a later date.

I have the greatest respect and admiration for my learned colleagues in the legal profession. As a matter of fact, an honourable senator who sits opposite—I am sorry he is not in the chamber today—is one of my closest and dearest friends. This problem is solely one for the medical profession: Certainly, we ask your legal help, and for the help of any other recognized body, but not your direction, control and administration. The criterion of medical care is excellence, but ambitious people would make it equality, under state control. We do not wish to be equated any more than you do.

The medical profession represents a blend in which tradition, faith and reason have always been given precedence over politics. We doctors are suspicious of those who would meddle with it, on the grounds that it has been carefully wrought and improves with age and experience. I ask you to constantly keep before you and in your mind this one cardinal principle, outweighing all other factors, namely, that the medical man from his very beginning in education is taught, is drilled and wholeheartedly receives and believes that above everything else, the care and the welfare—and I use that latter word

in the true sense of its meaning—of the human body and soul—namely, the patient—comes first. That is his creed, that is his profession, that is his Hippocratic oath. Tell me any other profession that subscribes to such a doctrine, unless it be the ministry of God. Such a human relationship cannot be decreed, regulated, controlled or forced upon a people, even with bayonets. Oh, yes, I know there are failures and there are exceptions, but where in life does this not pertain? After all, we are only human, not yet reduced to what is whirling through space, emitting uncontrolled and unintelligible “beep, beeps”.

Bismarck's great discovery consisted in a device for making political capital out of poverty and human suffering. Who was his star pupil? None other than Lenin. Of all totalitarians who have written their names in the book of medical economics and politics, Lenin's will have to be printed in the largest capital letters. His was—in 1917—the first complete cradle-to-grave plan, the first plan embodying complete nationalization of medicine. His influence on the West did not make itself directly felt until World War II. Since then, wherever Russian bayonets take over, the Soviet blueprint of social security follows. His ideological influence has spread world-wide.

Bismarck's fundamentally significant role in modern history is rarely understood. His middle of the road socialism was the connecting link between the old autocrats and the coming totalitarians. He thought he could overcome Marxism by his own brand of state socialism just as Fabian socialists, Keynesians, New Dealers and Bevanites profess that their middle of the road statism keeps the totalitarian wolf from the door. In democracies the Welfare State is the beginning and the Police State the end. The two merge sooner or later, in all experience and for obvious reasons.

I wonder how many honourable senators have pondered this thought: Just why were such ruthless men as Bismarck, Hitler and Stalin so profoundly interested in the physical well being of their subjects—and in high birth-rates!—while totally indifferent, nay, inimical to their mental integrity? Evidently, more than humanitarianism was at stake. All modern dictators—communist, fascist or disguised—have at least one thing in common. They all believe in social security, especially in coercing people into governmentalized medicine.

A selected list of men who have claimed credit for, or have been credited with introducing or strengthening and expanding governmentalized medical care reads like an

extraordinary Who's Who. I have three pages of names, which include: Bismarck, the Kaiser, the Czar of Russia (1911), Lenin, Stalin, Salazar, Mussolini, Vargas, Peron, Hitler, Laval, Dimitrov—Premier of sovietized Bulgaria, 1948—Tito, Klement Gottwald, and, last but not least, Aneurin Bevan.

This list of power dynamos, or symbols of power, with bleeding hearts for human suffering is by no means complete. Complete data on some of the satellite and Latin American bosses are not available. Some others are missing because they do not qualify technically for membership in the club of recognized full and semi-dictators and of paternalistic rulers—“by the Grace of God” or otherwise, having been elected in ordinary democratic procedures and still exposed to new elections. But who would have foreseen that an easy-going, money-grabbing politician like Laval was to become a sort of second-hand Mussolini? Most certainly Laval claimed and wielded, about 1930, less than a fraction of the discretionary and arbitrary power that the British Health Minister wielded in 1948. And there are more Pierre Laval and Aneurin Bevan around in what we call the democratic world than the unsophisticated might assume.

Indeed, out of the ashes of the Welfare States that went down unsung in the tumultuous depression, new and much more imposing ones have risen since. It seems that history is running in cycles, progressing from what is known as National Socialism to what is recognized as Socialist Nationalism.

Ever since Bismarck, great dictators and little demagogues compete with one another and with the humanitarians in courting the favour of the ailing, the lame, the blind, the poor and the underprivileged. In World War I, Ludendorff used Germany's social insurance, then Europe's most “progressive”, for propagandizing Teutonic social and cultural superiority. Today British and French propagandists vie with each other in eulogizing the respective security plans. But Stalin outdid all of them, and his successors likewise. *Trud*, the organ of the Soviet trade unions, said in 1937:

Government insurance in the U.S.S.R. is a source of pride of the Soviet workers before the whole world. It is one of the jewels in the colossal edifice of Socialism. It is one of the testimonials to Stalin's deep solicitude for his fellow men by which we are all warmed and heartened.

The great French visionary Alexis de Tocqueville warned more than a century ago in *De la Démocratie en Amérique*, 1840 that democracies like ours may succumb to a new and soft technique of governmental benevolence that subdues all individuality. The suspicion that the solicitude of notorious

tyrants for the welfare of their subjects must have something to do with the political nature of the medical security systems was one consideration which inspired me to make a detailed study of this whole set-up.

A totally centralized type of organization obtained under the British National Health Service Act of 1946. The panels, which were the backbone of the Lloyd George system, were abolished altogether, and the Minister of Health had all executive power, with no appeal from his decisions. Representatives of the professions stand by in an advisory capacity, but the minister does not even have to publish their reports. Local Executive Councils, 138 in England and Wales, were responsible for the routine of low-level administration and for the policing of the general practitioner, the pharmacies and the ophthalmic services. County and Country Borough Councils handle, supposedly, maternity and child welfare, the after-care of the sick, health visiting and home nursing. Responsibility for hospitals, specialists and blood transfusion services rests in England and Wales alone with 146 Local Health Authorities, 14 Regional Hospital Boards, 376 Hospital Management Committees and 36 Boards of Governors of Teaching Hospitals. The latter alone retain a relative measure of legal independence. But the minister has to confirm all major medical appointments.

One outstanding and unique feature of the British scheme is the virtually complete absence of controls over the patients. Elaborate machinery is available for their complaints against doctors and pharmacies but not for checking their own demands. Dentists have to submit their proposals for appliances to a special board that is supposed to clamp down on "luxuries".

Some 3,426 "voluntary" and "teaching" hospitals (clinics) are nationalized, their endowment funds taken over by the Government, leaving only Catholic hospitals and private nursing homes outside the official orbit. Except in Soviet Russia, medical nationalization nowhere has gone that far, not even in some of the satellite countries, as yet.

The widening of coverage to more and more people often has little to do with the actual need of the insured. More often, it has political implications. Each move on the road of "medical imperialism" is greeted as a victory of an ideal, and is being sold to labour, in particular, as a step in the direction of "economic democracy".

What has provided, and provides, a pretext for using the sickness schemes as playgrounds of very expansive—and equally expensive—patronage is the unrelenting advance

of medical research in the last fifty years. Indeed, the prophylactic, diagnostic and curative practices all are in a continuous, self-revolutionizing evolution. Once the principle is accepted that the compulsory scheme should provide proper care, what else but the best and latest, and therefore often the most costly, should be provided? So long as a genuine voluntary insurance is in operation, the cost of which is borne by members, these members have an incentive to keep their demands within bounds. But in the compulsory schemes the individual knows of little or no responsibility for the functioning of the whole. On top of that, certain people have every interest in advertising the schemes by procuring the most spectacular and the most modern services. The doctors, too, have such an interest, especially the young ones, who want to make a reputation and to amortize as fast as possible their investment in education, in technical equipment, and so on.

The medical expert tends to be—nay, has to be—"one-sided". He must devote his time, his energy and even his emotions. He is inclined to look at the world from the point of view of his intellectual and professional goal. The doctor's ideal is to detect every sickness at the onset, and to "cure" it in the most thoroughgoing fashion. Sickness is his enemy; to fight it he would mobilize all resources and utilize the best devices. His pecuniary interest drives him in the same direction. This natural and logical expansiveness of the profession tends to grow into imperialistic delusions when the technical tools fall into the hands that wield power. The medical dream becomes the object of exploitation by ambitious individuals. The outcome is something which the taxpayers—and the patients—should be concerned about.

Bevan's "free medicine" to all, even to visiting foreigners, had entered the scene at a jump, accompanied by the greatest drum-beating any scheme has enjoyed since Bismarck's. It started on July 5, 1948, with total cost, including the nationalized hospital, set at \$800 million, at the then valid rate of \$4 to the pound, for the first nine months of operation. By February 1949 the sights had to be raised to over \$1,100 million, well over \$20 per capita for the total population. The parliamentary debate over the supplementary estimate brought out that the minister had underestimated in an irresponsible fashion the demand for medical services when available free of charge—or maybe he did so intentionally to overcome the initial resistance against his pet project. In the first year of operation, while the potential

patients had just about doubled from 47 per cent of the population under the old scheme to 95 per cent under the new, the number of prescriptions had almost trebled, and their average cost had risen from over 20 to more than 31 pence. Compared with the annual demand previous to July, 1948, the number of eye glasses requested has risen fourfold. The number of people appealing for dental care has grown suddenly from 8 per cent of those entitled under the old scheme to 20 per cent under the new. The unit cost of ophthalmic, dental and hospital services went up spectacularly too. At a time when commodity prices were practically stabilized, the price of a pair of spectacles was found to have risen by 50 per cent, from 40-45 shillings to 65 shillings 6 pence, while the weekly hospital ward rates jumped from £4 per bed to £8, £10 and more.

For the fiscal year 1949-50, \$1,410 million was the budgeted cost of the new health scheme, just about 75 per cent more than what the brilliant minister had figured nine months earlier, and a good third over what the Beveridge Plan estimated—for 1955.

The provision of health care is the most unruly, least controllable element in public spending for the "security" of the individual leaving aside the fact that virtually everywhere the sickness schemes are bolstered by charity and voluntary, unpaid efforts. Significantly, and obviously referring to the Bevan scheme, Sir Stafford Cripps found it necessary to warn his own party in his last (1949) budget day message:

We have to face our economic and financial problems with realism, and must not allow ourselves to be carried away by the quite understandable desire to court electoral popularity. When I hear people speaking of reducing taxation and at the same time see the cost of social services rising rapidly, very often in response to the demands of the same people, I wonder whether they appreciate to the full the old adage that we cannot have our cake and eat it. We must recognize the unpleasant fact that these services must be paid for and they must be paid for by taxation, direct or indirect . . . There is not much further immediate possibility of the redistribution of the national income by way of taxation in this country . . . We must, therefore, moderate the speed of our advance in the extended application of the existing social services to our progressive ability to pay for them by an increase in our national income. Otherwise, we shall not be able to avoid encroaching, to an extent, upon the liberty of spending by the private individual for his own purposes.

The abolishment altogether of a compulsory sickness scheme once established, even if bankrupt and unsatisfactory, is beyond imagination. It never has happened. The difficulty of raising additional contributions and subsidies puts the schemes in a tight spot, an ever-tightening one. It necessitates economies, which in turn negate the very

purpose of the schemes. Invariably the doctors are the first victims in this conflict between political objectives and financial realities.

The doctors are, of course, the key figures of governmentalized medicine. The prime purpose is to procure their services and all that goes with them. Their honoraria alone, disregarding those of the dentists, constitute anywhere between nearly 50 per cent, in Switzerland, and little more than 15 per cent, in Britain, of the total cost. But far more is at stake. Being the focal point of medical procedures, the state directs the course. It decides who is sick and for how long, and thereby determines the trend of cash benefits, the quality and quantity of pharmaceutical products, the need for hospitalization, X-ray, laboratory and hydrotherapeutical services, etc. Even the cost of administration is dependent in part upon the degree of control over the profession.

Governmentalized health services sooner or later run into the iron curtain of mountainous costs. The easiest way out is to curtail honoraria, denouncing the doctors as profiteers; this is very popular.

Crude extra-legality and open illegality are a minor though disquieting angle of a fundamental issue. The real problem is one of basic ethics as well as public finance and of individual health care. It should not be surprising to find that these are three aspects of one and the same problem; of human nature pressed into an institutional set-up that ignores, or pretends to reform, elementary tenets of human psychology.

The dire fact is, to put it bluntly, that governmentalized medicine tends to bring about a conflict between the natural, perhaps even the subconscious interests or instincts, of the persons directly affected and the schemes themselves. These conflicts undermine the functioning and negate the objectives of compulsory medicine.

The crux is what the insurance experts call the subjective risk. Sickness depends on objective causes beyond the control of the the afflicted person. But it also depends on little known processes of a mental and emotional nature. To be sick is, to an undefinable but very substantial extent, a matter of psychology. To become a patient—admitting or claiming helplessness—is another process regulated by purely mental as much as by factual happenings.

The honourable senator from Gulf (Hon. Mr. Power) brought this matter before the chamber very vividly in discussing the War Veterans Allowance Bill. And the honourable

senator from New Westminster (Hon. Mr. Reid) has a most comprehensive understanding of the drug traffic in this country and throughout the world. What he said on this matter was quite revealing and true.

The adage "people who get everything for next to nothing think next to nothing of everything they get" epitomizes a human reaction so automatic that it is scarcely even conscious. Given the meagerness of our pocketbooks, we cannot help but be rational to the extent of economizing with things which are expensive. But that which is cheap is "cheap as dirt" and need not be treated with care and consideration.

The new apostle of social security, Sir William Beveridge, himself, has warned that: The danger of providing benefits, which are both adequate and indefinite in duration, is that men, as creatures that adapt themselves to circumstances, may settle down to them.

They settle down, indeed, and "smarten up" to them. What is done, at first surreptitiously by uninhibited persons only, tends to become common practice.

The real problem is rooted in the semi-conscious twilight in which the behaviour of the individual is determined by the interplay of conventional ethics and traditional habits, of rational will power, economic interests, emotional strains, objective and subjective symptoms of illness, and manifold circumstances. If the factory workers of the Rhone Valley year after year are "sick" for a week or two just at the time the peach crops of their little gardens ripen, is it or is it not to draw sick benefits and to reap other advantages as well? Or did they merely postpone for a convenient occasion a treatment they needed sooner or later? Similar questions could be raised with respect to the seasonal ailment notoriously displayed by seasonal workers, to the chagrin of all sickness schemes. Their query is how to stop what they regard as unfair exploitation of their resources without hurting the justified claims of the *bona fide* patients.

In the summer of 1949 I surveyed the situation in London and found that it took four weeks and more to get a tooth extracted, six weeks for a barium meal X-ray, two to four months' wait for a hospital bed, up to six months for eye glasses, and so forth. But all were available on short notice if paid for in cash. The number of incidents reported involving serious damage to people who had to wait too long was growing. At the same time, sorely needed hospital wards had to be closed owing to the lack of nurses, and ward patients even had to perform menial services.

Scheme administrations and their following argue that we should be patient and

let the system develop its potentialities. Of course, the same admonishment for patience may be invoked in favour of the free medical market, too.

But the objective student is faced with an even more serious question, the discussion of which is blurred usually by emotions. Is it not preferable to provide the "needy"—who need to be defined—with some medical service, be it one that is admittedly far from satisfactory, rather than to let them drift "helplessly"—whatever that means? Undoubtedly, the compulsory systems imply that in terms of doctors-per-minute, of drugs-per-ounce, of appliances-per-piece, of teeth-pulled-per-person, *et cetera*, more is being put at the public's disposal than would have been offered in the same country and at the same time if all those services had to be acquired at their market value. If so, comparison of a free *versus* a compulsory medical market should result in favour of the latter, in purely quantitative terms. If it were possible to measure those services by reducing them to multiples of a homogeneous unit of energy—let us call it an "erg med."—the compulsory systems should be found producing a much larger number of such units *per capita* than the free systems do under the same or similar circumstances.

But it is equally certain that the unit of service procurable and actually procured under a free system must be of higher quality. The evidence is overwhelming. For one thing, a doctor who sees 20 patients a day is likely to do better with each of them than one who sees 80 or 100. That leaves us in a quandary. What kind of medicine do we consider desirable: one that produces the maximum number of *per capita* "ergs med.", or the other that gives the highest quality of service under the given conditions of the respective country?

What I am trying to say is that not all is light on the one side and darkness on the other. The free medical market may produce marvels, but they may or may not be accessible to the submarginal patient. Governmentalization is supposed to take care of that. On the other hand, the quantitative progress achieved in compulsory systems should be weighed in the light of the qualitative deterioration that accompanies it. Such weighing can take place, however, only in the spirit of cold-blooded realistic discussion, not in the atmosphere of political oratory under which the controversy labours in virtually every country. To promise adequate health care, as the proponents of compulsion do, means to use the words in an irresponsible careless fashion. All they can promise honestly and knowingly is some care for everyone, including those who have none or

too little, but accompanied by a qualitative lowering of the level of medical service for the vast majority.

From Bismarck to Bevan, free health advocates realize that only a system that does not charge the patient is a full-fledged political asset to its promoters. Especially so when the beneficiaries share in the payroll taxes which finance the scheme, when they feel that they have paid in advance. That leaves physical controls as the way out, just as rationing is the logical sequel to price fixing.

The eighteenth century proudly called itself the Century of Reason. The nineteenth boasted of being the Century of Progress. In the same fashion, the twentieth deserves one of two titles: the Century of Marxian Totalitarianism or of Bismarckian Social Security. That the two movements for governmentalizing the security of the individual and toward unrestrained absolutism coincide, is far from accidental. Both have the same deep psychological root: the longing in the heart of the masses—on which unscrupulous individuals can capitalize—for protection against hazards of life, cost what the protection may. Both need vast controls by the state to replace the responsibilities of the individual. Both belong in the same chapter of the history book: The Welfare State.

Until after the turn of the century, the appeal to humanitarianism provided the Number One argument for governmentalized medicine. Poor people cannot afford to take care of their own health. To leave them to charity, public or private—and both were highly developed long before Bismarck—would be humiliating. Why, the poor may be so proud that they might not take the alms and would rather suffer or even die, so the argument implied. Then, there are the semi-poor who could get along normally, but who might be wrecked by major sickness in the family.

After World War I more rationalization was needed to justify the horizontal expansion of the schemes to ever higher income brackets. It easily was found in the Bismarckian armoury of ideas: people must be insured against sickness in a compulsory fashion because they do not take care of themselves. They do not know how to use their money rationally; the Government has to step in and teach them to make sound use of their incomes. The paternalistic image supplements the humanitarian vistas. The implication is that people "lack the insight and the moral strength to provide spontaneously for their own future". But then it is not easy to silence the voices of those who ask whether it is not paradoxical to entrust the nation's welfare to the decisions of voters

whom the law itself considers incapable of managing their own affairs; whether it is not absurd to make those people supreme in the conduct of Government who are manifestly in need of a guardian to prevent them from spending their own income foolishly. Is it reasonable to assign to wards the right to elect their guardians? Also, substituting by authority for the private propensity to save tends to undermine the saving habit which it is supposed to inculcate and to supplement.

Note in passing that the most effective argument for compulsory medicine still is: to provide for people in the low income brackets who cannot provide for themselves. But in practice, and from the outset, the schemes always include a majority of members who could very well take care of themselves. And almost always they leave out a minority, especially the lowest income group, that still has to fall back on poor relief or private charity.

"You know, Lord Horder, as I do, that one doctor is as good as another doctor," said Aneurin Bevan to the spokesman of the British profession. The tendency of authoritarian medicine to level the differences within the profession may be even more significant, perhaps, than the tendency to level the profession as a whole. The second pressure could be corrected by raising the doctors' honoraria, if that were financially possible and politically expedient. But the first is inherent in the very nature of the system. How should the bureaucracy distinguish between one surgeon and another in terms of respective ability? It has to pay both on the basis of well-defined, uniform standards, lest purely arbitrary judgments and corruption should prevail.

The effect on medical practice would be similar to that on a business which had ceased to distinguish between the shipping clerk and the executive vice-president, except in terms of seniority and stop-watch records.

The new generation of doctors whose future lies in the compulsory system does not even need the training the old used to acquire. Characteristically, from England comes the suggestion that, in view of the urgent demand for more doctors to relieve the shortage caused by the onrush of non-paying patients, the rank and file of young doctors should be permitted to pass with a training less comprehensive than required at present. According to a certain man in London, a four-year vocational course would do, while future consultants, specialists and scientists should be the only ones to receive

a full-fledged academic and clinical training. *Lancet*, the British medical journal, commented caustically, on April 2, 1949:

Retrograde as this proposal may seem, it is none the less in line with the present tendency of the over-burdened general practitioner to use his medical skills and practice medicine on a level little above that of a competent orderly. If we are going to be content with conditions under which real medicine is to be practiced almost exclusively at or from hospitals, why not frankly acknowledge the fact and accept this man's proposal to train our students accordingly?

A second-class training for scheme practitioners should be in accordance with the second-class medical service they tend to supply in most scheme frameworks.

The socialistic implications of compulsory medicine, especially in the health security systems of France and Britain, to say nothing of Soviet Russia, have far greater significance than the levelling trend that affects the doctors.

Assuming that the income pattern needs correction: do health schemes help, or at least do they contribute to that goal? It takes economic illiteracy to overlook the fact that their cost, if shifted onto business, is most likely to be added to the price of the product which those people buy whose income is supposed to be hiked. As a class, the beneficiaries receive at best with the left hand what they lose with the right. Inasmuch as they carry the cost themselves, as they do to an appreciable extent in Britain, it obviously comes out of their own pockets.

In Europe, medical benefits are the origin and core of all social security. Therefore, the economic, fiscal and financial implications of the one scarcely can be discussed lest the discussion encompass the whole field. For all of them it is logical, as expressed by the clear-sighted Canadian economist, Gilbert Jackson, "that a point must at some stage be reached when (for example) the marginal tooth extraction must be balanced off and weighed against the marginal ticket to the rugby game". In other words, the national income has to pay for everything the nation consumes, unless it lives on its capital or on charity from abroad.

From the point of view of a non-communist society, social security stands or falls on the assumption that it contributes to economic stability. Leaving aside the broad aspects of this question, this much is certified by all experience: medical security does not fulfil that goal, whatever else it may accomplish. The medical, as well as all other branches of social security, can be only a minor factor in the quest for economic stability. As a matter of fact, their utility for that purpose "is dubious unless economic stability is attained".

More is "dubious" than that. Actually, compulsory medicine creates ever-new mal-adjustments, psychological unrests, political conflicts and social disequilibria. It engenders instability rather than contributes to stabilizing of the economic system. There is no sign anywhere, and no serious student has put forth the claim, that the availability of "free" health care, be it on an insurance scheme or on a security plan, has stimulated incentives, mitigated industrial strife, reduced absenteeism, forestalled radicalism, strengthened the respect for the law, or made labour disclaim higher than "economic" wages.

Reduced to a rational denominator, the historical argument boils down to something worth serious contemplation. It is that, disregarding the humanitarian aspects of the question, labour is the most valuable "natural resource" we possess. It has to be protected in every way against "depreciation and obsolescence". From a purely economic point of view—if it is permissible in this emotional age to think for the moment in such inhuman terms—the implication is that the cost of governmentalized medicine is money well spent on maintaining labour's productivity, avoiding longer than necessary incapacitation and early invalidity. Eliminating the psychosomatic effects which otherwise reduce the output of the worker, whose mind is burdened with the fear of illness, in itself would be a worth-while objective.

Who would quarrel with the obviously sound basis of this reasoning? It is as economically sound as it is ethically axiomatic, the humanitarian argument that the helplessly sick must be cared for. As a matter of fact, if the statesmen have been able to make capital of medical care, it is because they could and can appeal to incontestable social reasons and sentiments. But that is not the problem. The problem is whether the sound and desirable objectives on which we all agree could or could not be pursued but by the one and only way of salvation, as some opportunistic people claim: by recourse to governmentalized compulsion and to massive subsidies.

It definitely is desirable that the public should be protected by compelling every car owner to buy a liability policy. But does it follow by any logic that therefore the casualty insurance business must be nationalized? By the same token, life insurance companies would have to be nationalized too, and the amount of the individual's coverage fixed by law. Who would object to providing the indigent with the necessary food? But does it follow that the distribution of food for every one or for all wage earners should be put into the Government's hands?

The fundamental fact remains that no country can provide more in sickness care than its economic production permits. Ultimately, the status of health care depends on the level of wealth, not on schemes of one kind or another.

The most dangerous delusion entertained by the public is that one can get something for nothing from the Government.

Honourable senators, I wish to bring to your attention the following publications, which I commend for your perusal. A publication called *Health Insurance*, produced by the Canadian Welfare Council, 1956. A pamphlet issued by the Canadian Medical Association in June 1955 on "Health Insurance". A *Statement of Policy* by the Canadian Medical Association produced, and published as far back as 1949, and, finally, an excellent publication called *Underwriting Canadian Health*, an economic view of the Welfare Program, produced by William Lougheed and Associate, 1957. This gives an excellent background to the situation as it is developing in Canada today.

The medical profession has nothing but admiration for Bill 320, to provide hospital insurance, which was passed at the previous session of Parliament and given the Royal Assent on April 12, 1957. This bill was well received, and had been ably propounded by the then Minister of National Health and Welfare for whom I have the highest admiration.

In addition, a comparable bill was put through the provincial Legislature of Ontario about the same time, and is to go into effect in the near future. Briefly, the medical profession subscribes to that legislation, provided that men of a particularly high caliber are going to be in power to see that it functions in its correct and proper manner. The significance of that statement, I am sure, is all too apparent.

The trouble with present-day medical care is not to be found in the quality or numbers or distribution of doctors. The trouble does not lie with the doctors' methods. At the base of the difficulties there is only one error. Here I am not by any means speaking of the men who have constituted the Governments in this country for the past fifty years; but what does concern me and men of my thinking in the profession is the fact that the cults that have been formulated overseas and throughout South America could spread. I refer to the appropriation, by unscrupulous people in these countries, of a fundamental area of human emotion for use as a platform from which they may launch their campaigns for the further subjugation of their citizens.

Doctors are familiar with the sad, omnipresent yearning for complete happiness. It

is a matter of daily occurrence in the lives of our patients. We are familiar with grief, loneliness and the aimless boredom that follow illness or death. We have no material solution for these problems, and we venture to think that no solution is available by act of any government.

Continuing excellence in medical care depends upon inequality. Doctors are forced to excel, first, because without such excellence they cannot even be admitted to a medical school. Again, they must excel or they will fail of graduation. In their years as interns they must excel again, for those selected to remain for further postgraduate training in hospitals are picked from among the better interns. The doctor, should he desire to remain in medical school work, must excel as a teacher or research man; when he gets into practice he must excel or do without patients.

We may, therefore, draw a curve of excellence on which we may place each member of the profession—among the few, at one end, who are outstanding, or among the majority who constitute the ascent and descent of the curve. Such a curve may of course be drawn for any group of men of any talent, trait or quality. Such variation is the product of divine creation; doctors cannot reverse it, nor may it be reversed by law or decree.

Appeal is made, therefore, to sheer emotion by playing upon the symbols of sickness and death. Medical care is equated with merchandising operations.

Now, in spite of a ruthless selective process in the education of physicians, which promotes inequality among them, those who survive it are pledged to make their performance as equal in quality as is humanly possible. They strive, by work and study, to further its excellence, and by deep professional instinct shy away from the idea that the standard of medical care should be lowered to a static equality in order to equalize its cost. Medical care, in a word, has always been based upon the idea of excellence, without specific regard to the cost, if any, to the patient.

As matters now stand, some of the finest medical care available is provided in charity wards of the great teaching hospitals. I have been on this service for 27 years, and I know whereof I speak. I refer you to what was said by Professor Hendry, Director of the School of Social Work of the University, who wrote an excellent article which appeared in the *Toronto Globe and Mail*.

**Hon. Mr. Croll:** Professor Hendry of the University of Toronto?

**Hon. Mr. Sullivan:** Yes.

**Hon. Mr. Hugessen:** That is not the only university.

**Hon. Mr. Sullivan:** To a patient, his doctor is the best—if not in the world, at least the best available.

Inequality among doctors, then, is compounded by education, by experience, and by the necessity to augment the excellence of the treatment offered, partly, of course, with an eye to reputation. How equalize reputation? The older we get, and the more we study, the greater becomes our judgment, and our humility. If mediocrity is to be cherished, if human illness is to be approached by the pedestrian equalitarianism of all government projects, we have surely lost our case. Moreover, if you conceive doctors to be equal, then surely it is only accurate to assume that your own children are no better and no worse than other children. If we actually believe in equality, then we must go all the way. Inequality in the promotion of equality would defeat the purposes of equality.

Our profound and increasing appreciation of the complexity of life should itself put us on guard against submitting ourselves and our patients to an ever-increasing attack on inflexible rules. No patient asks for illness or enjoys it, and no patient enjoys paying for his illness. Perhaps the result of his treatment is unsatisfactory to him. If so, you may be sure that it is not satisfactory to the doctor either.

If your doctors are not as good as you would wish, you may also be assured that they are not as good as they would wish.

Our peril as a nation, and our individual peril as patients and physicians, is not that physicians will give inadequate care to those who are ill. The true peril is from false teachers who would persuade us that the day of jubilee, when individuals who are "honest in the dark", and "vertuous without a witness", may be mass-produced, by vote of the majority, on earth, and no later than tomorrow morning.

The direct responsibility for controlling welfare expenditures rests with governments and, beyond the influence of constructive leadership, with the electorate. To achieve welfare, one must first have wealth, and any attempt to reverse unduly this historical sequence is to invite trouble. The posing of farsighted choices on welfare policy places a heavy burden of responsibility on all our governments in an area where much more research and informal discussion is required.

Honourable senators, if more public action is deemed necessary in the field of public health care, serious consideration should be

given to a comprehensive nation-wide plan for catastrophic coverage. This could well embrace medical and dental care, and it could be administered with or without the participation of the voluntary agencies, preferably with their assistance. By rooting out the first-dollar-on approach to financing health care, the plan would do much to forestall the complete socialization of the medical and dental professions which prevailing plans seem to foreshadow.

It is my firm conviction that future financial assistance by the federal Government should be directed only to the areas in which the individual is generally unable to help himself, to the indigent, the aged, the chronically ill, and to those who suffer catastrophic medical expenses.

Looking back over the history of this great country of ours to the wisdom and foresight of our Fathers of Confederation, it is evident that when they constituted these two houses of Parliament they saw in the foreseeable future the events that would occur. Each one of you, honourable senators, a distinguished member of your profession or calling, gives what you have for the good of this country, this beloved Canada of ours. Let us stand on guard for Canada. These schemes of which I have spoken are coming, and it is only by conscientious devotion by all of us to our duty that we will forestall here what has happened throughout a great part of the world today.

With your permission, honourable senators, and in spite of the acrimonious debate that sometimes takes place in this venerable chamber, I would like to conclude my remarks with these words: *Ecce quam bonum, quamque jucundum, habitare fratres in unum*—Behold how good and joyous it is for brothers to dwell together in unity.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Croll:** Honourable senators, I move the adjournment of the debate.

**Hon. Mr. Haig:** I object to the debate being adjourned. I say quite candidly to the house that legislation is coming before us which makes it impossible for us to continue this debate. If my honourable friend wants to speak, we have time from now until 10 o'clock tonight to listen to him. Otherwise, he will put me in a position where I cannot get my legislation through. I want to say quite candidly that I am not going to take a licking. We are prepared to sit tomorrow, we will sit Friday, and we will sit Monday, and every day—if we only sit and call the roll. But I am going to have this legislation go through. My honourable friend from Toronto-Spadina (Hon. Mr. Croll), has had

plenty of opportunities to speak. There was occasion after occasion when we adjourned here at 4 o'clock.

**Some Hon. Senators:** Question.

**Hon. Mr. Haig:** Mr. Speaker, I am speaking on the motion to adjourn the debate.

It is for those reasons that I object to the adjournment and I suggest, I urge, that the honourable member go on with his speech right now—there is plenty of time. He is well qualified to do so. Otherwise, I will be compelled to ask for a vote on it, and if I am voted down—well, I will be voted down, but the house has got to do it.

**Hon. Mr. Croll:** Honourable senators, when I look at the routine proceedings I note that there is nothing before us at the present time.

**Hon. Mr. Haig:** Oh, yes, there is.

**Hon. Mr. Croll:** Yes, there is the Address in reply to the Speech from the Throne, and there are some inquiries and a resolution that can wait from one day to another day. It does not make much difference when they are proceeded with; no one is pressing. I think it would be rank discourtesy on my part to stand up immediately after the honourable senator from North York (Hon. Mr. Sullivan) has delivered his speech and to differ with him as severely as I would like to differ. He is an old friend of mine, he is a new member of the house, he was a constituent of mine. I have not the heart to do it. That is the reason I moved the adjournment.

And I will say to the honourable Leader (Hon. Mr. Haig) that I will not be here tomorrow to carry on; in fact, I won't be here again until Monday. But if my motion is in the way of business, I will leave it to the honourable Leader of the Government to make the way clear, if there is business to be done, whether I am here or not. I will leave it up to him to decide.

**Hon. Mr. Macdonald:** Honourable senators, may I have a word? I understand there is legislation coming from the Commons, and other legislation, which will be initiated here. The Leader of the Government presented a bill today, and we shall proceed with it tomorrow. That bill was initiated in this house.

Would it meet with the approval of all honourable senators if we agreed to give legislation priority each day?

**Hon. Mr. Roebuck:** Hear, hear.

**Hon. Mr. Macdonald:** Let the Address in reply to the Speech from the Throne stand until there is no further legislation before the house. In that way we would not impede the progress of any legislation which is initiated here or which comes from the other house. I would agree to the adjournment only on condition that we give legislation priority from day to day.

**Hon. Mr. Haig:** I suppose somebody will object to my speaking in a minute or two, but as leader of the house I have the right to speak.

**Hon. Mr. Lambert:** Go ahead.

**Hon. Mr. Haig:** I want to say this, that I am very greatly disturbed. The bill which I presented today has been set down for second reading tomorrow; also a bill dealing with unemployment relief will be coming before us tomorrow; and next day an amendment to the Insurance Act, quite an important bill, is coming in. The bill respecting the St. Mary's River Bridge Company will come before a committee tomorrow, and another bill is to be before another committee tomorrow. These measures will all be coming into the house very shortly. I suggested to the Leader of the Opposition (Hon. Mr. Macdonald) that we might adjourn on Thursday night, but if all these bills come in I am afraid I could not agree to that.

There is nothing to prevent the honourable senator from Toronto-Spadina from going on today. The only way that I shall be able to know where I am going is by getting the Address in reply to the Speech from the Throne out of the way. I want the Government to know that this blocking is not my fault, that I am not responsible for this jam, but that the Opposition is holding me up in refusing to go on. That is what I want the Government to know.

**The Hon. the Speaker:** Honourable senators, it is my duty as Speaker of this house to reject the objection, to overrule it, because I consider it the absolute right of a member of the Senate to move adjournment of a debate. We cannot simply put aside the debate on the Speech from the Throne—it is too important for that. I think we shall follow the suggestion of the honourable Leader of the Opposition (Hon. Mr. Macdonald), that every day from now on, until the Address is adopted, all legislation brought in should be given priority. For the time being, I reject the objection to the motion to adjourn the debate. Therefore I put the question to the house. It is moved by

the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, that the debate be adjourned.

**Some Hon. Senators:** Carried.

**The Hon. the Speaker:** I declare the motion carried.

**Hon. Mr. Haig:** Contents and non-contents, Mr. Speaker.

**Hon. Mr. Croll:** Mr. Speaker, I do not want to upset my good friend the leader (Hon. Mr. Haig). I cannot follow him; I do not understand what is in his mind, particularly in the light of what you, Mr. Speaker, have already said, that legislation will have priority. If he feels that this debate must be finished now, for whatever reason, that is one matter; but, on the other hand, I do not want him to feel that we are standing in the way of legislation—or at least that I am. It is not that important to me. The leader will have every opportunity to do anything he wants to do.

**Hon. Mr. Haig:** Do I understand that the honourable Leader of the Opposition (Hon. Mr. Macdonald) assures me that Government legislation will have priority over these other matters?

**Some Hon. Senators:** Yes.

**Hon. Mr. Macdonald:** As far as I can give that assurance, I do so. My colleagues here assure me that I can give it with certainty. In that event, there will be no delay of any legislation that is brought forward. As I said before, I would not approve of this adjournment were it not for the fact that the house is of the opinion that we should give priority to legislation; and I repeat that, as far as is in my power, I give that assurance.

**Hon. Mr. Haig:** Very well. I withdraw my objection.

On motion of Hon. Mr. Croll, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Thursday, November 28, 1957

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

Prayers.

### UNEMPLOYMENT INSURANCE BILL

#### FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 171, to amend the Unemployment Insurance Act.

The bill was read the first time.

#### SECOND READING

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

Hon. John T. Haig: Honourable senators, I move, seconded by the honourable Senator Monette, that the bill be read the second time now.

It took a little time to pass this legislation through the resolution stage in the other house, but, when the bill was introduced, just three minutes were spent on giving it first, second and third readings.

This legislation deals with an amendment to the Unemployment Insurance Act. To explain the bill I have drafted a memorandum, not so much for the purpose of informing honourable senators as to inform people who may read *Hansard* and may want to know what the legislation accomplishes. Its interpretation is rather easy if one is a lawyer familiar with legal matters.

Honourable senators, during the past few weeks several honourable members have asked whether or not the Government intended to amend the Unemployment Insurance Act this session. These questions are, I think, a reflection of the concern that all of us feel about the present situation with regard to unemployment.

Before explaining the bill, which proposes to amend the seasonal benefit provisions of the act, I would like to describe the present situation in what I believe to be its true perspective.

Honourable members will recall that the last period during which the state of unemployment gave rise to serious misgivings was the winter of 1954-55. Let us look at the figures for two of the months that led up to that time and compare them with the same two months of this year.

In August 1954 the number of people who were without jobs and seeking work comprised 3.1 per cent of the labour force. In August 1957 those without jobs and seeking work comprised 2.8 per cent of the labour force.

In September 1954 those without jobs and seeking work were again 3.1 per cent of the labour force, while in September 1957 those without jobs and seeking work were 3.2 per cent of the labour force.

Now, in October 1954 those without jobs and seeking work were 3.3 per cent of the labour force; while in October 1957 those without jobs and seeking work were 3.5 per cent of the labour force.

I think it is important to note that the number of persons gainfully employed in this country increased by almost half a million between October 1954 and October 1957, while the number without work increased by only about 28,000 in that same period.

In view of these figures, and without attempting to minimize our problems, I think it is fair to say that we have already come through situations that were potentially as difficult as is the present one. Furthermore, a favourable factor now is that this Government has no intention of sitting back and letting this thing run its course.

Earlier in the session I noted that, by curtailing the influx of immigrants for the balance of the year, by channelling \$150 million into our economy for the construction of houses, by accenting the job-finding facilities of our National Employment Service, and by stepping up our winter employment campaign activities, we indicated our preoccupation with this problem. Now we are proposing to amend the Unemployment Insurance Act to increase the amount of benefit available to insured persons who are unemployed during the winter season, when employment is most difficult to obtain. We estimate that the changes proposed would result in close to an additional \$13 million of purchasing power being paid out to those who need it most and who can spend it to the best advantage.

At present the act provides that seasonal benefit may be paid for the period from the week in which January 1 falls to the week in which April 15 falls; that is, for 16 weeks. However, even before January 1 a substantial number of persons are unemployed and unable to qualify for regular benefit, and also many are still unemployed when the present seasonal benefit period ends on April 15. The intent of this bill is to lengthen the seasonal benefit period by one month at each end, so that it will run from December 1 until May 15; that is, for 24 weeks.

The effect that this lengthening of the seasonal benefit period will have can, perhaps,

be best illustrated by reference to several basic examples. First of all, there are two ways claimants can qualify for seasonal benefit. The first applies to those who do not have enough contributions to qualify for regular benefit but who, nevertheless, have 15 contribution weeks since the end of the previous March. The second applies to those who have had a regular claim terminate since the previous May 15, even though they may not have made a single contribution in that time.

Under the present act those qualifying in the first group have a minimum duration of 10 weeks and maximum of 16 weeks. The proposed revision will give a minimum of 13 weeks and a maximum of 24 weeks.

In regard to those qualifying in the second group, the duration of benefit under the present act is the same as that authorized on the last regular claim, with a minimum of 12 weeks and an automatic maximum of 16 weeks because of the end of the seasonal benefit period. Our proposed revision will leave the minimum unchanged but does, of course, increase the maximum duration to 24 weeks; that is, a 50 per cent increase.

The effective date of this proposed legislation is December 1, and by that I mean that this bill will apply to all claims made in respect of the forthcoming seasonal benefit period. A minor exception to this would be that those in the second group, that is, those who had a regular claim expire since April 15, 1957, will be able to qualify for seasonal benefit this winter on that basis. In future years, the requirement will be that they must have had a regular claim expire since the previous May 15.

Another point is that the privilege a seasonal benefit claimant now has of serving his waiting period during December will not be extended. In other words, he will now be treated as an ordinary claimant and will have to serve his waiting period at the beginning of his seasonal benefit period. This will not, however, put claimants in any less favourable a position, since the date at which they can begin to be paid is advanced by three weeks and the maximum period of entitlement is being substantially increased.

In conclusion, honourable senators, we estimate that a large number of Canadian workers will benefit from the provisions of this amendment. Last winter, some 214,000 persons established seasonal benefit claims. This year, since our proposed legislation will increase the period by two months, we might expect that the number who qualify would be somewhat higher. It would seem safe to say that some 250,000 workers will benefit to the extent, as I noted earlier, of some \$13 million.

I should also like to bring out the point that this amendment, as well as the revocation of the married women's regulation announced the other day, is bound to result in an increase in the number of persons registered for employment with National Employment Offices across the country. In effect, there will be more people registered, and also they may be registered for a longer period of time. However, there should be little or no impact on the monthly Dominion Bureau of Statistics "Without Jobs And Seeking Work" Survey, and this survey will continue to be the official estimate of the number of unemployed in this country.

Honourable senators, this simply means that the period during which claimants may benefit from unemployment insurance has been extended from 16 to 24 weeks. In view of employment conditions in this country, it seems to me that this is a reasonable amendment to the Unemployment Insurance Act. I might say that this legislation was unanimously endorsed in another place. The report I had from the Minister of Labour was to the effect that he had not received any objections from any of the labour organizations to which he submitted this suggestion.

As I have said, it is estimated that the unemployment relief benefit will be \$13 million. In a period of serious unemployment a man or woman unemployed will be able to get an allowance for 24 weeks instead of for 16 weeks.

Honourable senators, I very heartily support this bill, for second reading.

**Hon. Mr. Golding:** I wonder if the honourable leader (Hon. M. Haig) would permit a question.

**Hon. Mr. Haig:** Yes.

**Hon. Mr. Golding:** The honourable leader referred to the increase in the number of employed during the period from 1954 to 1957. Would he tell us what has been the increase in population in the same period of time? I ask this so that we may have a complete picture of what has happened.

**Hon. Mr. Haig:** I cannot give that off-hand. I know it is quite substantial, because our population is now past the 16 million mark. The labour force has increased greatly in the last three years, but I cannot give exact figures.

**Hon. Mr. Golding:** I should like to know the increase in the number of employed in proportion to the increase in population.

**Hon. Mr. Haig:** Those figures are here; I gave them, and I will do so again. In October 1954 the number of persons unemployed or looking for work stood at 3.3

per cent of the total labour force, and in October this year it was 3.5 per cent, or practically the same. Actually, there has been a decrease in the number of unemployed for October 1957, compared with October 1954; but, as I have said, it is expected that, compared with last winter, there will be an increase in the number of persons who will establish seasonal benefit claims under the amended act.

**Hon. W. Ross Macdonald:** Honourable senators, I rise to support this bill. However, I feel that we should realize what is being done by this legislation. The Leader of the Government, in his opening remarks, referred to unemployment in Canada, and he said the Government was not going to sit idly by and allow unemployment to run its course. I hoped that he would tell us just what the Government proposes to do to relieve unemployment this winter, but he said not one word about that. Instead he started to explain this bill, as if it had something to do with relieving unemployment.

**Hon. Mr. Haig:** I said we were channelling \$150 million into housing.

**Hon. Mr. Macdonald:** We must realize that this bill has nothing whatever to do with relieving unemployment. What the bill does is to extend the period during which an unemployed person may receive seasonal benefits; that is all it does. When this bill is passed we shall not have solved in any way whatsoever the problem of unemployment.

I am in favour of this bill, because it will lengthen the period during which unemployed people will be entitled to seasonal benefit. Instead of being from January 1 to April 15, as at present, the period will extend from December 1 to May 15. I am sure we all want to help the unemployed. I am particularly glad that December has been included in the extension, for thereby these people will receive some money in time to make the Christmas season happier for them in their homes.

**Hon. Mr. Howard:** Hear, hear.

**Hon. Mr. Macdonald:** I think we all unite in supporting the bill, for that reason if for no other.

However, honourable senators, I must say that I am a little concerned about the method which is being used to provide funds necessary to carry out the purposes of the bill. The Unemployment Insurance Fund was set up a number of years ago on what we hoped was a sound actuarial basis; but since that time additional charges have been made on the fund, charges which at the outset were

never contemplated, to give benefits to persons who had not qualified under the terms of the original act. I believe the persons who are to benefit by the passage of this bill should receive their payments in accordance with its terms, but how is the Unemployment Insurance Fund going to stand up under this additional charge? It is just another charge that was not contemplated, and toward which no contributions have been made over the years.

The Government recently announced that it would make a contribution towards unemployment relief costs which had not been made by the previous Government. Honourable senators recall that in the past the dominion Government paid 50 per cent of the unemployment relief costs only when more than .45 per cent of the province's population was in need of public assistance. That arrangement is to be done away with, and in future the Government will pay 50 per cent of the unemployment relief costs, with no qualifications or strings attached to it. Now, I take it, that money will come out of the public treasury.

**Hon. Mr. Haig:** Correct.

**Hon. Mr. Macdonald:** It will not be a charge on this fund. My question now is, why should the payments under this bill be a charge on this fund? You may answer that the fund is well established and has a considerable amount of money on hand. But money can disappear very quickly when many calls are made upon it. If this country had large-scale unemployment, I am sure the fund would not last as long as some of us hope it will.

I observe that the other house was informed yesterday that the Unemployment Insurance Fund at present amounts to \$884,800,516.26—nearly \$900 million. That does seem like a lot of money. But a new charge is to be made against it. The other day we learned of legislation to be put through Parliament shortly which will mean another charge on the fund.

My suggestion to the Government is that the Unemployment Insurance Fund should remain on a sound actuarial basis, and that payments such as are provided for in this bill should come out of general revenue. When the Unemployment Insurance Fund was set up it was not contemplated that such payments would be charged against it.

**Hon. Arthur W. Roebuck:** Honourable senators, may I be allowed to say a few words before this bill passes?

I have always been interested in unemployment insurance legislation for two reasons particularly: one, that I am interested in

assisting unemployed persons; secondly, when the act was under contemplation, some few years ago, I was a member of the subcommittee that revised the bill and prepared it for introduction in the other house. That subcommittee studied the measure for a considerable time, and I have always thought that it did a very good job. We all regret unemployment, but the Unemployment Insurance Act has done something to lessen its baleful influence on the community.

The honourable Leader of the Opposition (Hon. Mr. Macdonald) has stated that this bill will do nothing to relieve unemployment. That is true. The present administration seems to me to be in a fog, so far as the question of unemployment is concerned. It is at a loss to offer any solution to alter or correct economic conditions in that regard, beyond the expenditure, as mentioned by the Leader of the Government, of \$150 million for housing, which I understand has already been eaten up. So far as I can see, that is all that has been done by the present administration toward the cure of unemployment.

Unemployment is a most regrettable situation. I know of no more desperate condition for any man who has a wife and family to support, than to be unemployed, with his time of no value, and his ability to earn daily bread for himself and his family gone. Therefore, I was enthusiastic when some years ago this legislation to provide some relief for the unemployed was prepared and passed, although I realized it could do nothing to solve the fundamental problem, the occurrence of unemployment.

I am in favour of the bill now before the house, not because it touches the question of unemployment, but rather because it relieves the distress of the unemployed. We can take little pride in the fact that such a measure is necessary at this time. Did I understand the honourable Leader of the Government to say it was expected that we would have 50,000 unemployed people in Canada this winter?

**Hon. Mr. Hugessen:** 250,000.

**Hon. Mr. Roebuck:** That is a national disaster. Regardless of what Government is in power, to have 250,000 persons unemployed is a most undesirable situation. I know we have always expected such a situation when a Conservative Government was in office, but I had hoped on this occasion, with the bright new minds that have taken over the administration of this country, something better might come of it. However, so far this session the only legislation that has come to this house has provided for the spending of more money; none has provided any cure for economic conditions.

Honourable senators, although I am sorry that the passage of this bill is necessary, under the desperate circumstances in which some of our people find themselves I am delighted to vote for it.

The motion was agreed to, and the bill was read the second time.

### THIRD READING

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

**Hon. Mr. Haig:** Honourable senators, I move, seconded by the Honourable Senator Monette, that this bill be read a third time now.

I have discussed the substance of the bill fully, but let me say at this time that when the estimates come before us there may be some opportunity to make comparisons which would relieve the mind of the honourable Leader of the Opposition (Hon. Mr. Macdonald). The present Government might choose to copy what was done in 1954-55 by the former Government. You will find that its action was not very far removed from the present action, but it did not go as far as this legislation goes. This bill does something which I was never able to understand why was not done long ago. It is a most trying experience for a man to come into the late spring with no prospects of a job.

I may tell my honourable friends that while, as I have said, the sum of \$150 million was provided for housing, there has been recently voted an additional \$100 million for that purpose. However, that has nothing to do with my motion for third reading of this bill.

**Hon. Mr. Pratt:** May I suggest to the honourable Leader of the Government that this measure be referred to the Standing Committee on Banking and Commerce for consideration?

**Some Hon. Senators:** No, no.

**Hon. Mr. Haig:** I am willing to refer it to a committee if the majority votes for that, but let me tell you that if that is done you will be depriving the people who would benefit of a month's pay. But, if you want to turn this legislation down, by all means turn it down. I dare you to turn it down!

**Hon. Mr. Pratt:** I do not know why we should have to listen to a threat like that.

**Hon. Mr. Haig:** Everything I have said is the absolute truth, and no hearing in the Banking and Commerce Committee could change the facts. All that this bill would do is what I have said it would do, namely, to increase from 16 weeks to 24 weeks the period during which unemployed persons can

receive seasonal benefit. Why should this measure go to a committee? I want to get this bill through immediately, so that it will be in force on Monday morning and those entitled to its benefits will be able to get them without delay. The Governor General's Deputy will be here in a couple of hours to give royal assent to the bill. If the house is against me, then the people will know that the bill was delayed in the Senate.

**Hon. Mr. Reid:** Why use threats?

**Hon. Mr. Haig:** I want to put the majority of this house in the position that they are doing the job, not me. I know that every senator on my side of the house will vote for this bill.

**Hon. Mr. Macdonald:** I rise on a question of privilege, Mr. Speaker.

**Hon. Mr. Haig:** There is no point of privilege here.

**Hon. Mr. Macdonald:** On a question of privilege.

**Hon. Mr. Haig:** I have the floor, Mr. Speaker.

**Hon. Mr. Macdonald:** On a point of order, Mr. Speaker.

**The Hon. the Speaker:** On a point of order, the honourable the Leader of the Opposition (Hon. Mr. Macdonald) has the floor.

**Hon. Mr. Macdonald:** The honourable Leader of the Government (Hon. Mr. Haig) has dared the Senate to do something and has by implication threatened the Senate. I do not think he should do that; it has never been done here in the past. If he withdrew his dare we could discuss the matter more reasonably.

**Hon. Mr. Haig:** An honourable senator close to me was pounding his desk all afternoon and demanding that the bill go to committee. Of course, if the house wants the bill to go to committee, it will have to vote for it to go there.

**Hon. Mr. Macdonald:** The honourable senator who was pounding his desk was applauding you.

**Hon. Mr. Haig:** No, he was not. He was applauding you when you were talking.

**Hon. Mr. McLean:** I was not applauding the motion to send the bill to committee. I was applauding my leader (Hon. Mr. Macdonald), as the bill is one dealing with effects not causes.

**The Hon. the Speaker:** Order. Honourable senators, after the motion for third reading of the bill was made there was a suggestion that the bill be referred to the Banking

and Commerce Committee, but the question before the house is the motion for third reading.

**Hon. Mr. Macdonald:** Honourable senators, I wish to say that I will vote for the motion, in spite of the threat or dare that was thrown at the house by the Leader of the Government (Hon. Mr. Haig). I regret that he did this, and I am still hopeful that he will withdraw the dare.

**Hon. Calvert C. Pratt:** Honourable senators, may I say just a few words? I suggested that the bill be referred to a committee, but I did not suggest at all that the bill should be unduly delayed, and certainly I did not express any adverse feeling toward the bill. This bill was introduced in the other house and after being passed there it was introduced here. All that we have had by way of explanation of the bill has been the reading of a statement based apparently on what was said in the other house, yet when we ask for an opportunity to study the bill we are faced with a threat. We are told that if we refer it to committee we shall delay the effective date of this legislation for a month, and that during that period unemployed people will not be able to benefit under the amendment. I think that is very unfair. It is wrong, and I object strongly to it.

**Hon. T. A. Crerar:** Honourable senators, it was not my intention to take any part in this discussion at all. Whatever views I may have on the bill, it is evidently one that is intended to do some good. For my part I have never been able to understand how a man who has been working at good wages for a year or two or three years and then becomes unemployed must be enabled to get unemployment relief almost at once or something dreadful will happen to him. Now, I do not believe that for a moment, but that is not what I wanted to say. I regret that my old friend the Leader of the Government in this house (Hon. Mr. Haig), has taken a course which upon reflection he may conclude was not an altogether wise course. This bill is eminently a bill that should go before a committee, and I cannot recall in my experience in this house that a similar measure was refused reference to a committee. Why do I say that? I am in doubt upon one or two points in this bill. For instance, will the enlargement of the period of benefits have any adverse effect on the fund as it was calculated when the existing legislation was passed?

**Hon. Mr. Haig:** I gave you the figure.

**Hon. Mr. Crerar:** If it will, then quite clearly the Treasury of this country and the

taxpayers will be involved. Surely it is not an unreasonable request that we be enlightened upon such points.

So far as I am concerned, I am not going to insist that this bill be referred to a committee. I have a very considerable personal regard for the Leader of the Government in this house, but I would say this: We have heard a good deal in the past about by-passing Parliament—about the scurvy treatment of Parliament—and I certainly do not want to see this Government get into that practice.

And I say this, honourable senators, that if the Government cannot arrange its business so that an important bill like this has to come to us under the threat that it must be passed now or someone is going to lose some benefit, then it is failing in its duty.

It is the business of the Government, as it was the business of the old Government—and I criticized the old Government more than once on that point—so to arrange its affairs that Parliament, and this house especially, can give proper and due consideration to the measures that are brought in.

**Hon. Jean-François Pouliot:** Honourable senators, I rise not to pour oil on the fire, but just a little water. I will do here as I have done in the House of Commons—to the astonishment of everyone—I will try to bring in an olive branch, to show my earnest desire to have calm and serenity restored to this Chamber. The honourable Leader of the Government (Hon. Mr. Haig) will never realize how deeply all his colleagues suffered while hearing him say that the ceiling of this chamber will fall on our heads if we do not pass this measure, blind-folded. It would be a calamity for not only the Senate but for Parliament itself. Remembering as I do the instruction that I received at school about British parliamentary practice and British fair play, I was astonished and dumbfounded to hear what the honourable Leader of the Government said, speaking on behalf of the Right Honourable the Prime Minister and of all his colleagues in the Government. I recall that when I was a member of the House of Commons the present Prime Minister repeatedly urged the passage of a Bill of Rights. It was unconstitutional, but it was his intention to have legislation guaranteeing freedom of speech passed by Parliament. Then how is it that his loud speaker in this chamber uses such offensive language as the honourable gentleman has used?

My experience can measure up with that of the honourable gentleman, at least under this roof, and never in my life, even in the dark times of R. B. Bennett, have I heard such threats. No one in Parliament and no one even outside in the corridor would dare

to speak to a senator of Canada in the language the honourable gentleman has used. He is older than I am, but we are on an equal footing, and His Honour the Speaker, whom we respect, is the only person in this chamber who has authority over us. How can we respect any one of our colleagues who dares to threaten the whole Senate by telling them, "If you don't pass this legislation without asking any questions, you will be punished; you will have retaliation." From whom? From him. Imagine: How ridiculous! I know that even the poorest unemployed will support the stand of the honourable senators who have just spoken, such as the Honourable the Leader of the Opposition (Hon. Mr. Macdonald), my venerable colleague the Honourable Senator Crerar, the Honourable Senator Pratt, the Honourable Senator Roebuck, all of us; for they will understand that we are here, not to vote money blindly, but to demand the right to defend the parliamentary institutions of this country and to stop this blackmail.

**The Hon. the Speaker:** Honourable senators, the question is on the motion of the Honourable Senator Haig for the third reading of the bill. Is it your pleasure to adopt the motion?

**Some Hon. Senators:** Carried.

**Some Hon. Senators:** On division.

**The Hon. the Speaker:** I declare the motion for third reading carried, on division.

**Hon. Mr. Pouliot:** On division, yes.

**Hon. Mr. Dessureault:** I understand there is not unanimous consent to the passing of the bill.

**Hon. Mr. Pouliot:** I give no unanimous consent, no. I want my division to be registered.

The motion was agreed to, and the bill was read the third time, and passed, on division.

## PROPERTY QUALIFICATIONS OF SENATORS

### SUPPLEMENTARY RETURN TABLED

**The Hon. the Speaker** tabled a supplementary return, submitted by the Clerk of the Senate in accordance with a motion passed by the Senate on November 4, listing the names of the members of the Senate who have renewed their declaration of property qualifications.

### PRIVATE BILL

#### ST. MARY'S RIVER BRIDGE COMPANY— REPORT OF COMMITTEE

**Hon. A. K. Hugessen** presented the report of the Standing Committee on Transport and Communications on Bill O-5.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (O-5) intituled: "An Act respecting St. Mary's River Bridge Company", have in obedience to the order of reference of November 21, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

### THIRD READING

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

**Hon. William H. Golding:** I move that the bill be read the third time now. There is some urgency in having it submitted to the other house for consideration. As has been stated, the bill was considered in committee this morning, and no amendment was made. I hope that it can be given third reading now.

The motion was agreed to, and the bill was read the third time, and passed.

## SENATE ACCOUNTS

### REPORT OF COMMITTEE

**Hon. Charles B. Howard,** Acting Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the fourth report of the committee.

The report was read by the Clerk Assistant, as follows:

Your committee have examined the expenditures and revenues of the Senate for the fiscal year ending March 31, 1957, and have found them correct.

**The Hon. the Speaker:** Honourable senators, when shall this report be considered?

**Hon. Mr. Howard:** Next sitting.

## SENATE STATIONERY

### REPORT OF COMMITTEE

**Hon. Mr. Howard,** Acting Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the fifth report of the committee.

The report was read by the Clerk Assistant as follows:

Your committee recommend that the usual supply of stationery, etc., which has been selected by your committee with due regard to usefulness and economy, for use of the Senators in their rooms and desks in the Senate Chamber, be supplied according to the lists approved by your committee and deposited with the Clerk of Stationery, and that the distribution be made in a way similar to that of the present session.

**The Hon. the Speaker:** Honourable senators, when shall this report be considered?

**Hon. Mr. Howard:** Next sitting.

## CONTRIBUTIONS TO EDUCATION

### INQUIRY AND ANSWER

**Hon. Mr. Cameron** inquired of the Government, pursuant to notice:

1. What has been the total contribution of the Federal Government to education in Canada for the year ending March 31st, 1957, for the following purposes:

(a) By way of university grants on a *per capita* basis;

(b) Veterans assistance if any;

(c) Any other direct assistance to the universities?

2. (a) What was the total contribution by the Federal Government to the National Research Council in the same period?

(b) How much of this was passed on to the universities as:

(i) Research grants;

(ii) Scholarships and assistanceships?

3. What was the total contribution by the Federal Government in the same period to vocational education in Canada?

4. What was the total contribution to all forms of education in Canada in the same fiscal period?

5. Under the same categories, what has been the total contribution to Canadian education in the last five years?

**Hon. Mr. Haig:** I have the following answer to the honourable gentleman's inquiry:

1.		1956-57
	University grants .....	\$ 16,049,288
	Veterans assistance .....	332,076
	Other direct assistance	
	Atomic Energy—research grants .	300,000
	Fisheries—Extension work on Co-	
	operatives .....	79,997
2.	Contribution by Federal Govern-	
	ment to National Research Council	\$ 19,019,561
	Passed on as	
	(i) Research grants .....	2,527,401
	(ii) Scholarships and assistances-	
	ships .....	1,197,341
3.	Vocational Education—Dept. of	
	Labour program .....	\$ 4,059,717
	Veterans assistance .....	116,065
4.		1956-57
	All Forms of Education in Canada	
	University grants .....	\$ 16,049,288
	Veterans Assistance University ....	332,076
	Veterans Assistance Vocational ....	116,065
	Atomic Energy Research Grants ..	300,000
	National Research Council—	
	Research Grants .....	2,527,401
	Scholarships and Assistanceships .	1,197,341
	Fisheries—Extension Work on Co-	
	operatives .....	79,997
	Labour—Vocational Training .....	4,059,717
	National Health and Welfare—	
	Grants re Health Training facili-	
	ties .....	1,718,675
	Education of Indians and Eskimos	
	(Direct federal responsibility)	
	Indians .....	14,763,197
	Eskimos .....	1,156,221
	Total .....	\$ 42,299,978

Note: This does not include sums spent on behalf of Defence Research which is specific to the defence program.

5. University grants .....	\$ 37,324,788
Veterans—university .....	3,617,208
Veterans—vocational .....	821,551
Atomic Energy—Research .....	1,500,000
N.R.C.—Research .....	8,287,586
N.R.C.—Scholarships, etc. ....	3,329,001
Fisheries—Extension work .....	387,554
Labour—Vocational training .....	20,003,107
Health and Welfare—	
Health facilities .....	7,813,634
Schools of social work .....	32,370
Education of natives	
Indians .....	57,155,941
Eskimos .....	2,715,432
	<hr/>
	\$142,988,172

**POTATO PRICES IN MARITIME PROVINCES**

**INQUIRY**

On the Orders of the Day:

**Hon. George H. Barbour:** Honourable senators, before the Orders of the Day are proceeded with I should like to ask the honourable Leader of the Government (Hon. Mr. Haig) if the Government is aware that potatoes are being sold in the Maritime provinces, and have been for sometime, at about 60 per cent of their cost of production.

During the recent election campaign the present Prime Minister toured the Maritime provinces and told the farmers they would get parity prices for their potatoes. I would like to ask the honourable leader if it is the intention of the Government to bring in legislation during this session to provide parity prices with respect to potatoes produced in the Maritime provinces?

**Hon. Mr. Haig:** Honourable senators, the inquiry of my honourable friend from Prince (Hon. Mr. Barbour) will appear in *Hansard*. I will inquire into the matter and give my honourable friend an answer at a later date.

**ADJOURNMENT**

**Hon. Mr. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until Monday next, December 2, at 8 o'clock in the evening.

The motion was agreed to.

**OFFICIAL REPORT**

**CORRECTION OF STATEMENT**

**Hon. W. Ross Macdonald:** Honourable senators, I have received a letter from the honourable senator from Vancouver South (Hon. Mr. Farris) requesting me to make a correction in *Hansard* on his behalf. It will be recalled that on November 14, when addressing this house in the debate on the Address in reply to the Speech from the Throne, he discussed the right of the present Prime Minister to ask for dissolution of Parliament. His comments on this subject appear on pages 217 and 218 of *Hansard*, where he points out that the Right Honourable W. L. Mackenzie King, when Prime Minister, had been refused dissolution. The correction which he wishes me to make has reference to these words appearing on page 218:

However, dissolution was refused; and Mr. Meighen was called upon to form a Government. But on the first vote after he became leader, his Government was defeated.

He informs me that he now finds there were four previous motions on which the Meighen Government had been sustained, and it was on a fifth motion that the Government was defeated by a majority of one. It is that correction which he wishes to be made in our official record. He points out in his letter, and I think this is of some interest, that at the time he made the statement he was speaking from memory. He feels that the statement as corrected does not alter the trend of his argument, but he thinks that the correction should be recorded.

**BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY BILL**

**SECOND READING**

**Hon. John T. Haig** moved the second reading of Bill L-6, to amend an Act respecting the Buffalo and Fort Erie Public Bridge Company.

He said: Honourable senators, I know that it is out of order to refer to a previous debate in this house, but after the bitter thrashing which the honourable senator from Churchill (Hon. Mr. Crerar) gave me in respect to the Unemployment Insurance Bill, I will send this bill to committee.

**Hon. Mr. Hugessen:** You have to.

**Hon. Mr. Haig:** No, I don't have to. I am in a happy position. I don't have to.

**Hon. Mr. Hugessen:** Is it not a private bill?

**Hon. Mr. Haig:** No.

**Hon. Mr. Macdonald:** It is a question for the house, not for one member, to determine.

**Hon. Mr. Haig:** I admit that; but because the house does not like the way I put it, that does not change the rule.

**Hon. Mr. Macdonald:** We didn't like your threatening or daring us.

**Hon. Mr. Haig:** Well, you have the right to vote it down if you want to. The honourable senator from St. John's West (Hon. Mr.

Pratt) has the same right. He can vote it down if he wants to. He can say anything he likes.

**Hon. Mr. Macdonald:** Nobody has any thought of voting it down.

**Hon. Mr. Haig:** It is a funny thing, but here I am being accused of threatening and daring. I have been in politics quite a long while and I have represented my home city for a good many years in a legislative body. I did a lot of daring during that time, but the voters never put me out. They always sent me back to dare some more.

**Hon. Mr. Reid:** I hope you don't continue to do it here.

**Hon. Mr. Haig:** I am only doing what seems to me to be common sense. I know that what I am saying is out of order, and if anybody objects I will quit, but I do want to say that it is easy for the 50 or 60 members opposite to get up and criticize—

**Hon. Mr. Macdonald:** Nobody has done that.

**Hon. Mr. Haig:**—and dare us to go to the country. But I don't find any of your colleagues in the other place, where the public can get at them, trying to force the Government to go to the country.

**Hon. Mr. Macdonald:** We are not doing that.

**Hon. Mr. Haig:** We have been dared.

**Hon. Mr. Reid:** You are the one who is daring us, and some day we will put you out.

**Hon. Mr. Haig:** The truth is very plain. I don't like to say this but I have to, for my self-protection. On April 1, 1957 there was not a man or woman on the other side of the house who had the slightest idea that anything would ever happen to the Liberal Government. They were sure they would come back here with a clear majority.

**Hon. Mr. Macdonald:** And you were also.

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Macdonald:** My honourable friend said so in this very house.

**Hon. Mr. Haig:** Well, I didn't have so far to go. We had only 41 supporters, while the Opposition—the then Government—had 170.

**Hon. Mr. Reid:** What about the bill?

**Hon. Mr. Haig:** It is things like that which make me wonder why people get up and criticize the Government. Why, the Government has hardly been in office for six months. You have to give them time to carry out their policies, whatever your politics may be. Let me say that the more that is done in the other house, as well as in this house, the better it is for our party.

I am not going to argue with honourable senators about this bill, but I want to have it passed. It is a bill with a peculiar history. The act was passed by Parliament in, I think, 1925 or 1926, when the Right Honourable Mackenzie King was Prime Minister. Last session a similar bill was introduced in this house. One or two changes were made, which did not, however, alter its meaning. The bill was passed unanimously here and sent over to the other house, but it was not passed there because shortly afterwards Parliament was prorogued and the Government went to the country.

I want to say that the former Government, under the Right Honourable Mr. St. Laurent, in dealing with the matter covered by this bill did one of the best jobs that the Liberal Government did during more than 20 years in office. The Americans had been acting as if they owned the whole bridge. They had six men on the commission, while we had only three. The Prime Minister went to work and sent representatives down to the United States, who said to them: "This is the situation: we own half the bridge, and you own the other half. We are willing to put a commission in charge of the bridge, and we will have half control of it, and you the other half. Every two years the chairmanship will alternate between your country and ours, and if at the end of a period of 30 years we can come to no agreement each country will control its own half."

This is a very technical bill. My honourable friend the Leader of the Opposition (Hon. Mr. Macdonald) knows more about it than I do. The original bill was drafted under very careful instructions two or three years ago, and the civil servants who prepared it did a good job. I urge honourable senators to pass it. There is nothing political about it one way or the other. It is getting near to Christmas, and if this bill is delayed in going to the other house, and that house adjourns until after the New Year, we might easily run into the delay that occurred last session. I think this is one of the best bills I have had the pleasure of introducing since I came here. I thought the one introduced last session was good, but since getting the facts directly I am even more in favour of this measure. I have a full explanation of the bill before me, and I will read it if it is the wish of the house that I should do so. This statement has been prepared by the officials who drafted the legislation, and they have followed it all the way through. The bill is well drawn. I ask permission to put this statement on *Hansard*; it is not a misleading statement, and two or three days ago I gave the Leader of the Opposition a copy of it.

**Hon. Mr. Macdonald:** What is the threat if we do not agree?

**Hon. Mr. Haig:** I do not know.

**Hon. Mr. Macdonald:** We shall have to listen to it, is that it?

**Hon. Mr. Haig:** I will read it, if honourable senators say so.

**Hon. Mr. Macdonald:** Dispense.

**Some Hon. Senators:** Dispense.

**Hon. Mr. Haig:** It is not political; it was prepared, not by me, but by officials of the department. No ministers had anything to do with it at all.

*For text of statement see appendix to today's Hansard, pp. 298-300.*

**Hon. Mr. Macdonald:** Honourable senators, I wish to assure the Leader of the Government (Hon. Mr. Haig) that I do not rise to oppose the bill. It would be most inconsistent on my part if I did so, because last session I presented a bill in almost exactly the same terms as this one. After having been fully explained, it met with the unanimous approval of this house. If I recall correctly, I did not oppose sending the bill to a committee; I believe it went to committee and was carefully considered there. At that time we expected to receive representations from people living in the vicinity of Fort Erie; however, none came, but we were informed that the residents of the different communities were in favour of the legislation. Since that bill went to committee, I do not think it is necessary to send the bill now before the house to a committee.

The Leader of the Government seems to have the idea that whenever we of the Opposition speak on a measure in this house we oppose it, no matter what we say. I spoke in favour of the Unemployment Insurance Bill which we passed this afternoon. The honourable senator from Churchill (Hon. Mr. Crerar) also spoke in favour of it, although he questioned the method of raising the finances and felt that question should be looked into a little further. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) spoke very strongly in favour of the bill and did not question it in any way whatsoever. But although we declared ourselves in favour of the bill, the Leader of the Government accused us of opposing it. Well, he has a wonderful imagination.

**Hon. Mr. Reid:** He made a threat.

**Hon. Mr. Macdonald:** All I ask of him is that he listen to what we say, and understand that when we say we are in favour of a bill we mean it.

Honourable senators, may I say in very definite terms that I am in favour of the bill entitled "An Act to Amend an Act respecting the Buffalo and Fort Erie Public Bridge Company", and I do not think it should be sent to a committee.

The motion was agreed to, and the bill was read the second time.

### THIRD READING

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

**Hon. Mr. Haig:** Honourable senators, I move the third reading now. Of course, the bill has to go to the other house, anyway.

The motion was agreed to, and the bill was read the third time, and passed.

### INTERNATIONAL TRADE

#### DESIRABILITY OF ENLARGING CANADA'S TRADING AREA—DEBATE CONTINUED

The Senate resumed from Tuesday, November 19, the adjourned debate on the inquiry of Hon. Mr. Robertson drawing the attention of the Senate to:

The desirability of Canada following the example of other nations of the Western world in seeking to enlarge her trading area to those countries whose governments are prepared to wholeheartedly co-operate in achieving the maximum economic benefits to all concerned, as a means to:

(1) Combating inflation, reducing cost of living, reducing costs of production, and thereby increasing the marketing opportunities for the products of our primary and secondary industries.

(2) Providing at long last an opportunity for the so-called "Have Not" areas of Canada to attain a degree of economic development comparable to that presently enjoyed by the "Have" areas.

**Hon. T. A. Crerar:** Honourable senators, now that the recent miniature storm clouds of differences of opinion over unemployment insurance have disappeared, I should like for a brief time to direct the attention of the house to the peaceful business of trade. I feel in debt, as I am sure other honourable senators do, to the honourable senator from Shelburne (Hon. Mr. Robertson) for bringing this inquiry before the house for consideration. It is important because, among other reasons, trade is so essential to the welfare of this country; and also because we see in Europe the possibility of vast changes in the whole area of the trading pattern.

Before I come to deal more directly with the matters mentioned in the inquiry, I should like to make a few general observations. In the first place, trade is a natural instinct of the human being. From the earliest dawn of recorded history we have stories of people trading with each other. Men traded with each other before the

modern mechanism of exchange was developed to the present perfection it has reached...

**Hon. Mr. Roebuck:** May I suggest "the present imperfection"?

**Hon. Mr. Crerar:** ... or better, the perfection it had reached 50 years ago. In the early days trade was conducted by barter. I have not the slightest doubt that if the archaeologists who dig into the ruins of the remote past find some evidence of the stoneman age, they will find that men of that age too traded with each other.

We find this trading instinct in the most primitive societies, in Africa and elsewhere; and we find it among the most highly civilized and developed peoples of the world. Indeed, in certain instances it has been carried to a rather remarkable degree. I read a few months ago of a custom in a certain remote country of husbands trading their wives with one another.

The Right Honourable Malcolm MacDonald, in a delightful book on his experiences in the Far East, entitled *Borneo People*, states that the headhunters of Borneo were traders; that in the early years the first people to trade with them were the Chinese, and later other people followed. So, the custom of trading was established in the very beginning of recorded history.

Another observation I wish to make is with respect to the value of trade. In 1776 Adam Smith, the predecessor of all modern economists, published his *Wealth of Nations*, and it then became open to general readership. After that event new ideas developed, arising out of the old mercantile theory of trade. In the first half of the last century there was in Great Britain wide discussion as to the value and importance of adopting the principle of trade advocated by Adam Smith.

The principle of freedom of trade which he advocated was finally adopted, and there followed the greatest period of prosperity Britain has ever known. In the latter half of the last century and in the early years of this century, before the outbreak of the First World War, Britain had no tariffs against imports; she traded freely with the world—and in all corners of the world in North America, in Africa, in the far islands of the sea, and in the Far East. That trade contributed greatly to the enormous growth of wealth in that little island and put Britain in a position which enabled her successfully to fight through two wars, though at the end she was largely denuded of her wealth.

Another illustration of the value of trade is with respect to the United States. Now, we think of that country as a trading unit; but it is a combination of 48 different states.

Does anyone for a moment imagine that if each of those 48 states had had tariffs against each other—if they were fully sovereign states, not trading freely within that large area—they would have achieved the tremendous degree of success and wealth which they have achieved? It would have been impossible. From the snows and pines and spruces of Maine to the tropical fruits of Florida you have, within the area of the United States, practically all the resources necessary for the development and happiness of a nation. And the development of those resources and the free trading of the states with one another, without barriers between them, was the most important factor in leading to the immense development, progress and creation of wealth that have taken place in that country.

Now, honourable senators, I come to a point that was raised by the honourable senator from Shelburne, namely, the impact that may be made upon our economy by the development of a free trading area in Europe. Over 25 years ago, almost 30 years ago, one of the most eminent French statesmen of that day, the late Aristide Briand, told the countries of Europe that they had to integrate economically or perish. Today we are beginning to see the fruits of that great statesman's vision.

It is not an easy matter for nations that are fully sovereign, which for generations have been raising tariffs against trade between each other, to arrive suddenly at a point where they say, "This is all foolishness". But, they are arriving at that point in Europe; and Britain, in her own interests, must of necessity, I think, join this European trading group. If she does, then, as the honourable senator from Shelburne has said, there will be created an economic trading area of about 285 million people, where the objective is that within 12 years, or 15 at the outside, the economic barriers to trade between these several nations will have disappeared and it will be one economic trading union.

Some fears have been expressed in this country as to what effect that might have upon Canada's economy. Honourable senators, I have no fear of it. It is true that we have certain preferences in the British market, mainly on agricultural foodstuffs. As far as I am concerned, I would willingly throw those preferences out the window if Europe were to integrate in the manner proposed, for if Europe does not integrate economically the prophetic words of the French statesman Monsieur Briand will almost certainly prove to be true.

If such an economic unit is built up in Europe there will be created there a counterforce that may for another 100 years guarantee the peace of the world, once we get out of our present troubles.

Canada, in the end, cannot lose by this. A market of 285 million people in Europe will be a very big market indeed, and will require many of the things that we produce. But I will go further: I would say that both Canada and the United States and Britain should be a part of that trading area. I am not afraid of free trade with the United States, not for a moment. Any person in Canada who is afraid of free trade with the United States lacks confidence in the ability of his fellow Canadians. I say to you that in initiative, in business skills, in managerial capacity, the average Canadian, if given a chance, is equal to the average American. This was demonstrated during the war. If the war did one thing, through the tremendous economic developments that we had to carry out for the purpose of prosecuting the war, it demonstrated that we had Canadians who were the equal of Americans in any sphere of economic activity.

Now, supposing we were able to secure free trade with the United States, upon what basis should we have it? I would say that it should be by treaty for a period of at least 50 years, if possible, but in any case for not less than 25 years. In 50 years, what would happen? This great valley of the St. Lawrence, which has some advantages in the matter of cheap power, would become the great manufacturing centre for the North American continent. Of that I have not the slightest doubt. What has made Canadians afraid in the past of trade arrangements with the United States is what they term the unpredictability of the Americans. That is, you might enter into a trade arrangement with the Americans, and when it suited them they would cut it off. There may have been some reason behind that argument. But I suggest now that if the compact were made by a long-term treaty—and I am not sure that the United States would not be willing to consider that—this danger would disappear.

There are those who will immediately say, "Of course, such an arrangement would lead to political absorption into the United States." I do not for a moment believe that it would. Such are not the considerations which bring about a political union. Indeed, a continuation of the present conditions may well be more conducive to promoting the idea of union of the United States and Canada than if the two countries were one complete free-trading area. These views have been

expressed in Canada in the past. If such an arrangement could be put into effect, what would be the benefits? Consider the position of the Maritime provinces. What they—and poorer provinces right across Canada—need are markets. Give the Maritimes a market for their fish and other products, and there would be brought to these areas a large increase of prosperity. I do not suppose anyone will dispute that statement. As for the central region, Quebec and Ontario, would they lose by it? No. In managerial skill and general abilities their people are the equals of people anywhere in America. I was rather interested in a remark made during his speech the other day by my honourable colleague from Waterloo (Hon. Mr. Euler), that a boot manufacturer, in conversation with him, said, "Give me access to the American market and I would welcome free trade with the United States tomorrow." Beneficial results would occur all down the line: there would be a better division of labour and a more economical production right across the country, and in the United States as well.

Take the situation in the Prairie provinces. What we who live there need more than anything else, honourable senators, is markets. Someone may say, "You are producing the same things that are produced in the United States; you would be selling in competition with the people there; so how could you benefit?" Well, at the present time some of our coarse grains are going into the United States over a substantial tariff barrier. Our live cattle also are being exported there in spite of tariff restrictions. Sweep those hindrances away, and as our production is more economical than that of the average American farmer, we would benefit from their market. Indeed, the opposition to the idea, as far as United States is concerned, would come from some of their own agricultural interests.

The Prairie provinces are developing other products. We have oil, also gas in astronomical quantities. The essential need is markets. It stands to reason that if we get access to 175 million potential consumers we shall benefit, and benefit largely. And these 175 million potential consumers will by 1975 have increased probably to 230 or 240 million. There is also in the Prairie provinces a substantial production of base metals, of nickel, copper, zinc. We cannot hope to find within the boundaries of Canada a market for more than a fraction of our potential mineral production. It would be a comforting thought to those who are mining our lead and zinc if they could be sure that the United States would not raise the duties against their products.

Go to British Columbia, and you find much the same condition. The honourable senator from Shelburne (Hon. Mr. Robertson) referred to an address made about a year ago by Mr. H. R. MacMillan, whose firm is one of the leading British Columbia exporters of timber products. Mr. MacMillan's whole plea was for a reduction of tariffs, for freer trade. The effect on the economy of this country would be I think, almost uncalculably great.

I turn to another consideration. Some of us, at any rate, are greatly concerned with our mounting expenditures. Today we passed amendments to the Unemployment Insurance Act which will involve a further outlay by the federal treasury. Our expenditures on pensions and welfare services of all kinds across Canada are increasing at a rather alarming rate, faster indeed than the growth of our gross national production. A continuation of that condition will spell danger. The point I am getting at is that if, by imaginative and courageous trade policies, we can bring prosperity to all these areas, the demand for federal expenditures of the kind I have indicated will be correspondingly reduced. That would be a very great boon indeed. I am a strong believer in laws which protect people in their work, laws which encourage people to labour and save and produce for themselves. That is the way civilization has been built up. It was the way by which Great Britain accumulated her wealth and whereby we, on a smaller scale, have achieved the same result. It is the way that the United States accumulated capital for the building of factories, power plants and many other enterprises. It is most important that this process shall be fostered and continued in this young country. The freeing of trade between Canada and the United States and also between ourselves and Great Britain would be a tremendous stimulus to development.

A word or two about this proposal of free trade with Britain put forward by Britain herself. I am very sorry that it was dismissed in what I thought was a rather casual fashion. I am convinced that when the British authorities made this proposal, they meant it. Of course, we cannot switch 15 per cent of our trade from the United States to Great Britain unless we are prepared to do something quite definite about it. What are our imports from Britain? What articles could we take from her instead of from the United States? How could we increase trade with the United Kingdom? One of her exports is Scotch whisky; that I suppose we shall continue to take. Another is woollen goods, a line in which Britain is one of the world's leaders. Have we the courage to reduce our existing rather high duty against British woollens?

If so we would immensely stimulate interest in imports from the Old Country and go some distance toward achieving the switching of trade which has been suggested. What about other textiles? What about boots and shoes, electrical equipment, rubber goods? Are we prepared, in order to put Britain in the position of having more dollars to purchase from us, to cut our duties on these articles?

I do not think so; and I am not very hopeful that the present trade mission, concerning which we have heard a great deal, is going to achieve any tangible, worth-while results. It will be rather surprising, when the delegates visit British woollen factories, for instance, and express the hope that they will sell more to Canada, if the reply from their manufacturers is not to this effect, "We would do that if you would remove your import duties." I am bound to say that I do not see this Government doing any such thing; and I am pretty certain that the previous Government would not have done it, either. But here lies the crux of the matter. The sensible thing to do, and I am all for it, is to join in free trade with Britain and if possible with the wider European area. I am entirely in accord in that respect with the honourable senator from Shelburne. Nothing would be more desirable, in my view, than an arrangement whereby Europe and North America traded freely with each other, back and forth.

Trade has a civilizing influence. It adds to the wealth of all who are engaged in it. On the contrary, when its flow is impeded by barriers, wealth begins to decline and jealousies appear.

There is but one other matter I wish to mention. To my mind, international trade has a unifying influence; it makes for peace between nations. A little over a century ago Cobden and Bright elaborated that thesis in Great Britain. It stands to reason that when there is peaceful expanding trade between nations, and individuals come in contact with each other for that purpose, each side benefits, and you create a climate in which it is much easier to maintain peace than if trade rivalries are maintained and expanded. I believe this to be a very profound truth, and that it is evidenced by the fact that many of the wars of the past 200 years have risen from the belief of one nation or another that it was "cabin'd, cribb'd, and confined" and so was determined to get additional outlets for its energies. This conviction was an essential factor in producing the first World War. Germany felt she was surrounded by nations which she regarded as more or less hostile; she wanted *lebensraum*, or living space, opportunities for growth and for trade.

We may avoid such dangers and immensely stimulate the urge to peace in the world if nations are enabled to trade freely with each other. For that and other reasons which I have indicated I am wholly in accord with the honourable senator from Shelburne in the proposals he has embodied in this motion. If these purposes can be achieved—not at once, but perhaps within 10 or 15 years—and complete free trade adopted between Canada and the United States, between Canada and the European free trade area, and also between the United States and that area, humanity will have taken one of its longest steps to the maintenance of permanent peace in the world.

On motion of Hon. Mr. Reid, for Hon. Mr. Pratt, the debate was adjourned.

**DIVORCE**

**REPORTS OF COMMITTEE ADOPTED**

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 155 to 172, which were presented yesterday.

**Hon. Arthur W. Roebuck**, Chairman of the Standing Committee on Divorce, moved that the reports be adopted.

The motion was agreed to.

The Senate adjourned during pleasure.

At 5.40 p.m. the sitting was resumed.

**ROYAL ASSENT**

**NOTICE**

**The Hon. the Speaker:** Honourable senators, I have the honour to inform you that

I have received the following message from the Secretary to the Governor General:

GOVERNMENT HOUSE  
Ottawa

November 28, 1957.

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 28th November, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,

J. F. Delaute,

Secretary to the Governor General  
(Administrative)

The Honourable  
The Speaker of the Senate,  
Ottawa.

The Senate adjourned during pleasure.

**ROYAL ASSENT**

The Honourable Patrick Kerwin, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bill:

An Act to amend the Unemployment Insurance Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Monday, December 2, at 8 p.m.

## APPENDIX

(See p. 293)

OUTLINE OF INFORMATION RESPECTING PEACE BRIDGE  
PRESENTED DURING DEBATE ON MOTION FOR SECOND READING OF BUFFALO AND  
FORT ERIE PUBLIC BRIDGE COMPANY BILL

As this Bill which relates to the Peace Bridge in Fort Erie, in Ontario, and Buffalo, in the United States, was approved by this chamber during the last session, you will recall that the circumstances leading to the amendments incorporated in this Bill were fully outlined by the Honourable the Government Leader at that time. His remarks will be found on Pages 464 to 468 in the Debates of the Senate of Tuesday, April 2nd, 1957. For the purpose of this consideration, and to refresh honourable senators' memories of what was said at that time, I should like to review some of the facts and circumstances which have led up to this bill.

The Peace Bridge was first conceived about the beginning of the First Great War by prominent citizens in both Canada and the United States. It was suggested to commemorate a century of peace between the two countries. Shortly after World War I, efforts were made to incorporate a company known as the Buffalo and Fort Erie Public Bridge Company, with a capital stock of about \$3 million. In 1922 a Bill was passed by the Legislature of the State of New York setting up this Company under laws of that State. A similar bill was passed by Parliament of Canada in 1923. In 1924, the United States Congress approved the construction of the Bridge.

The New York State and Canadian statutes authorized the incorporation of similar companies of the same name, with powers in each enactment to unite the two statutory companies under one company under the same name. Accordingly, the company subsequently united under these respective Acts and proceeded to the construction of the bridge. To finance the bridge there was a public subscription of approximately \$5 million worth of bonds, of which \$3½ million bore a rate of 7 per cent, and \$1½ million of 8 per cent, the prevailing rates of the time.

Construction of the bridge was begun in 1925 and completed on June 2nd, 1927. From the opening of the bridge in 1927 until 1929 the Company enjoyed a very favourable experience, but subsequent to 1929 encountered a sharp drop in traffic. In these circumstances it became impossible to retire the bonds in accordance with the original intention.

In 1934, the Company applied to New York State Legislature and the Parliament of Canada for remedial legislation. The resultant

legislation created a Buffalo and Fort Erie Public Bridge authority and provided for refinancing which would permit a considerable reduction of fixed charges. The legislation also provided that when the bonded indebtedness of the bridge was retired, the property of the bridge situated within the territory of Canada would revert to Canada. A similar enactment affected the property within the territory of the State of New York. The bill passed by this Parliament became Chapter 63, 24-25, George V, and it is this Act which this Bill proposes to amend.

As was pointed out when we considered this matter last, the bridge authority has achieved a very healthy financial position with gross revenues reaching the order of \$1½ million per annum, and net revenues slightly more than \$½ million per annum. The surplus thus accumulated has been applied to capital improvements of the bridge, such as increased customs warehouse facilities, bus terminals, marshalling areas, and so forth.

In the light of this record, and in view of the service provided, the Government of Canada has been satisfied with the performance of the Bridge Authority. However, it had to be anticipated that by 1962, with the retirement of the bonded indebtedness the existing authority would be wound up automatically and some consideration of the future management of the bridge was inevitable.

In addition, from the Canadian point of view, Canadian representation on the bridge authority was three members out of a total of nine. However, these matters would not have been expected to arise until some time in the '60's, just prior to the normal expiration of the present arrangement. However, about 1955, the City of Buffalo and the adjoining counties were much concerned about the development of the Port of Buffalo to take advantage of the increased shipping anticipated, as a result of the St. Lawrence Seaway development.

A scheme to apply the net profits of the Bridge for Buffalo port expansion was proposed, and this resulted in an enactment by the Legislature of the State of New York, in 1955, of a statute creating the Niagara Frontier Port Authority. Of interest to Canada was the fact that this statute placed the Peace Bridge and its revenue under this authority. The statute also provided that out of a twelve-man authority, three would be

Canadians, with the right to participate in matters affecting the bridge only. Canada was not consulted concerning this enactment.

Almost immediately following this enactment, this oversight was appreciated within the State of New York and an opinion by the Attorney General of the State was given to the effect that such changes could not be effected without the consent of Congress and the Parliament of Canada. This, of course, was also the position of the Canadian Government.

Following this, representation from the Government of the State of New York and the City of Buffalo with the support of the United States Embassy, sought the approval of Canada for the proposed changes. It was stated that the port authority could not function unless it included the bridge project. It was also stated that the terms of the trust indemnity which accompanied the issue of the bridge bonds made it necessary that the bridge and the port be included under one authority if the New York share of bridge revenues was to support the project.

The Government considered this matter, and while desirous of maintaining the tradition of co-operation between the two countries came to the conclusion that the New York State proposals, as embodied in the Niagara Frontier Port Authority statute, were unacceptable. It was, however, recognized that the United States did have a half ownership interest in the bridge and, therefore, had the right to request an alteration in the status of the bridge if they so wished. It was also recognized, as I mentioned earlier, that because of the reversionary clause some new arrangements would have to be worked out for the period subsequent to 1962, and that Canada would want action to increase the Canadian representation on the authority from the present position of three members out of nine. Accordingly, the New York State Embassy was informed that while the proposal was unacceptable, Canada was prepared to discuss appropriate alternative arrangements for the future.

Discussions at the official level followed, and on November 23rd, 1956, in a further note to the United States Embassy, Canada outlined certain principles which it felt should govern any future arrangements for the operation of the bridge. These were:

1. The control and management of the bridge should be vested in an international commission composed of equal representation from Canada and the United States with the chairmanship alternating between Canada and the United States from within this membership;

2. The control and operation of the bridge should be kept separate from any other Canadian or United States interest;

3. The first charge on all revenues of the bridge must be the normal operating costs, the amount required annually for normal maintenance of the structure and its auxiliary buildings on both approaches, and the annual cost of such capital works as are required from time to time to accommodate the traffic seeking to use the facility.

Canada also stated its view that any excess or net revenue, after the charges referred to in (3) above had been met, should be divided equally as between the two countries, to be paid to agencies designated by the appropriate legislative bodies.

These principles were ultimately agreed upon and it was further agreed to retain the existing authority with suitable alterations as the best means of implementing the principles. The most important alteration, from the Canadian point of view, was an increase in Canadian membership on the commission to five, or a position of equality, with the additional provision that the chairmanship would alternate annually between a Canadian and United States member of the commission.

Other arrangements were to provide for the control of increases in tolls, in Canada to be subject to the authority of the Board of Transport Commissioners, and the purposes for which tolls were to be levied. The current and future capital needs of the bridge were to be provided for by the creation of a capital improvements reserve fund into which would be paid a rising percentage of the gross receipts of the bridge up to 14 per cent per annum.

Finally, in accordance with the principles outlined earlier, it was agreed that it would be provided that any net revenues would be distributed in equal shares between Canada and the United States.

These agreed charges were embodied in amendments to the existing New York State Act which created the Peace Bridge authority. These were passed by the New York State Legislature at its last session, and the first version of the Niagara Frontier Port Authority Act suitably amended to remove provisions touching on the Peace Bridge. A concurring resolution approving the arrangements has been passed by the United States Congress. The Bill before this House will, if enacted, complete Canada's part in the arrangements by amending the existing Canadian statute to provide for increased Canadian membership from three to five, the receipt of 50 percent of the net revenue from the operation of the bridge, and to extend the life of the authority until January 1st, 1992. This date will provide a period which, taking into account the time necessary for legislative passage and suitable terms of bond issue, and so forth, has been

agreed as a suitable period to provide a reasonable life for the authority and yet provide an opportunity for review by both countries in the future.

This bridge, as honourable senators will appreciate, is important to Canada because of its role as an economic artery, as a link between Canada and the United States, and as an important customs port of entry. It is also, of course, of considerable direct importance locally as a large employment factor in the town of Fort Erie and surrounding municipalities, in addition to its transportation value. In this connection the capital works program, to which I made reference earlier, is of considerable national and local importance. A number of important projects, on the Canadian side particularly, require completion.

It will be the policy of the Canadian Government; through its representatives on the authority, to ensure that the capital works required by the bridge are completed within a reasonable period of time. The capital improvements reserve fund, to which I have also made reference, will ensure that not only these works but any others in the future that might be required can be financed either on a cash accrual basis, which has been the policy of the present authority up to now, or by a new loan in one form or another when the existing bond issue has been recalled—whichever in the opinion of the new authority members seems to be in the best interests of the bridge, taking all factors into account.

Finally, the 1934 statute, which this bill proposes to amend, provides in section 11 that the bridge and its real property in Canada shall be subject to assessment and taxation by local authorities. I understand that a satisfactory arrangement for taxation, worked out between the town and the bridge authority, has been in effect for several years and will run into 1962, when it is presumed new arrangements would be worked out. I am sure honourable senators will be pleased to know that it is not proposed to disturb this situation and nothing in the amending bill before us will limit or affect this liability to taxation. It has been provided, however, that an amount equal to any amount which may be paid in the way of taxes to a Canadian Government entity will be paid to an entity designated by the State of New York.

In conclusion I would like to say that taking into account the international character of the situation, the arrangements for the future of the bridge appear to be reasonable and efficient and are in the interests of Canada.

I should like also, on this occasion, to endorse what was said by the Honourable the Leader of the Government at the last session on the subject of the spirit of co-operation exemplified by these arrangements. While there were earlier misunderstandings that might have produced much more serious problems, these did not long survive once discussions between representatives of both countries took place. From that point on, one cannot speak too highly of the attitude taken by the United States representatives, both at the Federal and at the State level.

THE SENATE

Monday, December 2, 1957

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

Prayers.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 173 to 188 and moved that the said reports be taken into consideration at the next sitting.

The motion was agreed to.

FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

- Bill M-6, for the relief of Pierre Rothe.
- Bill N-6, for the relief of Vasyl Dudka.
- Bill O-6, for the relief of John Francis Bernard Deegan.
- Bill P-6, for the relief of Jean Guy Joseph Desparois.
- Bill Q-6, for the relief of John Howard Cooper Thompson.
- Bill R-6, for the relief of Romeo Raymond.
- Bill S-6, for the relief of Annette Allard Hunt.
- Bill T-6, for the relief of Vera Dziedzic Volkman.
- Bill U-6, for the relief of William Toulouse.
- Bill V-6, for the relief of Frances Maud Mercer Barter.
- Bill W-6, for the relief of Florence Bloomfield Cichella.
- Bill X-6, for the relief of Carmen Baron Matucha.
- Bill Y-6, for the relief of Martine Rolland Badeaux.
- Bill Z-6, for the relief of Gertrude Laurence Delisle Laplante.
- Bill A-7, for the relief of Viola Carmela Starnino Dizazzo.
- Bill B-7, for the relief of Ludek Peter Rubina.

The bills were read the first time.

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

Hon. Mr. Roebuck: Next sitting.

CONTRIBUTIONS TO EDUCATION

FURTHER ANSWER TO INQUIRY

Hon. Mr. Haig: Honourable senators, on Thursday, November 28, I presented an

answer to the following inquiry of the Honourable Senator Cameron:

1. What has been the total contribution of the Federal Government to education in Canada for the year ending March 31st, 1957, for the following purposes:

- (a) By way of university grants on a per capita basis;
  - (b) Veterans assistance if any;
  - (c) Any other direct assistance to the universities?
2. (a) What was the total contribution by the Federal Government to the National Research Council in the same period?
- (b) How much of this was passed on to the universities as:
- (i) Research grants;
  - (ii) Scholarships and assistanceships?
3. What was the total contribution by the Federal Government in the same period to vocational education in Canada?
4. What was the total contribution to all forms of education in Canada in the same fiscal period?
5. Under the same categories, what has been the total contribution to Canadian education in the last five years?

I now have received from Central Mortgage and Housing Corporation, Department of Public Works, the following additional answer to this inquiry:

1. (a) & (b) Nil.		
(c) University teaching grants in planning		
McGill University .....	\$ 3,000	
University of British Columbia .....	3,000	
University of Manitoba ....	3,000	
University of Toronto .....	3,000	\$ 12,000
Fellowships for professional training in planning ....		16,800
2. (a) For housing research and testing .....		100,000
(Order in Council P.C. 1956-1518 of October 11, 1956)		
(b) Nil		
3. University grants for vocational education		
Study in training—housing construction .....	\$13,000	
Awards for the study of planning and housing .....	1,600	\$ 14,600
4. Total	\$43,400	
5. Five years ending March 31, 1957		
University teaching grants in planning		
McGill University .....	\$15,000	
University of British Columbia	15,000	
University of Manitoba .....	15,000	
University of Toronto .....	12,000	\$ 57,000
Fellowships for professional training in planning .....		60,000
University grants for vocational education		
To promote study of housing design .....	\$15,100	
Special studies in community planning .....	17,975	
Study in training—housing construction .....	36,100	
Awards for the study of planning and housing .....	4,000	
Senior fellowships to individuals .....	11,800	84,975
Total .....		\$201,975

## SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—  
DEBATE CONTINUED

The Senate resumed from Wednesday, November 27, consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. Arthur W. Roebuck:** Honourable senators, with the very kind permission of my honourable colleague from Toronto-Spadina (Hon. Mr. Croll), who adjourned the debate on Wednesday last, may I have the pleasure of addressing you at this time? I had not—

**Hon. Mr. Macdonald:** Before the honourable senator proceeds, am I to understand that the honourable senator from Toronto-Spadina is giving way, or will he speak later?

**Hon. Mr. Roebuck:** He will speak later, or adjourn the debate, I am not sure which.

**Hon. Mr. Croll:** I will adjourn the debate.

**Hon. Mr. Haig:** Are you speaking on behalf of the honourable senator from Toronto-Spadina?

**Hon. Mr. Roebuck:** No one can speak on behalf of my friend from Toronto-Spadina.

**Hon. Mr. Reid:** Honourable senators, I want to know if this can be done. Is there a rule which says that a senator may adjourn a debate, withdraw, and speak later?

**Hon. Mr. Roebuck:** Well, I have seen it done a good many times.

**Hon. Mr. Reid:** I want a ruling.

**The Hon. the Speaker:** With the consent of the Senate, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) may address the Senate at this time.

**Hon. Mr. Reid:** Then you can do anything with the consent of the Senate.

**Hon. Mr. Haig:** In answer to my honourable friend from New Westminster (Hon. Mr. Reid), I would say that the consent of the house must be had first. That is the only way it can be done. If the consent of the Senate is given, I have no objection.

**Hon. Mr. Roebuck:** I presume I have the consent of the house?

**Hon. Mr. Macdonald:** Agreed.

**Hon. Mr. Roebuck:** Nothing hangs on the matter: it is just a matter of procedure. The honourable senator from Toronto-Spadina and I discussed this matter only this afternoon, and it was arranged that

I should proceed. He had been very busy over the weekend, and I was not quite so busy. It is small matter, and I thank my honourable colleagues for seeing it in that light and for permitting me to proceed at this moment. It is a little more convenient, that is all.

Honourable senators: I was about to say that I had not intended to take part in the debate on the Speech from the Throne this session, as I did at a number of previous sessions but certain statements in an address made in the Senate last week by the honourable senator from De la Durantaye (Hon. Mr. Pouliot) stirred me up sufficiently that I thought some reply should be made, lest by our silence we of the Senate be understood to be unanimously in favour of those statements. Perhaps everyone else agrees with them, but I disagree, and I thought it wise and necessary to state my grounds for disagreement.

The honourable senator from De la Durantaye made certain critical references to the Supreme Court of Canada, particularly with respect to a recent decision of that court in the case of Saumur *versus* the City of Quebec (1953) 2 S.C.R., at page 299. That is the official citation, but the case, for certain reasons, has become known as the Jehovah's Witnesses case.

In my opinion a criticism of the Supreme Court of Canada in this chamber takes on certain importance. While the court itself has been established for some considerable time, only recently has its jurisdiction been extended and has it become the court of last resort for the whole of Canada. It is in the national interest, honourable senators, that when a court deserves the public confidence, that confidence should be retained, and the court that deserves the confidence of the public of Canada should be permitted to continue in that confidence.

May I note in passing that this court has no means of defending itself on the floor of this house; but on the other hand, it may well be said that it has no need to defend itself, that if its case is good somebody—even as humble an advocate as myself—will in all probability take up the challenge on its behalf.

Let me by way of introduction assure the honourable senator from De La Durantaye and all other honourable senators that I have no criticism of a senator's action in criticizing the court, if in that senator's opinion the public interest is to be served by so doing. The court is a creature of Parliament; it is established by Parliament for the administration of the law as passed by Parliament. I know that we carefully refrain from commenting on cases while they are in the course

of trial before any court, lest the debates in this house or in the other house in some way influence the decision of the court, which, of course, should always be in accordance with the evidence; uninfluenced by public clamour; and lest by our interference we do an injustice to one or other, or perhaps both, of the litigants, and make the role of the court that much more difficult. But, honourable senators, once a decision has been rendered by a court of law, and that court is *functus officio* in the matter, the decision of the court becomes fair subject for our consideration. Neither the court nor its decisions are sacrosanct, certainly not on the floor of this house. As a matter of fact, it may be that we in Parliament may be called upon to correct a decision of the court which we think is wrong by passing legislation to that effect.

Now, while I acknowledge the honourable senator's right to criticize the court, and while I thoroughly enjoy his eloquence and humour and admire his parliamentary skill, in this instance I am obliged to disagree with him. Lest silence on my part be taken for assent, I feel impelled to express my disagreement. In my humble opinion, the decision which the honourable senator criticized was a wise decision and it was sound in law.

May I pause here to observe that when one, however eminent and learned he may be in law and other matters, disagrees with the Supreme Court of Canada he should remind himself, before rushing into print or addressing one of the houses of assembly:

First, that nine high-standing professional jurists, after hearing argument by leading counsel, may conceivably know as much about the subject as does the critic himself. That may be a slight understatement, but it would be well to bear in mind, when one takes issue publicly with a court, that the court has had advantages, both individually and as a group, of knowing a good deal about the subject of their decision.

And second, just as the Constitution of the United States has been said to be what the Supreme Court of the United States says it is, so the law of Canada—the Supreme Court of Canada being the court of last resort—is what that court says it is; of course, with this reservation: until it is changed by due process of parliamentary procedure.

Now the subject of this court's decision which was criticized so severely by my friend the senator was a bylaw of the city of Quebec which reads in the following words, which I take from the decision of the court itself.

It is by the present bylaw forbidden to distribute in the streets of the city of Quebec any book, pamphlet, booklet, circular, tract whatever without

having previously obtained for so doing the written permission of the Chief of Police.

That is paragraph 1 of the bylaw. Then the bylaw goes on to provide penalties for the distribution of literature without that police licence.

Honourable senators should know that the bylaw provides no rule or direction for its application, except only that unless permitted by the censor there may be no distribution. That is the simple statement of the bylaw, and that only, without any rule or direction as to its application. The granting or refusal of a licence depends entirely on the will of the Chief of Police, of the censor, applied to the content of the document.

Honourable senators will also observe that the bylaw is sweepingly wide in its application. It may permit distribution of literature of one political party and refuse distribution of literature of another political party, should the censor feel that that was the thing to do. If the Chief of Police feels so inclined, he may permit the distribution of one newspaper on the streets of Quebec and refuse a similar right to another newspaper.

The prohibitions contained in that bylaw are not confined to documents expressive of religious or anti-religious dogma, though it is certainly wide enough to include such literature. It is evidently applicable to all literature of any religious character or non-religious character, for no literature of any character can be distributed unless approved by the Chief of Police. That it did include documents of a religious or anti-religious character is evident from the fact that the bylaw was used to prevent distribution of literature by the sect known as Jehovah's Witnesses. I am not interested in the sect or in the content of the literature, provided the statements were not contrary to law, which is not alleged. The case has become known as the Jehovah's Witnesses case, because it was that sect which took action to impugn the legality of the bylaw.

I pause here again to observe, though perhaps unnecessarily, that I am not defending in any way that particular sect. The Witnesses were not under trial in that case. It was the bylaw that was the subject for discussion, not the people who were impugning its validity.

May I say to the honourable senator from De la Durantaye (Hon. Mr. Pouliot), who I am very sorry is not present tonight, that this house owes a debt of gratitude to him for his having performed a useful service in bringing to the attention of this house a pre-Confederation statute of 1852 of the ancient Province of Canada, 14-15 Victoria, Chapter 175. The relevant portions of that ancient and

famous statute are as follows—I read from page 321 of the case in question:

The free exercise and enjoyment of Religious Profession and Worship, without discrimination or preference, so as the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the Province, is by the constitution and the laws of this Province allowed to all Her Majesty's subjects within the same.

May I read the enactment again, leaving out one phrase which does not mean very much in the course of our argument?

The free exercise and enjoyment of Religious Profession and Worship, without discrimination or preference . . . is by the constitution and laws of this Province allowed to all Her Majesty's subjects within the same.

In my humble estimation that is a very sweeping and magnificent proclamation of religious freedom. It is a charter of religious liberty, and what a tribute it pays to that generation of statesmen of the old Province of Canada who passed that statute, and to those who left it on the statute books at Confederation!

The honourable senator from De la Durantaye was rightly proud of that "Magna Carta" of religious tolerance. Surely he would not now see it whittled down by municipal bylaws or bylaws which allow the liberty so eloquently expressed in that statute to be extended to one section of Her Majesty's subjects and denied to others.

My honourable friend said that the Statute is still in force in the province of Quebec, by virtue of section 129 of the British North America Act, which, with your permission, I shall take time to read to you, because of its importance in this and other matters. I shall leave out, as he did, certain portions of the section of the act which are not necessary for the argument before us at the moment. Section 129 reads:

Except as otherwise provided by this Act, all Laws in force in Canada, Nova Scotia, or New Brunswick at the Union, . . . shall continue in Ontario, Quebec, Nova Scotia, and New Brunswick respectively, as if the Union had not been made; subject nevertheless . . . to be repealed, abolished, or altered by the Parliament of Canada, or by the Legislature of the respective Province, according to the Authority of the Parliament or of that Legislature under this Act.

That means, of course, very plainly what it says, that the alteration of an act of the old Province of Canada, which was in force at the time of Confederation, shall continue to be in force in the provinces enumerated and shall be subject to repeal or alteration by that jurisdiction which has authority over the subject-matter of the statute in question. That is perfectly clear. So the question arises now, in connection with this particular statute which continued in force: What

jurisdiction had the power after Confederation to abolish, amend or change it?

Honourable senators will find the substance of the statute now carried forward in the province of Quebec in the Freedom of Worship Act, which is section 2, chapter 307 of the Revised Statutes of Quebec, 1941.

My honourable friend questioned whether the statute was still in force in the province of Ontario, because he says it was dropped from the Revised Statutes of Ontario some little time ago, although he did not mention when. But here is where the honourable senator from De la Durantaye and I, with great respect on my part, differ in this matter of law. As I understand section 129 of the British North America Act, neither the Legislature of the province of Ontario nor that of the province of Quebec has constitutional authority to repeal or amend this act of the ancient Province of Canada. I submit that jurisdiction rests exclusively within the Parliament of Canada. The question arises as to what jurisdiction actually has authority over religious liberty in Canada under the Constitution of Canada. My honourable friend says that religious liberty is a matter of civil rights, under section 92 of the British North America Act, paragraph 13, which reads:

Property and Civil Rights in the Province.

With great respect I disagree that religious liberty, while it may be a civil right within the dictionary meaning, is included in the phrase "Property and Civil Rights in the Province" as it appears in the British North America Act, and I further submit it was never intended by the authors of that act that religious liberty should be a matter of provincial control and should be included in the words "Property and Civil Rights in the Province". Religious liberty, I suggest, to my friends, is not a local or private matter; it is a matter that is nationwide in its importance and scope and in its application; it is as nationwide as the right to life, under the criminal law. I submit that it is one of the aspects of "Peace, Order and good Government" mentioned in section 91 of the British North America Act. Its limitation to the jurisdiction of any one province is incompatible with provincial status.

On page 346 of the Supreme Court Reports Mr. Justice Kellock, in his judgment, makes a reference to the matter that is now before me:

It is, of course, well settled that the right to hold any view in matters of religious belief is not a civil right at all except in relation to the title to property.

Again, at page 349, he says:

Any contention that the right to the exercise of religion is a mere civil right is, therefore, for

these reasons, quite untenable in my opinion. Even if such a matter could be so regarded it would not be a civil right within the province.

He has a good deal more to say about it, but I think that will be sufficient for my purposes this evening. Religious liberty is but a part of human liberty. It is obvious that a general right of liberty is all inclusive, and is not a proper matter for provincial control, but in the nature of things is a part of Canada herself.

Honourable senators, my submission is that this statute of religious liberty, in force in the Province of Canada at Confederation, remained in force in both Ontario and Quebec quite irrespective of any action which may have been taken by the Legislatures of either of those provinces; and it can be altered or abolished only by the authority of the Parliament of Canada. If that be so, it certainly cannot be set aside by a municipal bylaw, as in this instance there was an attempt so to do.

With my friend's admonition to the Supreme Court of Canada to be very careful in constitutional matters I heartily agree, and, I am glad to say, so does the court, because I observe that this judgment covers no less than 90 pages of printing in the Supreme Court Reports. It is a painstaking and voluminous handling of a case in which there was evidently a very thorough investigation. For preserving inviolate this religious charter of freedom, which we in the province of Ontario and you in the province of Quebec have inherited from our predecessors in life in the old province of Canada, I conceive that the Supreme Court of Canada is entitled to our thanks, not to our censure. The Court should be thanked rather than criticized. In that regard, I am sorry, as I said before, that my friend from De la Durantaye (Hon. Mr. Pouliot) is not present this evening, because if he were I might still hope that he would join me in that sentiment.

**Hon. A. K. Hugessen:** Honourable senators, it had not been my intention to take part in this debate, any more than the honourable senator who has just resumed his seat, but I, too, was somewhat struck, and perhaps I may say somewhat perturbed, by the speech the other day of the honourable senator from De la Durantaye (Hon. Mr. Pouliot). I do not think there is much that I need say with regard to that, except this, that I do entirely agree with the interpretation of the British North America Act which has been so ably put before the Senate this evening by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). The basic question really is, as he says, whether these fundamental rights—the right of free speech, the

right of free exercise of one's religion, the right of assembly to discuss public grievances—is a matter which under the British North America Act falls within the purview of the federal jurisdiction or the provincial jurisdiction. The honourable senator from De la Durantaye, in the case of freedom of religion, made this statement, which appears on page 272 of *Hansard*:

I have put that case before Parliament to establish that the freedom of religion is a highly personal and civil right which belongs exclusively to provincial jurisdiction.

Now, with profound respect, I completely disagree with that statement. If honourable senators will look at the provisions of the British North America Act they are well aware that the division of legislative powers between the federal authority, on the one hand, and the provinces on the other, is set out in sections 91, 92 and 93 of that act. The basic difference between our Constitution, as set out in those sections of the British North America Act, and the Constitution of the United States, is that the residual power in our Constitution lies with the federal authority. Section 91 says that the Parliament of Canada may:

make laws for the Peace, Order and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces; . . .

In other words, unless you can find some special power granted to the provinces by section 92, anything else falls within the jurisdiction of the federal authority.

My honourable friend from De la Durantaye bases his view that freedom of religion is a provincial power on subsection 13 of section 92 of the British North America Act, which enumerates the powers inherent in the provinces. Subsection 13 gives as one of the powers granted to the provinces "property and civil rights in the province".

Now, I thoroughly agree with my honourable friend from Toronto-Trinity that it is inconceivable that those words "property and civil rights in the province" can by any stretch of the imagination be taken to extend to these wide general rights such as freedom of speech, freedom of religion, freedom of assembly and so forth. These are basically federal matters—they are basically inherent in our democratic way of life.

Honourable senators will see what was meant to be granted to the provinces if they will look at the last subsection of section 92—that is, the subsection which follows all these other subsections, including subsection 13 of which I spoke; this last subsection reads as follows:

Generally all matters of a merely local or private Nature in the Province.

Now, can any honourable senator take the view that these basic questions, these fundamental pillars of our democratic system, can in any way, shape or form be said to be matters of "a merely local or private nature in the province"?

So, I must say that I entirely disagree with the honourable senator from De la Durantaye. Like my honourable friend from Toronto-Trinity, I am sorry that the honourable senator is not in the chamber this evening to reply to us. But like my honourable friend from Toronto-Trinity, I felt I had to get up and at least say what was in my mind, and go on record as being completely opposed to the point of view which the honourable senator from De la Durantaye took in the speech he made a few days ago.

**Hon. C. G. Power:** May I ask the honourable senator a question? Am I or am I not right in this statement: that the proponents of Confederation in the province of Quebec urged the acceptance of the pact upon their fellow citizens of that province by saying that their rights to their religion and their language were protected by that very subsection which you quoted, that is to say, the property and civil rights subsection? Historically, am I not right in that statement?

**Hon. Mr. Hugessen:** I have no such knowledge.

**Hon. Mr. Power:** I have always understood that to be the view which prevails, at any rate, within our province. Whether it be founded on an exact and proper legal interpretation of the British North America Act, I am not sufficiently learned in constitutional law to say. However, I think from the standpoint of history it is fairly accurate to say that this pact would not have been generally accepted in the province of Quebec unless persons who were instrumental in the promotion of the acceptance of the pact had told their constituents, and the people of the province of Quebec generally, that their rights to religion and language were protected by that very section 92.

**Hon. Mr. Roebuck:** May I be allowed to reply to that observation?

**Hon. Mr. Monette:** Honourable senators, I move adjournment of the debate.

**Hon. Mr. Vaillancourt:** May I be permitted to ask a question of the senator from Toronto-Trinity (Hon. Mr. Roebuck)?

**Hon. Mr. Roebuck:** Yes.

**Hon. Mr. Vaillancourt:** Was the judgment of the Supreme Court of Canada in the Saumur case a unanimous judgment?

**Hon. Mr. Roebuck:** No, it was not unanimous.

**Hon. Mr. Vaillancourt:** That is the point.

**Hon. Mr. Roebuck:** There were two groups, two each, who dissented, not necessarily on this particular point.

**Hon. Mr. Monette:** Was it not a decision of five judges against four?

**Hon. Mr. Roebuck:** Yes, it was a five-to-four decision.

**Hon. Mr. Monette:** In which religion did not play much part?

**Hon. Mr. Roebuck:** I do not think it played any part.

**Hon. Mr. Monette:** There were both Roman Catholic and Protestant judges on each side of the question.

**Hon. Mr. Roebuck:** That is right.

**Hon. Mr. Monette:** So it can be said that the honourable judges of the Supreme Court did not express views that were tainted by their own personal religious feelings.

**Hon. Mr. Roebuck:** Quite right.

**Hon. Mr. Monette:** The views of the members of the court were divided five to four. Therefore, is it not correct to say that the authority which the honourable senator from Toronto-Trinity has mentioned as flowing from that decision is somewhat impaired by the fact that it was not a unanimous decision, but was divided five to four?

**Hon. Mr. Roebuck:** My honourable friend is correct, it was a divided decision. In this respect I rather agree with the honourable senator from De la Durantaye, that in our court each judge may write his own judgment. In this case two judges joined in one decision and two in another. The senator from De la Durantaye pointed out how difficult it is to discover what was really the decision of the court, because it is necessary to read all the lengthy judgment. That is quite different from the practice in the Privy Council, where one decision is written. However, it is law in Canada that the majority makes the decision, and in this case the majority decision was as I have described it, and the court decided to grant the appeal.

Now let me say a word in reply to what my friend from Gulf (Hon. Mr. Power) asked about head 13 of section 92 of the British North America Act:

Property and Civil Rights in the Province.

Let me point out that there are many rights preserved in the British North America Act, in sections other than head 13 of section 92. For instance, section 93 guarantees the right

to denominational schools. That is not property and civil rights at all. Had it been so, it would not have been necessary to enact section 93 guaranteeing to the people of my friend's province and of the other provinces the right to denominational schools and to other things, such as the right to life, which is more important than the rights to property, to either of the two languages, to parliamentary government and to many other valued privileges.

The right to freedom and the democratic way of life is guaranteed in the British North America Act in the opening paragraph of section 91, and these fundamental principles are not a part of head 13 of section 92.

If I were given time I could run through the act and point out section after section which guarantees the rights of the people of Quebec and upon which the Fathers of Confederation relied when they consented to Confederation.

I am not trying to whittle down the rights granted in head 13, "Property and civil rights in the province", but the section applies for the most part to rights attaching to property—contractual rights and other such civil rights. Under head 13, for instance, the province of Quebec was guaranteed the civil law, with regard to property and such rights as are attached to property. I should not say "rights attached to property", because there are no rights attached to property; there are rights attaching to men and women with regard to property. That is the better way to express it.

So, if a constitutional lawyer from the province of Quebec confines his case for the guaranteed privileges of his province solely on head 13 of section 92 he is missing a very great deal of the act upon which he

could rely, and upon which I submit to you the statesmen of Quebec did rely at the time of Confederation.

On motion of Hon. Mr. Monette, the debate was adjourned.

### SENATE ACCOUNTS

#### REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fourth report of the Standing Committee on Internal Economy and Contingent Accounts, which was presented on Thursday, November 28.

**Hon. Arthur L. Beaubien** moved that the report be adopted.

The motion was agreed to.

### SENATE STATIONERY

#### REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifth report of the Standing Committee on Internal Economy and Contingent Accounts which was presented on Thursday, November 28.

**Hon. Mr. Beaubien** moved that the report be adopted.

The motion was agreed to.

### BUSINESS OF THE SENATE

On the motion to adjourn:

**Hon. Mr. Haig:** Honourable senators, before the house adjourns may I say that I hope the Honourable Senator Pratt, who adjourned the debate on the inquiry of the Honourable Senator Robertson, will be able to go on tomorrow. The other house at present is not proceeding very quickly, but it may be that a great deal of work will come to us in a rush at the end of the week.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

## EDUCATION

NECESSITY TO MOBILIZE AND EXPAND  
EDUCATIONAL RESOURCES—  
DEBATE ADJOURNED

Tuesday, December 3, 1957

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

Prayers.

## NATIONAL GALLERY WORKS OF ART

## NOTICE OF INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Pouliot:

With reference to the pictures published in the annual reports of the National Gallery of Canada for 1955-1956 and 1956-1957, when and from whom was bought each painting, drawing, etching, sculpture or statue illustrated therein and how much was paid for each one of them, the answers to be related to the number of the picture, as set out in the said reports?

**Hon. Mr. Haig:** I passed this request to the appropriate department, and inquired this morning whether the answer was ready. I have not received it yet, but as soon as I get it I shall table it.

**The Hon. the Speaker:** The notice stands.

NATURAL GAS PRICES, EXPORT AND  
DOMESTIC

## NOTICE OF INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Reid:

1. Will the Government have drawn to the attention of the Royal Commission, set up by the Government to inquire into and make recommendations relating to energy and sources of energy that fall within the jurisdiction of Parliament, the situation in British Columbia whereby natural gas, the product of Canada, is being sold at a reduced or lesser price than that being charged for consumption of Canadian natural gas in the United States?

2. Will the Government have inquiries instituted by the said Commission as to the reasons why the Westcoast Transmission Company were not obligated to comply with the regulations governing the exportation of natural gas set out by Order-in-Council P.C. 1955-907, section 9, which reads:—

"The price charged by a licensee for power or gas exported by him shall not be lower than the price at which power or gas, respectively, is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada."

**Hon. Mr. Haig:** Honourable senators, the same thing is true to this inquiry. I have asked for the information, and as soon as it is available I will give it to the house.

**Hon. Mr. Reid:** I hope we get it before Christmas.

**The Hon. the Speaker:** The notice stands.

**Hon. Donald Cameron** rose in accordance with the following notice:

That he will draw the attention of the Senate to the necessity for Canada to mobilize and expand the educational resources of the nation with a view to maintaining and strengthening her position as a member of the world community.

He said: Honourable senators, first of all I should like to thank the honourable Leader of the Government (Hon. Mr. Haig) for his courtesy in giving me the detailed answers to my inquiry with respect to federal contributions to education. This is information which is not generally known outside of Parliament, not nearly as widely known as it should be. Also it establishes the principle that the federal Government has already recognized, in a substantial way, the responsibility to assist the provinces in the field of higher education.

The present crisis in education is a subject on which many citizens are expressing concern today, and my justification for bringing it into this forum is that I believe the Senate can perform a very useful service in giving some study and thought to this important question. The way in which we meet the crisis is likely to have a great deal to do with the economic growth and development of this country in the next 25 years.

Obviously if we are to deal with the situation adequately we will have to acquire a new perspective with respect to the cost of education, and I think we will have to evolve a new sense of values as to what is important in our national life. We are living in a rich and extravagant age, when millions of dollars are being spent on things which, if it became a matter of the survival of the country, we could do without and not suffer very great hardship. You have only to think of the extravagant bills for advertising, television, radio, entertainment, liquor, packaging etc., to realize the importance of that statement.

The reason I mention this is that these and countless less worthy examples of our extravagant way of living which come to mind, all serve to underline an imbalanced sense of values in our life which is almost tragic. Against this ostentatious display of economic waste we contrast the fact that the professors in our universities, the teachers in our schools, the ministers in our churches, and, in short, all of those agencies which are concerned with building and maintaining the educational, spiritual and moral values in our communities, continue to struggle along like so many mendicants, trying to eke out an

existence with austerity budgets, and being constantly told that more money cannot be made available for these purposes because we cannot afford them. To say that we cannot afford the kind of educational system, or the kind of church community we need, is just so much nonsense. We can afford these things when we develop a sense of values which appreciates their importance; and when we do that we shall find that the answer to the needs of education in particular is not to be found in the provision of money alone. If we are to develop and maintain the kind of educational system we need in the Space Age, we shall need more money, and lots of it, but we shall also need new motivations for our youth, and a different set of heroes from those rather shadowy ones set up by radio, television and film industries.

I stress these things at the beginning, because if we are to succeed in the new competition for survival we must understand that it can only be done on the basis of a new mobilization of our resources for the national welfare and a new sense of discipline and dedication on the part of our people.

Having reviewed the background, I would like now to state the educational problem and to put forward some proposals which I hope may be the basis of a forward move in Canadian education. Some time ago the honourable senator from Winnipeg (Hon. Mr. Wall), in an excellent speech, dealt with some aspects of the educational problem, and I do not propose to duplicate what he said so well.

In a free society great changes can only come about when people are informed and have the facts on which to base judgments. Before they can be informed it is necessary to mobilize the resources of information and to disseminate the basic factual material as widely as possible among people who exercise a role of leadership in the community.

Beginning about 1950, and in many cases even before the end of the war in 1945, Canadian educators were starting to warn our governments at all levels that we would be confronted with a crisis in education, if for no other reason than the rapidly increasing post-war birth rate, which it was estimated would create a serious situation with respect to teachers and teaching facilities from 1960 onwards. With the onset of the economic expansion in the 50's, business and industry have also become increasingly aware of a trained manpower shortage of alarming proportions. The result has been the evolution of a new and badly needed partnership between business and education. Before 1950 educators were holding meetings and conferences *ad infinitum*, but the number of occasions when businessmen even discussed

education in their meetings, let alone held meetings about education, were very rare indeed. It is not so now. In the last few years educational matters have had an increasingly important place on the agendas of business groups and some important conferences have been sponsored, if not solely by businessmen, certainly by businessmen and educators.

Since 1950 a number of management training schools have been established by universities in co-operation with business, and out of these has come a new interest in the broader fields of education. Two or three years ago Cyrus Eaton established his Pugwash house-party for the interchange of information by international scientists. James Duncan, an enlightened and distinguished Canadian industrialist, along with Crawford Gordon of the A. V. Roe Company and a number of others, in 1956 called a National Conference on Engineering, Scientific and Technical manpower. Out of this meeting came the Industrial Foundation on Education, a permanent fact-finding and executive organization, with a staff and headquarters in Toronto. The University of Toronto has followed with its Round Table on Human Needs in an Industrial Society. In 1956 Queen's University organized the Queen's Conference of Executives and Educators. The four western universities have set up the Senior Seminar in Advanced Management at Banff. And in February of 1958, in Ottawa, there will be held a large national conference on education sponsored by some twenty national organizations. The result of these meetings has been a tremendous new interest in Canadian education, a new mobilization of factual information and a determination to do something constructive about it.

In presenting a program of higher education for Canada over the next 22 years, 1958-80, it is well to proceed from the benchmarks of known facts and to make projections from those facts on the basis of the best advice and experience available. According to the latest estimates of the Dominion Bureau of Statistics, in the fall of 1957 there were enrolled in Canadian schools 3,745,000 pupils from age 5 to 21 years, or from kindergarten to grade XIII. To give some idea of the rate at which school enrolment is growing, the 1957 figure represents an increase of 568,000 over the enrolment of two years ago.

In the same period of time enrolments in our universities have increased from 70,000 in 1955 to 79,000 in 1956, and to 85,000 in 1957. In the three-year period 1955-56-57, according to D.B.S. figures, the total number

of students graduating from Canadian universities with their first degree was:

1955 .....	12,290
1956 .....	12,650 (estimated)
1957 .....	13,200 (estimated)

In the current academic year 30,000 students are enrolled for their first year at a university. In terms of past experience these are substantial figures, and in spite of substantial building programs which have been carried out by many universities since 1950 I am reliably informed that the number of square feet of classroom and laboratory space available per student is less than it was in 1950. In other words, our building program is not keeping up with the present rate of increase, let alone meeting the need for greatly expanded numbers of highly trained people.

In the year 1957 there are 2,000 students in Canada proceeding to higher degrees in engineering, science and medicine. Another 2,000 are proceeding to higher degrees in the humanities. In the academic year 1954-55 the total income of Canadian universities was \$53,082,000 and of this amount \$22,300,000 was contributed in one form or another by the federal Government. In terms of the thinking which has governed policy with respect to higher education in Canada up to the present time, this has been a substantial achievement but one falling far short of the requirements for the maintenance of even the present rate of progress in our economy. In the same year we spent \$1,685,000,000, for national defence. The figure I want to leave with you is that the federal contribution to education was \$22 million some odd hundred thousand, or approximately .013 per cent of the amount we spent on national defence. This figure does not include the amount that was spent directly on national defence research.

As all honourable senators are aware, there have been a number of meetings of educators and businessmen in the last two years which have had as their objective an attempt to define and spell out in specific terms what our trained manpower needs are likely to be, either in the 10-year period 1956-65 or in the 25-year period 1955-1980.

Two of these conferences were of national importance, one being the National Conference of Canadian Universities held in November 1956, and the other the National Conference on Engineering, Scientific and Technical Manpower, held at St. Andrews-by-the-Sea in September of the same year. I shall quote liberally from both sources, because the N.C.C.U. estimates are based on the careful, cautious and minimal requirements so typically requested by university

administrators, while the estimates of the St. Andrews Conference are those of businessmen and educators and are at a much higher level, representing the needs as seen through the eyes of Canadian businessmen.

It should be remembered too that all these forecasts were made in what we might call the pre-Sputnik age and before the Western world had an opportunity to realize that the launching of the Russian satellite represents a scientific breakthrough of tremendous significance. There is little doubt that if those conferences were being held today, in December 1957, the objectives would be substantially increased and the rate of acceleration of the program as well.

The National Conference of Canadian Universities estimated that by the year 1965-66 there would be 123,000 students registered in Canadian universities. The Dominion Bureau of Statistics estimates that the number would be 131,000. As a matter of fact, if the present trend continues, both estimates are likely to be low on the basis of what might be called a normal growth.

The N.C.C.U. estimated that they would need a capital requirement of between \$285 million and \$300 million, and out of this amount \$56 million would be required for student residences. In the same period the universities estimated that their teaching staff requirements would go up from the present 6,000 to something in excess of 10,000.

The St. Andrews Conference, taking the 25-year period 1955 to 1980, came up with two projections on enrolment for 1980. The first estimate was based on the current rate of increase, which would produce 375,000 university students in that year. The second enrolment figure was based on the potential estimate that 30 per cent to 33 per cent of high school students are of university calibre if given the opportunity. On this highly optimistic basis we might expect a university enrolment of 490,000 students in 1980. Teaching staff requirements were placed at a figure in excess of 30,000 and capital requirements were estimated at \$1,750 million.

So much for the estimates of two authoritative and responsible groups. One or two others might be of interest. The *Engineering Journal* of February 1957 states that Canada will need 145,000 engineers in the next 25 years. This is an average of nearly 6,000 engineering graduates a year, or twice the post-war peak of 1950 and nearly four times the present rate of graduation. Actually we graduated only 1,700 engineers in Canada in 1957.

Related to the scarcity of engineering graduates is an even more serious situation with respect to technicians. According to

E. W. Wood, Principal of the Institute of Technology and Art in Calgary and a distinguished Canadian educator, the ratio of engineering technicians to engineers varies from industry to industry and from plant to plant. In some cases it is two to one, in others five to one, and sometimes higher, but it is expected that the five-to-one ratio will be the most common very soon. The present need for technicians is six times greater than the number being produced. In 1957 we produced 1,700 engineers, and on a ratio basis of two technicians to one engineer we should have graduated 3,400. We actually graduated less than 600. As a matter of fact we have only two training institutions in Canada in this field—the one in Calgary already referred to, and the Ryerson Institute in Toronto. It is estimated that to meet Canadian needs for technicians in the next 25 years we would have to enrol an average of 62,000 per year because the drop-out experience in this field is 40 per cent, which would leave a net graduation in this field after matriculation, plus two years in a technical school, of 37,200 per year.

Before leaving the assessment of the existing situation it would be well to have some appreciation of what our competitors are doing. It is becoming generally accepted today that a nation's economic and productive progress is determined by the number of university graduates in relation to population. On the basis of this yardstick the following chart prepared for the St. Andrew's Conference, and shown on p. 11, part 2, of the brief is enlightening:

COMPARATIVE RATIOS PER 1,000 OF POPULATION—1956

Country	Population	Enrolment	Rate per 1,000 of population
Russia .....	220,000,000	4,300,000	19.6
U.S. ....	167,000,000	2,500,000	15.0
Canada ...	16,000,000	79,000	4.94

The statement goes on:

It is obvious that we will have to increase our enrolment by as much as three or four times to be competitive with these countries. This means that instead of the less than 80,000 we have enrolled today, we should have from 240,000 to 315,000 and that by 1980 we should have from 375,000 to 490,000. It is emphasized that this performance only places us in a competitive position to that held by these countries today. That is, 1956.

In the engineering field alone, Great Britain, with a population of 50 million, produced in 1954 2,800 graduates in engineering and other applied sciences. She also graduated 8,100 holders of higher national certificates,—highly trained technicians. Altogether there were in Britain, in 1954, 140,000 trained scientists and engineers, or a ratio of one scientist or engineer for every 180 people at work. Out of every 100 scientists and

engineers 46 are working in private industry, 23 are teaching, and the rest are mainly in governmental employment. Britain estimates that by the beginning of 1960 she will need 30,000 more scientists and engineers.

In the United States, in 1954 there were 22,000 engineering graduates, almost a 60 per cent decrease from the peak of 1950, when the veteran-swollen classes produced 52,000 engineers. The Americans, unless they launch a "crash program", can scarcely expect a growth to more than 43,000 by 1964.

In a study entitled "Soviet Professional Manpower", published in 1955 by Nicholas de Witt of Harvard, the comparable figures given for Russia were: engineering graduates—60,000; technicians—lower grade engineers—70,000.

The foregoing figures have been cross-checked and accepted as reasonably accurate by the American Science Foundation.

I think I have given enough information to suggest that we are faced with a problem of major national importance, and now I would like to discuss some of the steps which need to be taken to relieve the situation.

Obviously, if we are to produce a much greater number of highly trained scientists, engineers and technicians and the complementary numbers in the humanities, we can only do so if the foundation of the educational pyramid, the elementary and secondary school system, is sound. Little need be said about the numbers in the elementary schools. Children of school age must attend school, and our concern here must be with the provision of an adequate number of properly trained teachers. I think most people would agree that there is a great need to attract to and retain in the profession many more teachers of higher quality. Ways and means of doing this will be suggested later.

It is when we come to the secondary school level that the problem really becomes serious. The number of drop-outs between grade IX and senior matriculation every year is in the neighbourhood of 60 per cent. The reasons for these drop-outs are many: economic factors, lack of encouragement or incentive to continue, poor teaching, sometimes lack of proper facilities, the pull of high wages in industry, and the low place the teacher and the scientist have occupied in our social and economic hierarchy. The reason for the drop-outs is not a lack of ability. Anyone who has worked with thousands of young people, as I have, knows that the country is full of bright young minds which only need proper encouragement and cultivation to grow into scientists and philosophers, historians, musicians and artists. Careful scientific analysis indicates that from 30

to 33 per cent of the pupils in high school have the I.Q. necessary to succeed in the university. Instead of 30 per cent completing high school, however, the number is about 7 per cent. How can we get the larger number necessary to enter and graduate with one, two, three or more degrees from a university? While by no means professing to be an expert in what is needed, I am going to suggest a program for our schools which I think would improve the situation greatly. We will start with the teacher.

If we are going to attract to and retain people in the profession, I suggest that the following steps are necessary, in the order named:

1. An insistence on a high degree of professional training for all teachers before getting permanent certification.

2. On receiving permanent certification the teacher's professional status to be equated as equivalent to law, medicine, science or any other profession.

3. Salaries to be paid commensurate with other professions, with provision for substantial salary increments on the basis of satisfactory experience and outstanding achievement.

4. Provision of adequate, modern teaching facilities. This does not mean the spending of millions on gymnasiums and swimming pools, but it does mean bright, airy, functional classrooms with good equipment. Some of our schools are so depressing that it is no wonder students want to escape from them as soon as possible.

Before leaving this section on the role of the teacher I should like to say a word about salaries. In 1955 the monthly starting salaries of students graduating from the university with their first degree was as follows:

	Per month
Engineers (average of 13 branches of engineering) .....	\$318.50
Medical graduates (M.D.) .....	405.00
Medical interne .....	189.00
Geologist .....	339.00
Science .....	305.00
Teacher .....	256.00

In the same year in Alberta, which I think had the third highest teachers' salaries in Canada at that time, the following rates were in effect:

Qualifications	No. of teachers reporting	Average salary
4 years' professional education .....	329	\$4,188
5 years' professional education .....	181	4,667
6 years' professional education .....	136	5,402

I suggest to you that in order to put those salaries on a par with other professions they should have been increased by 50 to 75 per cent. On the basis of a 75 per cent increase this would have meant a salary range of \$7,239 for 4 years' professional experience, \$8,166.95 for 5 years' and \$9,453.50 for 6 years'. Not until we pay such salaries, and as well attend to the other matters I have mentioned, will we get the teachers we need, nor will the profession have the dignity and status in society that its importance demands.

Now I come to the question: How do we get the students to complete matriculation?

Having established the fact that there is no dearth of matriculation candidates with the potential to succeed, it becomes a matter of how we persuade, encourage and assist, if necessary, the larger number required. First of all, I will assume that if the steps outlined above with respect to the teachers and teaching facilities are carried out, this in itself will go a long way toward encouraging the students to complete their high school programs. First-class teachers with dignity and status in the community, plus attractive and functional school facilities, will do a lot, but we need to do more, and I would suggest the following:

1. Put on a program in the schools, on the air, on television and in the press and magazines explaining the opportunities and rewards open to those who proceed to higher education.

2. Stress the national importance of the educator, the scientist and the public servant. Create a new sense of values designed to give the technician, the engineer, the scientist and the professional man a new and more important status in the community. In short, make the people who serve the nation the ideal to be followed rather than the shoddy imitation foisted on the people by Hollywood press agents.

3. Make more use of talks and visits to the schools by professional people of stature. Try to make the average schoolboy as familiar with the names of leaders in business, labour and the professions as he is with movie stars and rugby or football players.

4. Establish a National Awards Program with substantial rewards for outstanding achievement. This would in reality be a large and widely publicized extension of the present more or less haphazard scholarship program.

The next point is where we take off into a new departure as far as Canada is concerned.

5. Establish a revolving scholarship and loan fund. A national program to be set up

in two parts: (a) A charitable foundation through which private gifts may be encouraged and channelled for the specific purposes of encouraging high school and technical school education, and (b) A special fund to be created and administered by local school authorities, 50 per cent of the fund to be raised by a fractional assessment on the mill rate and 50 per cent to be contributed by the provincial governments.

The purposes of the revolving scholarship and loan fund would be:

(i) To see that no boy or girl with the necessary ability is denied the opportunity for a complete high school education by lack of funds.

(ii) To provide a system of scholarships awarded on the basis of scholarship rather than need. These should be limited in number but of high value for each year of high school.

(iii) Provide a system of non-refundable bursaries awarded on the basis of need. These should be in amounts of from \$50 per year up to a maximum of 75 per cent of the students' essential costs. These should be limited to a specified quota per year per province.

(iv) Provide a system of student loans to be made on the security of the parents and the student, in amounts ranging from \$50 up to a maximum of \$300 per year. Loan to be interest-free during the high school term but to start bearing interest at 3 per cent six months after graduation and to be repayable in a period of three years.

(v) The reason for setting up a foundation is to mobilize the charitable donations of a large number of private individuals who would contribute at the local or small community level if they could see the results of their giving and get income tax credit for it.

(vi) Provincial governments and local school boards would contribute the funds on an assessment basis in proportion to the number of pupils in high school in each school district. Assessments might be made on a *per capita* basis with the objective of raising a fund of \$30,000,000 over a three-year period, the money to come from school boards and provincial government departments of education, supplemented by such funds as might come through the educational foundation. The suggestion is that at least 60 per cent of the fund be on a loan basis, with the idea that there is no better time to start inculcating a sense of responsibility in young people than when they are in school. By a generous program of scholarships we provide incentive, but for the person who doesn't quite make the scholarship there will be non-recoverable bursaries in cases of real need and revolving loans

where need is not quite so great but where the individual might stop school if the funds were not available.

(vii) Encouragement of technical education. It is my suggestion that the various scholarships, bursaries and loan funds be equally available to the student who does not wish to go to university but who would prefer to train as a high grade technician.

I will now deal with the Program at the University Level. When we come to the current situation with respect to university education in Canada the problem is much the same as it is in the high schools, but in a more acute form. There is an urgent need to attract to and retain in university teaching and research a larger number of better trained people. There is need for better salaries, for more teaching buildings, research laboratories and student residences. It was pointed out earlier that at the present time there are 15 students per 1,000 of population in American universities and technical schools against 5 per 1,000 in Canada and 20 per 1,000 in Russia. Without in any way suggesting that we should become involved in a race with these nations, it does seem reasonable that in the next ten years we should seek to double the number of Canadians per thousand of population who will complete university and technical school. If we accept this as a modest target it will involve a tremendous increase in the demand for teaching staff, classroom and laboratory space, and research facilities.

Without changing the rate of increase projected by the National Conference of Canadian Universities and the D.B.S., under which they estimated 130,000 students in 1965, the doubling of the rate per thousand would mean that we would have 260,000 students to provide for in 1965 instead of 130,000. Even this increase would still leave us far behind our competitors on a proportionate basis. However, for the sake of argument let us assume that we will be content to take the N.C.C.U's capital cost estimates of \$285 million to \$300 million for the years 1956-65 and apply them to meeting the needs of 260,000 students instead of 130,000, and we would arrive at a capital cost structure of approximately \$600 million, or an average of \$60 million a year for the ten-year period. That sounds like a lot of money for capital expansion of universities alone. We must remember that any expansion in elementary and secondary education facilities, plus those of technical education, will be over and above the university programs.

In discussing development needs with officials of the University of British Columbia a month ago, I was told that their plans envisaged a program of \$10 million a year for

the next three years. The University of Alberta, of which I am a member, was planning to appropriate \$10 million a year for the next two years, but the actual amount of construction carried out is likely to be substantially less, so that the amount of money is more likely to be expended over three years rather than two.

The estimated income of Canadian universities in the current year is somewhere between \$95 million and \$100 million, and expenditures will not be far behind. These operating costs will also increase very rapidly as the number of students goes up so that we are inevitably faced with a budget for higher education in Canada that, in relation to any previous concepts, will seem astronomical. However, figures are only relative. If we keep in mind the fact that in the current fiscal year we budgeted for \$1,717 million for defence, and if we also remember that today a nation's defence is centred in our universities and their products, the figure seems much more manageable. Assuming that the cost of operation plus capital expenditures of the universities in the current year were \$160 million to the federal Government and that the whole amount was called a defence expenditure, which it could be, we wouldn't hesitate very long in deciding that this was a necessary and good investment. I suggest to you, honourable senators, that this may be the way we will have to look at our university expenditures if we are going to maintain our defence and industrial position.

I need not labour the point that if we are to maintain our position in the new age of technology which we are entering, we must raise our financial sights very materially. Before going on to suggest in practical terms some of the things we might do to meet the situation I should like to give you some additional figures which you may use in deciding what the cost will be in any given situation.

At the present time we have in Canadian universities and research institutions 2,000 men and women proceeding to higher degrees in medicine, science and engineering. Another 2,000 are proceeding to higher degrees in the humanities. In other words, in the current year there are 4,000 students in Canada in the process of getting their Masters or Doctoral degrees. In addition, the Institute of International Education in New York reported that for the 1955-56 year, 1,451 Canadian students were enrolled in American institutions of higher learning. Of this number the National Research Council reported that 480 Canadians were enrolled in graduate courses in 65 American universities.

It has been suggested by a number of authorities that we need to double the number of highly qualified scientists in the next few years. Such a development would certainly be in keeping with the needs of an ever-expanding economy, and here again the costs are formidable. For every scientist or research worker we employ we need a minimum space of 2,250 cubic feet—a space 10 feet x 15 feet x 15 feet. I don't think anyone would suggest that such a space was sumptuous. Very accurate studies indicate that the cost per cubic foot of research space, including the average minimum essential equipment, is \$3 per cubic foot. If we are to double the number of scientists we will require nine million cubic feet of laboratory space, which alone would cost \$27 million. However, it would be unthinkable to double the number of scientists without doubling the number of advanced scholars in the humanities—because it is in this field that we are sadly far behind—so we could easily involve a cost of \$50 million in the next few years for facilities for the people who do the basic research from which all progress comes.

Again, some careful estimates based on actual studies have been made on the cost of keeping a scientist at work for a year. The figure, covering salary, technical assistance, equipment and materials, is put at \$30,000 per scientist. Therefore, if we have 8,000 scientists and scholars at work (the present 2,000 in medicine, science and engineering, plus 2,000 in the humanities, doubled in ten years) the cost of this item alone would be \$240 million.

From the foregoing samples of the cost involved it will be readily seen that the day of the billion dollar budget mainly contributed by the provinces for university education is not very far away. Before we are warranted in spending sums of that kind it behooves us to look critically at the use we are making of the facilities we now have and to modify some of our present practices. Some of the things we might consider are these:

1. Explore the possibility of extending the idea of junior colleges in co-operation with local school boards, to take care of many first-year and possibly some second-year students.
2. Consider putting the universities on the quarter system so that the facilities are used to capacity the year round instead of the present seven to nine months.
3. Consider reintroducing for a time at least the shift system with classes and laboratories running from 7 a.m. to 10 p.m. at night. I know I shall be in hot water with some of my colleagues over this, because they do not like this system at all. However, I think it can be done.

4. Consideration of the revision of many laboratory courses which are expensive in terms of time and space, and which could be more effectively taught on the job in industry.

5. Utilize institutions built for another purpose but which are no longer fully utilized because of changing conditions. Examples are some agricultural schools in Alberta, normal schools in other provinces or even some of the more elaborate air force or army centres.

Considering the kind of people we are getting at the graduate level, I quote from an article entitled "What the Colleges are doing" in the 1957 spring issue of the house organ of Ginn and Company. The Dean Barzun referred to therein is Jacques Barzun, Dean of the Graduate Faculties of Columbia University.

Designating the graduate school as the "one autonomous place where, in a period of slipping high-school and college standards, the traditional idea of scholarship can and must be kept intact," Dean Barzun warns of threats to the integrity of this cultural arsenal.

"As things already stand," Barzun asserts, "those who teach first-year graduate students too often have the feeling that they are taking their young charges on the adventurous discovery of the three R's."

And he is right.

He makes the following charges:

1. The time spent in making professional scholars is too long for the results achieved.
2. Instructors are required to do too much lecturing and students too much sitting and note-taking; both groups should do more "independent work" and come together for periods of true tuition and apprenticeship.
3. The research done for the Master of Arts and Doctor of Philosophy degrees is too often *re-search*: it adds little or nothing to knowledge—hence it is both pretentious and wasteful.
4. Graduate study does not form a coherent whole: it is neither professional training for college teaching, nor a disinterested intellectual enterprise by a "company of scholars". The right instruction is lacking for the former and the right facilities for the latter.
5. The various devices for combining specialties under the name of major and minor do not lead to anything deserving the title of a *course* of study; as a result, it is a rare graduate student who can be said to be an educated man. . . .

That needs emphasizing, too.

Many millions of dollars could be saved by this kind of mobilization of resources and the possibilities should be carefully explored.

Now, while good teachers are essential for good results in our schools, they are even more necessary in the university, where much of the stimulus and enthusiasm comes from the free interplay of minds, the blending of youth and experience, and the zest of exploration into the realm of the unknown with other minds equally curious. Great teaching comes from a combination of natural teaching ability, training and deep resources

of the mind, and those resources can be acquired only through years of experience, study and research. One of the main reasons we are not attracting to, and retaining in, university work more men and women of outstanding ability is low salaries. In the year 1956 the median salary for all university professors in Canada was \$5,775. The range of salary from lecturer to dean was from \$2,000 to \$15,000 and I can assure you there were precious few deans getting \$15,000.

In 1956 the Canadian Association of University Teachers recommended the following scales, which are by no means immodest:

Lecturer .....	\$ 6,000.
Assistant Professor .....	8,000.
Assistant Professor .....	11,000.
Professor .....	14,000.

Dr. Sidney Smith, in the spring of 1957, set a target of \$12,000 to \$14,000 for a full professor, this target to be attained over a three-year period. Most Canadian universities are far behind this objective, as is the University of Toronto itself. Yet, a full professor in the University of Moscow gets \$35,000, and in many cases a summer dacha in the country is thrown in as a fringe benefit.

In contrast to the present university salary scale we find in our business schools that the young executives in attendance, with one degree and sometimes none at all, who have been out of college from six to ten years, are frequently drawing salaries of from \$10,000 to \$18,000. No wonder these men hesitate to spend another two to three years doing graduate work at the university at the salaries offered.

In contrast to this kind of an income, some honourable senators may have read the estimated annual incomes of a dozen or so of Canada's radio and television personalities, as published in the December 7 issue of *Maclean's* magazine. These varied from \$22,000 to \$35,000 for well-known stars in Ontario. Our friends in Quebec are even more generous, running from \$25,000 to \$50,000. No one wants to deny such people the kind of salaries they are getting, but I suggest that so long as we continue to value the services of movie stars, radio performers, football players and hockey players far more highly than we do those of our scientists, educators and ministers, there is something seriously wrong with our sense of values.

If something was done about salaries we might stop the waste which goes on every year through the large number of university trained people who migrate to the United States. Some honourable senators may have

read an editorial in the *Ottawa Journal* of November 20, which reads in part as follows:

The Technical Service Council, an organization which helps (without charge) to find posts for Canadian scientists, puts out a report telling that the number of engineers and scientists who left Canada for the United States between 1951 and 1956 was equal to almost one-third of the graduating classes of that period.

I need not say more on that situation; the statement speaks for itself.

One reason why many of our graduates go to the United States to do post graduate work and are lost to us is that many of the bigger graduate schools in the United States have large numbers of highly trained staff working in a single field. This provides the opportunity to work with and study under a number of men in one institution, and thus the student receives a broader training and greater stimulus than he would if he studied in a smaller department in a Canadian university whose leadership in a given sphere comes from one scientist who cannot possibly give the breadth of training that would come from several equally highly trained men.

It is no reflection on Canadian universities that this situation exists. Obviously, to offer the requirements for a degree in a variety of fields, each university needs at least a nucleus of staff in those fields. However, if we are to build strong graduate schools in Canada we will have to give much more consideration to the idea of specialization among universities than we have given up to the present time. In other words, as a national policy we might agree that one phase of research would have its main centre at McGill, another field would be centred at Toronto, another at the University of British Columbia, and petroleum engineering and its related advanced work might be centered in Alberta. By building up strong graduate schools with adequate staffs of international stature we would be strengthening Canada and making it more attractive for our most advanced scholars to take the most of their training and find their job opportunities here.

Canada has made great strides in the establishment of scholarships in the universities in the last 25 years, but we are still far short of the experience in Great Britain and the United States. In the United Kingdom 78 per cent of the students attending university are receiving some kind of assistance. In the United States the proportion is 60 per cent, and in Canada it is 42 per cent. We do better than that at the graduate level, where about 75 per cent of the students receive some assistance, although in many cases the amounts are too small to make the graduate program attractive.

I have some experience with scholarship programs and I am convinced that there is no investment that a country can make that will pay dividends equal to those returned from an investment in cultivating young and vigorous minds. In saying this, however, I am going to suggest a new approach to a program of national scholarships. By all means let us continue to provide a large number of scholarships for outstanding achievement. We should increase the number and the value of those we have now and we should publicize by every means at our disposal the outstanding achievements and contributions of our scholars and scientists. Having made that provision I would suggest that if we are going to make it possible for our students, after graduation, to earn big salaries in business, industry, and even in education under a new and more enlightened dispensation, then I think we have a perfect right to ask the individual student after he is established in productive employment to repay the bursary or loan he received to put him through. In other words, I am suggesting that an important aspect of our new approach to higher education in Canada should be the establishment on a national basis of a revolving scholarship and loan fund.

Many of the young men with a degree in commerce or engineering who pass through our Management Training School at Banff and who have been in business for eight to ten years are earning salaries of from \$10,000 to \$15,000 a year. Similarly, many young doctors I know who have been graduated for ten years are earning from \$12,000 to \$25,000 a year. In the future it would not seem unreasonable to ask people like them to repay from their earnings within five years such sums as may have been advanced to them as student loans. Such a system would have many advantages. To begin with, no student who wished to go to the university and had the talent to do so would be prevented from going. Secondly, and very importantly, if provision was made to take care of those in financial need, albeit on a loan basis, the universities would be able to rearrange their fee structure on a much more realistic basis and charge fees more nearly in line with costs. Finally, such a scheme could be worked out actuarially and placed upon a self-supporting basis after the initial grant had been made. The administrative machinery of the Canada Council could easily be expanded to look after the program on a co-operative basis with the National Conference of Canadian Universities.

When we come to the field of graduate scholarships the matter is not so simple. People who are going on to doctorates and post-doctorate work are going to be in non-remunerative work for three, four or five years, and here some form of subsidy should

probably be considered as a national investment. As was pointed out earlier, some 75 per cent of those in post-graduate work now receive assistance which varies in amounts from \$600 to as much as \$2,200 per year. Scientists in charge of research programs say that as many of these young scientists-to-be marry—and it is desirable that they should do so—annual grants in the form of fellowships, assistanceships or research grants, should be from \$3,000 to \$4,000 per year. If we were to assume that 3,000 senior post-graduate students a year were to be given assistance of an average value of \$3,000 each, such a program would cost \$9 million per year. Here again the self-supporting angle might be introduced on the basis that the institution would contribute 50 per cent of the money as a bursary and loan, the student would pay the balance, under an agreement that he would start repaying it within one year after taking up employment. Such an arrangement would keep down the budget required for the program and probably impress a greater sense of responsibility on the recipient.

Now, as to the university residence program, the Canadian university student residence situation today is nothing short of deplorable. The first enthusiasm of many a young student has often been dampened, if not put out altogether by his first unhappy experience at the Alma Mater of his choice as he tramps the streets looking for a place to stay. Canada loses hundreds of students per year to the United States because most American universities have done something about housing their students. As one who knows how much a well-organized residence life can contribute to the enrichment of any program of education, I am appalled at the lack of initiative on the part of university administrations in tackling this important problem. A national program to build university residences is long overdue. Such a program can be a self-liquidating project and the funds can be provided under the National Housing Act through an amendment to section 16. However, it might be preferable to consider special legislation designed to recognize the needs of the universities for what they are—needs of great national importance.

I have gone into the university residence picture in some detail and have prepared a table of my findings. I do not propose to read it in detail at this time but, with the permission of the house, I shall place it on *Hansard*, and give you a summary of its contents.

For table see appendix to today's *Hansard*, p. 328.

The survey shows that in 15 out of the 34 Canadian universities, with 62,000 out of a total enrolment of 85,000, there are in those universities 6,663 student rooms housing 7,570 students. In other words, approximately one student in every eight in those universities has the opportunity to live in a residence. If we assume that 50 per cent of the students live at home while attending universities in their home cities, it still leaves three out of four, or approximately 32,000, who must live in rooming houses. These figures are based on the situation in 1957. Presently declared building programs for the next 10 years indicate that another 3,600 rooms will be built. However, while they are being built the student population will go up from 85,000 to somewhere between 130,000 and 200,000, so the residence picture will get progressively worse unless something is done about it. For this reason I suggest that either the appropriate sections of the National Housing Act be amended so that money can be loaned to the universities through Central Mortgage and Housing Corporation, or, better still, that the Government bring in entirely new legislation designed to assist the universities to build not only residences but research laboratories as well.

Assuming that the National Housing Act was used, the arrangement could be that the university in question would be the corporation with whom Central Mortgage and Housing would deal. The university, as the limited dividend corporation, would put up one-tenth of the capital cost and the balance could be borrowed on a 30- or 40-year basis at an amortized cost of approximately 4½ per cent or possibly less. Assuming a residence cost of \$4,000 per room, such rooms could be financed on a self-liquidating basis over the period at \$20 per room per month. As the majority of these rooms would be for junior students they could be arranged on the basis of two students per room, so the cost for room as distinct from board could be as low as \$10 per month, plus the overhead for servicing and heating, which should not be more than another \$10 or \$12 per month. In other words, double rooms, including maid and janitor service, light, heat and maintenance, could be provided at a cost to the student of \$20 to \$25 per month if National Housing Act loans were provided on a 30-year basis at 4½ per cent.

As this is an eminently practical proposition, I am going to suggest that the federal Government, in co-operation with the universities, should launch a program of building university residences at a cost of \$10 million per year for the next ten years. This would be a \$100 million program on a self-liquidating basis. Such a program would

provide about 25,000 rooms on a cost basis of \$4,000 per room, or 20,000 rooms if the cost was \$5,000 per room. The program would have the following advantages:

1. It would enrich the quality of university life by providing for greater intellectual interchange and stimulus.

2. It would make university life more attractive and would draw more students to it as well as cutting down the migration of those who annually go to the United States for no other reason than the attraction of university residence.

3. There is a good precedent for the program in the United States, where college housing loans were instituted under Title IV of the U.S. Housing Act of 1950.

4. It will be absolutely necessary if university enrolments are to be increased to the extent present projections indicate.

5. It would be an entirely self-liquidating project.

6. Under present conditions it would be a stimulus to employment.

For these reasons it would be a constructive thing to do.

Similar special provisions should be made with respect to facilities in regard to research. However, I am not going to take the time to develop that at the present moment.

To sum up the proposals I have put forward as the basis of a practical program of higher education for Canada in the new technological expansion which we must face, I have made the following specific proposals:

1. That to maintain our position among the modern nations we must improve the quality of our education at all levels, elementary, secondary and university.

2. That we will do this by providing improved teaching facilities and better trained teachers who will be given a higher degree of professional status in the community.

3. That in order to attract to and retain people in the teaching profession at the elementary and secondary levels we will have to pay much better salaries, and the suggestion was that they be raised from 50 per cent to 75 per cent beginning after four to six years' experience.

4. That in order to provide the necessary number of university graduates in the next 10 years we must encourage a much higher percentage of students to complete their high school education.

5. To encourage students to proceed to higher training we should greatly expand our scholarship program in the high schools, and that we should set up a national foundation for this purpose on the one hand, and

establish a revolving Scholarship, Bursary and Loan Fund, financed jointly by the school boards and provincial governments and to be administered provincially.

6. That in order to meet the desperate shortage of technicians we must greatly expand our facilities for technical education, and that students going into this field should be brought under both the secondary and university scholarship and loan programs.

7. That in order to finance the Revolving Scholarship and Loan Fund, provincial governments and local school boards should establish a fund with an initial capital of \$10 million.

8. That at the university level, if we are to attract to and retain in teaching and research the number and quality of people necessary, salaries will have to be substantially raised and the Canadian Association of University Teachers' recommended scale of \$6,000 for lecturer, \$8,000 for assistant professor, \$11,000 for associate professor and \$14,000 for full professor should be a reasonable objective.

9. That to meet the demands imposed by the increased enrolments already projected and to meet the impact of a greatly increased enrolment per 1,000 of population who will attend the university in the next ten years we should be thinking of a minimum national university capital building program of \$60 million a year for the next ten years.

10. That if we are to expand our training program of scientists we shall have to give more attention to the principle of specialization among universities, so that work in related fields of scientific research at the post-graduate level will be concentrated and multi-resource staffs of international reputation can be brought together to increase the richness of the offering to the students.

11. That we should increase very materially the present scholarship program to recognize outstanding achievement, but we should also give consideration to the establishment of a large, self-liquidating, revolving scholarship and loan fund, and that the resources of the Canada Council and those of the National Conference of Canadian Universities might be used to administer it.

12. That special attention might be given to increasing the amounts made available in fellowships, assistanceships and revolving loans for those who are going to do from three to five or more years of research to the doctoral and post-doctoral level.

13. That we should immediately embark on a ten-year national program to correct the serious university residence situation by using the facilities of the National Housing Act and

the Central Mortgage and Housing Corporation to launch a \$100 million residence program to be financed on a self-liquidating basis over a period of 30 years.

14. That we should as a national Government evolve a program of expanding present facilities for basic research and that we might give consideration to establishing one entirely new research centre in Western Canada.

The foregoing proposals will involve expenditures of hundreds of millions of dollars. It is neither a "crash" program nor one evolved in a panicky attempt to compete with the United States, Great Britain and Russia in a scientific race. Rather it is a modest program designed to maintain Canada's place as a modern industrial nation with probably the richest potential of any country in the world. To say that Canada cannot do this is nonsense. To say that assistance in this kind of educational program is not the responsibility of the federal Government is equally silly. The truth is that the federal Government has already recognized its responsibility in this field, and, in the last five years—if you look at the replies to my questions in *Hansard* of November 28—has provided grants of approximately \$143 million. And this does not include the contribution of \$100 million to the Canada Council in 1957.

Honourable senators may have noticed in the press on Friday, November 29, that the Government of Australia had decided to increase its assistance to Australian universities by four times, starting immediately. I am not suggesting that the federal Government should increase its grants to technical and university education in Canada by any such amount, but I am suggesting that in view of the universities' crucial role as the very basis of our national defence and industrial and economic well-being the governments should be thinking in terms of a program of assistance along the lines indicated, which might cost \$150 million a year in the next ten years. Whether this was charged up to national defence or whether it was divided and looked upon as an investment in productive development matters little, but it is the kind of program which will repay itself many times over, and as such I commend it to your consideration.

**Hon. John T. Haig:** Honourable senators, I just want to say a word or two in connection with the subject-matter of the speech by the honourable senator from Banff (Hon. Mr. Cameron).

In the first place, I hope that no dominion Government will ever undertake to take education away from the provinces. That is where it is now and that is where it ought to remain. That is one of the most unifying

ideas in the whole of Canada and it can only be kept alive by leaving it strictly alone. The Fathers of Confederation probably made many mistakes in drafting the British North America Act, but when they left education to the provinces they were on sure ground.

**Hon. Mr. Reid:** Hear, hear.

**Hon. Mr. Haig:** My honourable friend has given us figures here this afternoon that I never expected in my wildest moments to hear mentioned in public. The millions and millions of dollars that he threw around here this afternoon were simply startling. I say that the Government which I have the honour to represent in this house will not be spending that kind of money in the next five years,—

**An Hon. Senator:** They have already spent part of it.

**Hon. Mr. Haig:**—nor will any other government that I know of. The only suggestion I would make on behalf of the Government which I have the great honour of representing on the floor of this house is that, should my honourable friends opposite regain power, the honourable senator from Banff (Hon. Mr. Cameron) be chosen as their Finance Minister. For if he were to carry out the money-spending policy he has advocated this afternoon, that Government would not last long.

All my life I have never been sure about the basis of rewards in terms of money. I am not a professor in a university; I am just an ordinary, everyday, jackknife lawyer, who makes a dollar or two by practising law, and thereby earns enough for three meals a day and a bed to sleep in, and is very happy about it. But never in my wildest moments have I been convinced that it is extravagant remuneration that makes people do things. The boys and girls with whom I was educated, the young men and women with whom I graduated from university, and with whom I have lived many years of my life, and who chose teaching as their occupation, did not make money their standard, nor regard it as the keynote of their activities. I had the honour of serving for 14 years as a member of the Winnipeg school board. We hired many teachers. When I joined the board there were 500 of them; when I left it their numbers had increased to 1,000. We did not pay them salaries such as my honourable friend has mentioned; but I am not sure that even with the lower salaries then paid we did not obtain as good services as one gets today from teachers in the same schools. I do not believe that, in this matter, money makes any difference at all.

It is said that some professions do not pay, financially speaking, as well as others. Of course not. The differences in the nature

of the work involved make equality impossible. May I, as an example, say a word or two about the medical profession: I hope the doctors present will forgive me for stating that the professional experience of a medical man does not train him to be a good financier; he is not an expert in the handling of money. On the other hand, a lawyer, if he has any inclination for finance or business, is enabled by the experience he gets to capitalize on it and make profitable investments. By their very nature, some professions provide openings along certain lines. On one occasion, after making a political speech, I was asked how it came about that I knew certain things—for instance, what happened in a particular district to some family of, say, four or five children and an improvident father. Did I go and investigate particular cases? I said the answer was very simple. Somebody, a day or a week before, had come to my office and told me the story, not of the family my questioner had in mind, but of other people in much the same situation; and human nature being what it is, I could say that like causes have very much the same results.

So, I repeat, the payment of large sums to persuade men to become university professors gives no assurance that one will get what one pays for. I can remember, although it is 56 years ago, Dr. Kilpatrick, a professor in Manitoba University, who at that time received the "large" salary of \$3,200 a year. But what he told his class at the beginning of the century is as fixed in the minds of those of his pupils who are now living as though it were said yesterday. It was not the salary, it was the man who did the trick. Therefore, no matter how much we talk about the salaries that should be paid, there must be in the individual chosen the heart and intellect and the desire to be in that profession, or the results will not be worth while.

One word in conclusion. At the Dominion-Provincial conference the other day, which I attended as a member of the cabinet, I listened to the representations of the ten premiers, and I did not hear one of them mention education as something for which they required money. They spoke of roads, bridges, dams, sewage disposal schemes and enterprises, but not a word about education. As a matter of fact, education is a matter of provincial or local policy; and it is a subject which, more than any other, raises difficulties between various provinces. I do not know why it should, but it does; and I think we in this house would be very foolish to attempt to deal with the matter. We should not even recommend to any Government the outlining of a policy which would put education under the control of the federal authority. I am opposed to

the idea, and I believe that any man or woman who studies the problem will be opposed to it too. As I have said, the concern of the Fathers of Confederation was to place the subject of education under control of bodies which they believed to be most capable of attending to it, and for that reason they referred it to the provinces.

I had not intended to speak so long. The resolution can pass, or not, for all I care; but I, and the party I have the honour to represent, are opposed to the sentiments contained in it.

**Hon. Mr. Cameron:** Honourable senators, may I claim the privilege of saying that I believe the honourable Leader of the Government (Hon. Mr. Haig) misheard or misinterpreted what I said? I did not say that education should be under the federal Government: quite the contrary: I suggested that any such fund as I mentioned should be by way of supplement. The amount I proposed was \$150 million a year for the next ten years. The present Government is already spending nearly \$50 million a year. However, I am not going to argue about figures.

**Hon. Mr. Haig:** Am I to have the opportunity of replying to what the honourable senator is saying?

**The Hon. the Speaker:** Yes.

**Hon. Mr. Cameron:** But the figures I mentioned have been arrived at by men of the calibre of James Duncan and Crawford Gordon, who are among Canada's top businessmen, with the assistance of top educators. If the honourable gentleman wishes to disagree, that is his privilege.

**Hon. W. Ross Macdonald:** Honourable senators, may I have a word?

**Hon. Mr. Haig:** I think I am entitled to reply.

**The Hon. the Speaker:** I recognized first the honourable Leader of the Opposition (Hon. Mr. Macdonald).

**Hon. Mr. Macdonald:** I was going to say in the first instance that the honourable senator from Banff (Hon. Mr. Cameron) will be entitled to close the debate when all other honourable senators who wish to take part in it have spoken. My purpose in rising at this time is that I thought the honourable Leader of the Government (Hon. Mr. Haig) was inclined to belittle the remarks of the honourable senator from Banff, who obviously did a great deal of research before he made his speech today.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** I feel we are indebted to him for the information he has given the house. I did not gather the impression that he suggested that education should come under the jurisdiction of the dominion Government. I thought the purport of his speech was to leave the field of education under the jurisdiction of the provinces within the framework of the British North America Act. He made many proposals, most of which I think would have to be carried out by the provincial governments. I believe the Leader of the Government misunderstood what he said. I gathered from his speech that these things are needed if Canada is to maintain its place in the world under present conditions, and I think he suggested that this place in world affairs could to a very large extent be maintained through our educational institutions. I do not think it was suggested the federal Government should supply the money to maintain these institutions, although it could make some contribution. The point is that our primary and secondary schools and universities will have to receive more money in order that they may educate our future generations. The honourable member from Banff did not suggest that this money should come from the federal Government.

The honourable Leader of the Government suggested that university professors should not receive more money than they are getting now, and gave an illustration of a professor who received \$3,500 per year some 52 years ago.

**Hon. Mr. Isnor:** Fifty-six years ago.

**Hon. Mr. Macdonald:** Yes. The unfortunate position in which too many of our professors and primary and secondary school teachers find themselves today is that teaching salaries are not much higher than they were 56 years ago.

**Hon. Mr. Kinley:** No, no.

**Hon. Mr. Macdonald:** Probably I should not go that far, but the members of the teaching profession have not received the increases that others have received. In other words, the increases they have received have not been in keeping with the rising cost of living. I will put it that way and I defy anybody to prove that I am wrong.

**Hon. Mr. Kinley:** Teachers are doing better lately.

**Hon. Mr. Macdonald:** Yes, but they are not receiving what others are. Their income has certainly not kept pace with the rising cost of living. I do not think anyone will go so far as to say that the salary scale of professors today should not be more than it

was 56 years ago. One of the points the honourable senator from Banff made was that professors should receive higher pay today. Take the question on the public school level. Where are we going to get teachers for our public schools unless we give them fair salaries? There will have to be an increase. It will not come from the federal Government, but our provincial Governments across the land can read the speech delivered today by the honourable senator from Banff.

**Hon. Mr. Connolly (Ottawa West):** It was a brilliant speech.

**Hon. Mr. Macdonald:** Yes, it was a brilliant speech.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** They can analyse the facts he has given. I am sure his speech will be very helpful to boards of education throughout the country.

The honourable leader said the provincial governments need money for roads, bridges, dams and other works. Admitting the importance of these things, I still think this honourable body can spare at least one afternoon for consideration of the question of education. I do not feel we are spending too much of our time on this matter. I rose this afternoon not only to commend the honourable senator from Banff for his speech but also to commend the honourable junior senator from Winnipeg (Hon. Mr. Wall) for the splendid contribution which he made to this subject a few weeks ago. The two speeches are masterpieces and should be studied by all who are interested in education in this country.

On motion of Hon. Mr. Roebuck, the debate was adjourned.

## SPEECH FROM THE THRONE

### MOTION FOR ADDRESS IN REPLY— ADJOURNMENT OF DEBATE

On the Order for resuming consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto:

**Hon. Mr. Monette:** Stand.

**Hon. Mr. Croll:** May I ask when the honourable senator intends to go on with the debate?

**Hon. Mr. Haig:** My honourable friend from Toronto-Spadina (Hon. Mr. Croll) may not agree with me, but there is a point of order here. Last Wednesday he adjourned the debate, and when it was next resumed, which was yesterday, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) continued the debate. When he concluded his remarks the debate was adjourned

by the honourable senator from Mille Isles (Hon. Mr. Monette), who is now asking that the order stand. I do not see how anybody can precede him.

**Hon. Mr. Croll:** What is the point of order?

**Hon. Mr. Haig:** The honourable senator from Mille Isles is not ready to go on now because of the hour, and he has asked for an adjournment. Of course, if honourable senators do not want to grant this adjournment they do not have to. It is up to the house. I would not raise any objection to the honourable senator from Toronto-Spadina speaking after the honourable senator from Mille Isles, who wants to follow up the line of thought taken by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable senator from Inkerman (Hon. Mr. Huggessen) on a subject in which we are all very much interested.

**Hon. Mr. Macdonald:** I understood that the honourable senator from Toronto-Spadina was merely asking the honourable senator from Mille Isles when he proposed to proceed in the debate.

**Hon. Mr. Haig:** Tomorrow, I think.

**Hon. Mr. Croll:** All right, that is fine.

**Hon. Mr. Monette:** I should like to say that unfortunately I am busy tomorrow. I am to appear before the Supreme Court.

**Hon. Mr. Macdonald:** Then you had better wait.

**Hon. Mr. Monette:** I feel that I cannot do justice to the subject this afternoon. I am not too conversant with the rules of this house, but I can tell honourable senators that there is some merit in my request for a postponement. I would appreciate it if no other senator takes the floor before I do to discuss the subject with which I want to deal.

**Hon. Mr. Croll:** I intend to follow the honourable senator from Mille Isles whenever he makes his contribution to this debate. He has a very good reason for not going on tomorrow, and as legislation takes precedence may I suggest that the debate be adjourned until Tuesday next, if that will suit the honourable gentleman?

**Hon. Mr. Haig:** The honourable senator cannot go on tomorrow because he has to appear in Supreme Court. The debate will have to go over until later.

**Hon. Mr. Monette:** I cannot go on tomorrow and, as cases before the Supreme Court sometimes go beyond a day, I may not be able to go on the next day.

**Hon. Mr. Macdonald:** I have a suggestion that would need the unanimous consent of

the house to be carried out. Instead of the honourable senator from Mille Isles (Hon. Mr. Monette) proceeding tomorrow, may I suggest that the honourable senator from Toronto-Spadina (Hon. Mr. Croll) speak tomorrow, and then someone could adjourn the debate on behalf of the honourable senator from Mille Isles, who could decide when he wished to speak. Is that agreeable?

**Some Hon. Senators:** Yes.

**Hon. Mr. Haig:** Yes.

**Hon. Mr. Croll:** I move the adjournment of the debate.

On motion of Hon. Mr. Croll, the debate was adjourned.

### INTERNATIONAL TRADE

#### DESIRABILITY OF ENLARGING CANADA'S TRADING AREA—DEBATE CONCLUDED

The Senate resumed from Thursday, November 28, the adjourned debate on the inquiry of Hon. Mr. Robertson, drawing the attention of the Senate to:

The desirability of Canada following the example of other nations of the Western world in seeking to enlarge her trading area to those countries whose governments are prepared to wholeheartedly cooperate in achieving the maximum economic benefits to all concerned, as a means to:

(1) Combating inflation, reducing cost of living, reducing costs of production, and thereby increasing the marketing opportunities for the products of our primary and secondary industries.

(2) Providing at long last an opportunity for the so-called "Have Not" areas of Canada to attain a degree of economic development comparable to that presently enjoyed by the "Have" areas.

**Hon. Calvert C. Pratt:** Honourable senators, I shall be glad of the opportunity to speak on this inquiry, if members do not think it is too late in the afternoon.

The inquiry that the honourable senator from Shelburne (Hon. Mr. Robertson) brought before this house brings up for consideration the desirability of enlarging Canada's trading area, and has wide implications in the matter of our foreign trade. This is a timely subject. The changes that are taking place throughout the world make it imperative that we review our whole world trading relationships. I know we have not gone along without our participation in trade agreements of one kind and another. Some have proved abortive, others only partly work as anticipated, such as the General Agreement on Tariffs and Trade; and now we are considering most closely United Kingdom-Canadian trading relations, and so forth.

I feel that broader concepts are being forced upon us now by the challenging world conditions which cannot be ignored. As for changes, well, every one of us here can recall

when we could count on the fingers of one hand the number of countries in the world which were regarded as industrialized. Education was confined to a comparatively few persons in most countries, and knowledge of peoples of many countries did not spread much outside their own boundaries.

It is true that we talk generally about the changing world—changed by science in a hundred ways—but industrially I think we of the North American Continent are backward in forming a policy to adapt ourselves to the economic changes going on around us. When I say “going on around us” I refer to areas of all the oceans and continents, because scientific development has changed in so many respects the significance of geographical boundaries.

I quite agree with those who have spoken on the subject that we in Canada must plan for a broadening of our markets and for wider relations generally so as to be more in line with what is shaping up to be a well recognized world movement. To do that we have to keep our thoughts on buying as well as selling.

World trade has its roots in national interest. We can write all the trade treaties we like, we can have the General Agreement on Tariffs and Trade, Commonwealth trade discussions, international get-togethers of all kinds and forms, but the overriding consideration of all countries, within the Commonwealth or without, is what is the immediate and ultimate effect on each country individually.

An entry into a market, no matter where it is, has to be made by meeting competition from other sources. No one part of the world is going to subsidize goods from another part, for reasons of national loyalties or any other motive, except what in the overall picture is beneficial to each country. If we go along with any thought contrary to that, we are just playing around with useless idealism.

That brings me to a point I want to emphasize as an essential factor in our Canadian economy. We must export to live. The United States with its huge free trade area of 48 states and 170 million people could possibly exist without its export trade, but their standard of living would be lowered distressingly if they lost that important factor of their economy. The foreign trade of the United States is about 7 per cent of its gross national product, while that of Canada is about 35 per cent. We would just wither up and die without our export trade.

What we sometimes seem to forget is that we must keep our costs in line with foreign competition to hold our export trade. This applies to primary products as well as to

manufactured goods. The matter of import tariffs, which is designed to protect manufacturing industries, is tied in with the cost of living and cost of production in all industries, whether they are called primary or secondary. The previous speakers have dealt forcefully with that subject from different points of view.

I do not subscribe to a complete wiping out of tariffs, unless developments over a long period of years should justify it. On the other hand, my definite opinion is that we are running along a very dangerous course when customs tariffs are just walls around industries—secondary industries we call them, for want of a more appropriate name—whether or not they are economically operated or fundamentally sound. To afford more and more protection, simply because they happen to exist, is wrong.

One of the greatest dangers to Canadian economy and, indeed, to Canadian unity, is ever higher and higher protection demanded and conceded to manufacturing industry. Industrial management and organized labour should be in closer co-operation in this matter than they are. They both have a double responsibility: one is the maintenance of sound industry and efficient operation, which calls for capital investment to keep industry modern and up to date; the other calls for reasonably priced labour and services that do not call for higher and higher duties and competitive restrictions.

When such artificial remedies have to be applied in continuous process, as is too often the case, it is dangerous to the people who make their livelihood on the farms, in the woods, on the sea and in the mines. Everywhere they have to pay for it, not only by higher prices but, what is more important, by reduced earning power in their competitive fields.

The honourable senator who introduced this inquiry referred to the “Have Not” and the “Have” areas of Canada and the need for an evening out of economy throughout the land. Generally speaking, what may be termed the “Have” areas are our industrialized areas in central Canada. In those sections manufacturing and servicing are done for the supplying of other portions of Canada, which are chiefly supported by the development of primary industries. Those industries live chiefly on export trade. It is these exports which provide the main contribution towards the purchasing power of the people who buy the goods from the protected industries and who pay the costs of transportation and servicing.

I know that people generally do not examine into what tariff protection is costing.

Actually, they do not appear to be much concerned; but the people in areas far removed from the places of manufacture have their net realizable income reduced far more than would be the case if importations into those parts were freer than they are. That can only be done by keeping tariff protection within reasonable bounds and encouraging freer import and export trade, as the subject before us indicates. To put it bluntly, the eastern provinces, and I expect the western provinces also, need a certain amount of protection from the highly industrialized centre of Canada. This, of course, cannot be given by the imposition of tariffs against any province, but it can be given by broadening the foreign trade relations of Canada generally, thus providing the outlying provinces with more facilities for trading abroad. This would help not only in lowering the cost of living, but undoubtedly would help the export trade, which would be for the benefit of everyone—east, west, and in the centre.

While on this particular matter I would like to refer just by way of example to my own province, Newfoundland. Prior to 1949 we had our own customs tariff, which was of a varying nature, and upwards of \$20 million was collected annually by way of customs duties. Many lines of food and other essential commodities were duty free; the tariff varied from free up to 30 and 40 per cent. Very little manufactured goods came from Canada, as Newfoundlanders were world buyers. With the coming of Union, purchasing almost completely switched to the other provinces because of the Canadian tariff. It was revealed in the first year, and has since been a matter of continuous record, that in the overall position very little, if any, of their previous tariff payments was saved by the people of Newfoundland, who then numbered about 375,000. The amount of the customs duties was used up in cost differentials by reason of the protected industries of Canada. To some degree, but perhaps not so completely, that illustration can be used for some of the neighbouring provinces.

An important, and probably the most important, aspect of this issue is its bearing on the facilitating of our exports. Let me again take Newfoundland as an example, and this application can, I think, be regarded as quite general. In the export trade Newfoundland is the best example of all the provinces, because in no other part of Canada is the livelihood of the people so completely tied in with exports. I might say also that no other province has to buy as large a proportion of its requirements from other parts of Canada and sells relatively so little within the dominion. As you know, Newfoundland people live by the production of goods for sale outside of

Canada. In recent years foreign exchange has been one of the province's great difficulties. Spain, for example, which has been one of its chief markets for codfish, is restricted in its buying because of dollar shortage. Sterling from that country would not be nearly so difficult to obtain as dollars. Other European customer countries, as well as some South American countries, are similarly restricted in their purchasing. By Canada spreading its trade more widely than it does now, these problems would to some extent be relieved. As I said just now, I use this case as an example, and I am sure similar situations exist in industries seeking export opportunities from all parts of Canada.

I would like to use this opportunity to bring to the attention of Parliament a very important event in the development of international trade, an event which happens every second year. I refer to the Biennial Congress of the International Chamber of Commerce. Two years ago honourable senators gave me the privilege of reporting on the proceedings of the Congress which had been held in Tokyo, Japan. Last May this organization met in Naples, Italy, for the consideration of international trade problems. While at this time I have not the opportunity of dealing with the proceedings as fully as I did on the other occasion, there are some features which have a bearing on the subject now before us and which might be useful for me to mention. I may say that I as a member of the Canadian Council was privileged to be one of 36 delegates from Canada. To emphasize the importance and significance of the deliberations, I need only mention that 64 countries of the world were represented by delegates, either by national committees of the International Chamber of Commerce or through organizational or associate membership. Twenty-two Asian countries were represented. It is significant of the times that there were more countries of Asia represented at that conference than of any other continent.

The main theme of the proceedings was "New factors of economic progress". The subject of the much publicized Common Market in Europe came in for close consideration and explanation from those intimately identified with the movement. As this promises to be of particular significance to Canada, I shall refer to that again in a moment.

I shall not endeavour to summarize subjects considered or opinions expressed, as that would be impossible in the few minutes I have to devote to this topic. Just a few random thoughts and ideas reflected in the proceedings may be of interest.

First and foremost is the impression, as I said before, of the upsurge in industry in areas of the world which to me, at least, was most unexpected. Then there is the ambition of peoples to participate in economic development as partners and not as poor relations. One eastern speaker said the term "undeveloped" countries should be dropped for the more appropriate words "insufficiently developed" countries.

Without minimizing by any means the need for aid, a prominent Pakistan gentleman stated in forceful language that "aid is not charity". He gave due credit to the United States, the British Commonwealth and other countries for aid granted in the development of water power, irrigation and industrial facilities for the utilization of materials of his country. It is of greatest importance, he said, that technical and management experience be given, so that the ambitions of their own people for self-development could be met. Encouragement and help towards self-development was constantly stressed.

A speaker from India pointed out that with the development of transport and communication the world has shrunk in size, and that people in the less developed areas are increasingly aware of the life and culture of the more fortunate people in the advanced areas.

He stressed the point in these words:

The urge for development is such now that poverty is dangerous like war, and poverty in one part of the world is a potential threat to the prosperity of all other parts of the world.

"Democracy", said one speaker, "has no appeal to empty stomachs." He brought out forcibly the point that there will always be a different pattern of economic life in different countries and that human aspirations will never be the same everywhere. Advice was given to the peoples of the advanced countries not to be setting up in their minds that the success of their aid to the far-away lands could be measured by comparing their habits and mode of living with that of their own. Nothing worse could happen than a breakdown in the traditions and habits of living which are inherent in the nature of various peoples.

The need for international co-operation in the field of new sources of power was very strongly expressed by experts from various countries. Trade barriers caused by national prejudices were cited to illustrate the very real obstacles that exist to a freer exchange of goods for the benefit of all. The amazing call for development in what we regard the remote parts of the world is one of the outstanding features of these times.

I might digress for a moment to pose this further comment. There was at the conference a gentleman from one of the far-away countries in the East, and he said:

It is a shame how much our people are misunderstanding and misinterpreting the life of the people in the Western areas.

He referred to the United States and Canada.

You people of North America may not think this is serious, but I regard it as being very serious and so do many of our citizens. The people in my country

—a country away out in the South Pacific somewhere—

go to their movie houses just as the people do in the West and see American and Canadian pictures, and the general impression they form is that the people of your countries are killing each other all the time, you are shooting each other on the streets, you are chasing each other on horses through the woods to kill each other. That is the general impression.

He continued:

I am serious, because I travelled in those countries and I know the conditions are not as the pictures represent. I will tell you that you will never get over to us a true idea of the life of the people in your countries unless you do something to correct that impression, because our people will never believe that what they see in these pictures is not true and such terrible things are not being carried on everywhere and all the time.

That was something, honourable senators, that was not directly tied in with the trade issues, but it was a human touch that greatly impressed me. The statement was made very strongly and feelingly by that gentleman, who has a wide interest in the development of human life and the betterment of human relations.

There is one growing conviction which I get from such gatherings as these, and it is that whether it is Canada, the United States or any country that has an economic policy which is not flexible enough to encourage trade throughout the world on the broadest possible basis, it will in the course of time be overrun by the industrialization of the world outside of it. If such countries do not change their policies soon enough, they will suffer tremendously.

I will now refer for a moment to a freer trade development which is coming into being in Europe and which will have a very vital relationship to us here in Canada.

On March 25, 1957, a treaty establishing a European Common Market was signed in Rome by representatives of Italy, France, Belgium, Germany, Luxembourg and the Netherlands. Those countries now have a population of 163 million. Over a period of from twelve to fifteen years, and by gradual stages, a Common Market is expected to be developed. The general effect will be that when a reconciliation of their various interests is arrived at that there will be no customs

tariffs against each other, and there will be a uniform or common tariff against the outside world.

We hear so much on every hand of the great development of Canada. It is great indeed. Surprising as it may be to most of us, even greater development has taken place and is taking place in the countries which I just mentioned and which are now termed the Common Market nations. For the past four years the national output as expressed in volume—not in currency, by the way—of those six nations increased by 22 per cent, and none of them can be termed underdeveloped countries. In comparison, during those four years the national output of Canada increased by 18 per cent—as against the 22 per cent for the Common Market nations—the United States 15 per cent, and the United Kingdom 15 per cent.

Then, there is under consideration, and under the leadership of the United Kingdom, a still broader body known as the Organization for European Economic Co-operation—O.E.E.C., as it is called. This is designed to embrace as a unit the countries comprised in the Common Market, which I just referred to, and also the United Kingdom, Sweden, Denmark, Switzerland, Austria, Turkey, Portugal, Greece and Ireland. The main difference between these two is that the Common Market body of six will, as I said, have no tariff against each other but a common tariff against all outside countries, while the O.E.E.C. with 15 members will work toward no customs tariff against each other, but each of the nine I have mentioned will have for some unspecified time their own and separate tariff system for outside the area. What I want to bring out is that important movements of that nature in major countries of the world, such as those, cannot be ignored by us. They set up a new condition in world trade which cannot be met by isolation of any country and certainly not by such a vulnerable country as ours.

We got in on the General Agreement on Tariffs and Trade, and it has been useful. What it did was to adjust tariffs here and there, but it was so flexible in its application that it was full of uncertainties and perplexities. It is true that these new organizations will be full of uncertainties and perplexities, but they definitely represent a trend among nations of the world which we simply cannot ignore.

During the years 1949-1956—in seven years—Canadian exports to those six Common Market countries increased by 137 per cent, the largest increase to any area of the world where our trade is substantial. This was without any consideration of the Common Market plans, which, of course, are not yet

operative. It does emphasize the need for our being alert and being ready to co-operate with the international changes in trading relations that are taking place.

It is interesting to note that while the increase of Canada's exports to those six countries in seven years rose by 137 per cent, the increase from Canada to Western Europe generally was 100 per cent; to the United States, 87 per cent; to the United Kingdom, 15 per cent; and to the Commonwealth countries outside the United Kingdom, 15 per cent.

At this point, I would recommend for study by all interested in this subject a reprint from issues of *Financial Post*, entitled "Prosperity with Independence", prepared by Mr. Michael Barkway. It was from this publication that I obtained many of these figures. I might add also that the magazine entitled *Foreign Trade*, published by the International Trade Relations Branch of our Department of Trade and Commerce, gives a most useful coverage of our foreign trade matters.

Should the larger group of European countries to which I just referred come into a common agreement, which would not only include the seven countries particularly mentioned but embrace the United Kingdom and eight additional countries, then it will become still more important to be searching outside our own boundaries, outside the United States and outside the Commonwealth, for trading partners—and I emphasize the word "partners". The area of the larger group of European countries embraces 285 million people.

Honourable senators, I have taken up more time on this subject than I probably should, and I thank you for your attention.

I want also to say in closing that I feel the honourable senator from Shelburne (Hon. Mr. Robertson) is to be heartily commended for having introduced this subject, which is of very great consequence to Canada.

I do hope that in this chamber the great implications of co-ordinated trade movements now in progress among the nations of the Western world will be fully explored, and that the Government of Canada will keep its trade policy geared to the vital changes which are taking place in international industry and international trading relations.

**Hon. Mr. Burchill:** May I ask the honourable senator from St. John's West (Hon. Mr. Pratt) whether the 22 per cent to which

he referred is 22 per cent of the gross national product of those six nations as compared with Canada?

**Hon. Mr. Pratt:** It is the increase in the National output in commodity volume in those countries, not in value.

**Hon. Mr. Robertson:** Before this item is dropped, as apparently there is no one else to speak on this matter, may I ask leave of the Senate to make a brief statement? I want to thank honourable senators who have participated in the debate, and all honourable senators for the courteous attention they have given to me and others who have taken part in it; and to say that, when the new Parliament assembles, if, as I anticipate, the subject of external relations and our trade will have increased in interest, I should like to have another opportunity of drawing the attention of the Senate to this most important matter.

**Hon. Senators:** Hear, hear.

## DIVORCE

### REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 173 to 188, which were presented on December 2.

**Hon. Mr. Roebuck** moved that the reports be adopted.

The motion was agreed to.

### BILLS—SECOND READINGS

**Hon. Mr. Roebuck** moved the second reading of the following bills:

Bill M-6, for the relief of Pierre Rothe.

Bill N-6, for the relief of Vasyl Dudka.

Bill O-6, for the relief of John Francis Bernard Deegan.

Bill P-6, for the relief of Jean Guy Joseph Desparois.

Bill Q-6, for the relief of John Howard Cooper Thompson.

Bill R-6, for the relief of Romeo Raymond.

Bill S-6, for the relief of Annette Allard Huint.

Bill T-6, for the relief of Vera Dziedzic Volkman.

Bill U-6, for the relief of William Toulouse.

Bill V-6, for the relief of Frances Maud Mercer Barter.

Bill W-6, for the relief of Florence Bloomfield Cichella.

Bill X-6, for the relief of Carmen Baron Matucha.

Bill Y-6, for the relief of Martine Rolland Badeaux.

Bill Z-6, for the relief of Gertrude Laurence Delisle Laplante.

Bill A-7, for the relief of Viola Carmela Starnino Dizazzo.

Bill B-7, for the relief of Ludek Peter Rubina.

The motion was agreed to, and the bills were read the second time, on division.

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Roebuck:** Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

## APPENDIX

(See p. 317)

## CANADIAN UNIVERSITY STUDENT RESIDENCE SITUATION, DECEMBER 1957

University	Number of Students	Number Student Residence Rooms	Number Men in Residence	Number Women in Residence	Total Number in Residence	Number Living at Home	Number Months Residence Occupied	Plans for new Residences and cost
Toronto.....	13,000	1,912	1,389-W. 1,500-S.	533-W. 600-S.	1,922-W. 2,100-S.	.....	12	Plans to build residences for 640 men and 190 women in next 5 years at cost of \$4,400,000.
Victoria University, Toronto.	1,368	237	119	118	237	.....	12	Plans to build residence for 200 women Spring of 1958. No cost estimate.
Trinity College, U. of T..	588	232	147	85	232	.....	12	Plan build residence for 100 women next 3 years, 150 men next 6 years. No cost estimate.
St. Michael's College.....								
Carleton University.....	1,500	.....	.....	.....	.....	.....	.....	Residence for 150 about 1960. Estimated cost \$1,500,000.
University of Western Ontario and affiliated Colleges.	3,600	514	310	204	514	.....	12	Men's residence for 300, Aug. 1, 1959, cost \$1,845,000. Women's residence for 300, Feb. 1961, cost \$1,800,000. Men's residence for 300, Feb. 1964, cost \$1,800,000.
Dalhousie University....	1,593	139	33	111	144	.....	10	No plans.
Laval University..... 28 affiliated colleges for boys not included. 8 affiliated colleges for girls not included.	3,695	580	580	.....	580	.....	8	Men's residence for 350—Sept. 1958.
University of Ottawa....	3,500	200	.....	.....	200	.....	.....	No plans in near future.
McGill University.....	7,600	1,078	470	608	1,078	2,000 in boarding houses	10-11	Plans for women's residence 200—MacD.
University of Montreal...	10,744	115	122	.....	122	.....	12	Hope to have men's res. 150—1962. Hope to have women's res. 100—1962. Cost \$1,000,000 each.
University of Manitoba..	4,900	290	.....	.....	577	725 in boarding houses 2,000 at home	10	Residence for 50—1958 Residence for 100—1959
5 affiliated colleges. Have some residences.....	.....	100 est.	.....	.....	100 est.	.....	.....	
University of Saskatchewan.	3,535	207	.....	.....	325	775 at home	.....	No plans for present. Plans for \$3,000,000 in 10 years.
University of Alberta....	5,666	618	582	157	739	1,400 est.	9	No plans.
U. of A. Banff School of Fine Arts.	500	141	.....	.....	300	.....	.....	Plans for residence for 50 students—1958.
University of British Columbia.	10,000	300 est.	.....	.....	500 est.	.....	10	
	61,789	6,663	.....	.....	7,570	.....	.....	

## THE SENATE

Wednesday, December 4, 1957

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

Prayers.

## NATURAL RESOURCES COMMITTEE

## ADDITION TO MEMBERSHIP

**Hon. Mr. Haig:** Honourable senators, with leave, I move:

That the name of the Honourable Senator Vien be added to the list of senators serving on the Standing Committee on Natural Resources.

The motion was agreed to.

HER MAJESTY'S BROADCAST OF  
OCTOBER 13

TEXT TO BE APPENDED TO SENATE RECORDS

**Hon. Jean-François Pouliot:** Honourable senators, with leave, I beg to move, seconded by the honourable senator from Bruce (Hon. Mr. Stambaugh), that the text of Her Majesty's broadcast of October 13, 1957, over the C.B.C. network shall be published as an appendix to the English and French editions of the Senate *Hansard* and of the Senate *Minutes* and *Journals*.

**Hon. Mr. Macdonald:** Honourable senators, it occurs to me that in the bound volume of *Hansard* and the *Journals* it would be more appropriate if the text of the broadcast could be appended as of October 14, the day after the speech was made, rather than as of today.

**Hon. Mr. Haig:** Surely.

**Hon. Mr. Macdonald:** I do not know if that is possible, but if it is I think it would be more appropriate.

**The Hon. the Speaker:** Would the honourable Senator Pouliot accept as an amendment to his motion the suggestion of the honourable Senator Macdonald, that the broadcast of Her Majesty the Queen be added as an appendix to *Hansard* and the *Journals* of October 14?

**Hon. Mr. Pouliot:** It could be transposed to that date in the bound edition, but if we want to look at the Speech now we will still have to go to the newspaper files.

**The Hon. the Speaker:** The Clerk of the Senate has suggested that we leave the matter to the Editor of Debates and the Chief of the Minutes and Journals.

**Hon. Mr. Pouliot:** Thank you.

The motion was agreed to.

For text of broadcast see appendix to *Hansard* of October 14, 1957, pp. 5a and 5b.

96702—22½

## NATIONAL GALLERY WORKS OF ART

## NOTICE OF INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Pouliot:

With reference to the pictures published in the annual reports of the National Gallery of Canada for 1955-1956 and 1956-1957, when and from whom was bought each painting, drawing, etching, sculpture or statue illustrated therein and how much was paid for each one of them, the answers to be related to the number of the picture, as set out in the said reports?

**Hon. Mr. Haig:** Stand.

**Hon. Mr. Pouliot:** Honourable senators, on a question of privilege, I protest. That inquiry has been on the Order Paper for a long time, and the answer to it would be short because the number of items is not large. If Alan Jarvis showed more co-operation this inquiry would have been answered a long time ago. The reason for the delay is that he is ashamed of the prices he has paid for those horrors that are so disgusting. He has been over-rated. His first duty is to inform Parliament about the expenditure of money at his museum of horrors.

**Hon. Mr. Haig:** Honourable senators, I do not know whether my honourable friend is directing criticism to me.

**Hon. Mr. Pouliot:** I do not blame the honourable gentleman; I blame Alan Jarvis.

**Hon. Mr. Haig:** I thank my honourable friend for the assurance that he is not criticizing me. I thank him for the very fine compliments he has paid me, and I will tell him that the minute I got this inquiry I dictated a copy of it to my secretary and she sent it to the different departments concerned for the information. She inquired just this morning and was informed that the information was under preparation but was not ready at the moment, and that it would be sent as soon as possible. I cannot do more.

**Hon. Mr. Pouliot:** I want the honourable gentleman to understand that there was not the least reflection on him. My criticism is of Jarvis.

**The Hon. the Speaker:** The Honourable Senator Haig has the floor.

**Hon. Mr. Haig:** I want to say more. I am not the kind of a person that tries to take things out on a person because he criticized me and said I was a bad actor the other day. That is the best kind of advertisement for me, and I may say that I got a great reception all over Canada—I have been getting letters from all over Canada saying that at last we have a fighter on the Conservative side in the Senate.

I have been in public life continuously for fifty years, and never out, and I will tell my honourable friend that my home city of Winnipeg never beat me once, not once. So I say to my honourable friend that as long as the city of Winnipeg has that opinion of me I don't care what opinion he has, but I will give him the same treatment, fair and honest and as quick as I can. Now, although I do not do it as fast as some other people, it is just because I am a little poky, a little slow.

**Hon. Mr. Pouliot:** That is completely out of order.

**Hon. Norman P. Lambert:** Honourable senators, may I have a word to say on the inquiry made by my honourable friend from De la Durantaye (Hon. Mr. Pouliot)?

The responsibility for the selection of the pictures in the National Gallery that have been referred to here, as well as for the prices attached to them, does not fall on the shoulders of Mr. Jarvis. The decision to make those purchases, as well as the prices attached to them, was the responsibility of the National Gallery Board. That was very definitely decided upon and was illustrated quite clearly and adequately in the other house last year when this question was discussed. At that time several pictures were in question. The collection from which they were bought included one very valuable one, which has not yet been purchased and about which several questions were asked in the other place at the time.

I just wanted to make this point quite clear, that the new board, the recently appointed board of the National Gallery, is the body which is completely responsible for recommending and undertaking to buy those pictures, with the consent, of course, of the responsible minister. I do not think that it is quite fair to suggest that Mr. Jarvis be "the goat" in this case.

**Hon. Mr. Pouliot:** Therefore, honourable senators, my remarks apply to the whole board.

## DIVORCE BILLS

### THIRD READINGS

**Hon. Arthur W. Roebuck,** Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill M-6, for the relief of Pierre Rothe.

Bill N-6, for the relief of Vasył Dudka.

Bill O-6, for the relief of John Frances Bernard Deegan.

Bill P-6, for the relief of Jean Guy Joseph Desparois.

Bill Q-6 for the relief of John Howard Cooper Thompson.

Bill R-6, for the relief of Romeo Raymond.  
Bill S-6, for the relief of Annette Allard Huint.

Bill T-6, for the relief of Vera Dziedzic Volkman.

Bill U-6, for the relief of William Toulouse.

Bill V-6, for the relief of Frances Maud Mercer Barter.

Bill W-6, for the relief of Florence Bloomfield Cichella.

Bill X-6, for the relief of Carmen Baron Matucha.

Bill Y-6, for the relief of Martine Rolland Badeaux.

Bill Z-6, for the relief of Gertrude Laurence Delisle Laplante.

Bill A-7, for the relief of Viola Carmela Starnino Dizazzo.

Bill B-7, for the relief of Ludek Peter Rubina.

The motion was agreed to, and the bills were read the third time and passed, on division.

## SPEECH FROM THE THRONE

### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

The Senate resumed from yesterday consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot, for an Address in reply thereto.

**Hon. David A. Croll:** Honourable senators, a speech made on November 27 by my colleague the honourable senator from York North (Hon. Mr. Sullivan) has prompted me to enter the debate at this late stage. The honourable senator to whom I have made reference is one of the most eminent specialists in the medical profession. From my own knowledge I would say that he is matched by few and surpassed by none in his competency and devotion to his profession.

I differ from his political views and conclusions as he expressed them in this house on November 27, and particularly with respect to health insurance, which he called "state medicine". I began to differ from him almost from his first sentence, when he said:

The medical profession as a body, united in action, cries out "halt".

These are strong, strange and bristling words, and they made me suddenly realize that I was listening to something different from what one normally hears with respect to the subject of health insurance. So I made it my business to find out just what the

medical profession says about health insurance; and I thought it would be well if we looked at the record.

On June 13, in the *Toronto Globe and Mail*:

The voice of organized medicine in Canada—the Canadian Medical Association—today announced that the profession is in favour of universal hospital insurance. It was made clear that if it had a choice the profession would rather see any such plans voluntarily and privately administered by agencies such as Blue Cross, than compulsory and Government-administered.

But, apparently in acknowledgment of public opinion, the C.M.A. said it is encouraging its provincial divisions to co-operate with their provincial Governments in setting up Government plans.

A few weeks later, on June 15, this statement appeared in the *Montreal Gazette*:

National health insurance will one day be in effect in Canada, said Dr. T. C. Routley this week in his presidential address to the Canadian Medical Association. As of this date, he said, it would appear that the staggering costs involved are causing most, if not all the provinces, to move cautiously and slowly.

Now we have heard from the Canadian Medical Association and from the Association's President himself.

On November 29, 1957, the Canadian Dental Association, which is in many ways analogous to the C.M.A., had this to say, as reported in the *Toronto Globe and Mail* of that date:

Full-scale health insurance is almost certain to come to Canada and the dental profession should begin to prepare for it before it is too late, the Toronto Academy of Dentistry was told today. Dr. Donald W. Gullett, Executive-Secretary of the Canadian Dental Association, suggested the profession would be well advised to gain experience now in voluntary insurance plans for dental services.

Note these words:

Dr. Gullett said federal health grants were instituted in 1948 "to be utilized strictly as preparatory steps for the introduction of health insurance. . . . A few years later special assistance was provided for the increasing of diagnostic facilities—again, as stated at the time, in preparation for health insurance.

In the meantime a statement was made on several occasions giving the order of the gradual introduction of health insurance services.

After the preparatory steps were taken the first service to be instituted was stated to be hospital services under health insurance. This action is occurring right now and right on time in accordance with the original plan.

The next stated service planned to be included is medical services, to be followed by dental services.

Difficulty would be experienced today in finding any individual well versed in Canadian health affairs who does not believe that full-scale health insurance is going to become a fact in Canada."

We are told that the medical profession, as a body united in action, cries out "Halt!" Yet here are the dentists asking at the same time: "Be sure and include us in. Don't leave us out".

Who else is for national health insurance? Well, I wouldn't be far afield if I said the

people were for it. The two major political parties have endorsed it. The two minor political parties have endorsed it. In fact, all the political parties in Canada have endorsed it.

**Hon. Mr. Brunt:** Would the honourable gentleman permit a question? Would he define what he means by health insurance?

**Hon. Mr. Croll:** As I go along. If there is any doubt in anyone's mind, one way of testing is to ask those honourable senators who come from Saskatchewan, Alberta and British Columbia if the people in those provinces are prepared to give up the schemes at present in vogue there. There is as much chance of slowing down or of scuttling health insurance in this country as there was of King Canute stemming the tides. I think it is time we recognized that it is as inevitable as tomorrow. It will come quicker under some governments than under others, but it surely will come. We in the Liberal party have had it in our platform since 1919 and the only criticism has been that we have not been going fast enough.

How do the people feel about health insurance? Is there any way for us to know? The first step is, of course, hospital insurance. I have here a clipping from the *Toronto Star* of September 5, 1956, which deals with a Gallup poll conducted in Canada. I quote:

Public wish for a government-operated plan for hospital insurance is increasing at a rapid rate . . .

Last April the Gallup poll reported that six in 10 Canadian men and women were in favour of a government-operated plan for payment of any hospital expenses "you incurred". Critics of the plan suggested that there would be a different reaction if the phrase were enlarged to "any hospital expenses you, or someone else, incurred".

The poll reveals, however, that in the five-month span of time, 10 per cent more of the public like the idea—for their own expenses, and for anyone else's as well.

Question used in this study was:

"Would you favour or oppose a government-operated plan whereby any hospital expenses you, or someone else, incurred would be paid out of taxes?"

Comparison between today's public reaction and that of last April is shown in the following table:

	April, 1956	Today
In favour .....	62 per cent	72 per cent
Opposed .....	24	21
Qualified .....	3	—
Undecided .....	11	7
	—	—
	100 per cent	100 per cent

In order to make sure that citizens who were looking for "pie in the sky" would realize that such a plan might cost them more money, interviewers asked those men and women who said they wanted a government-operated hospitalization plan, whether they would still feel this way if it meant higher taxes. As the table shows, they cannot be shaken in their wish for it.

Remember, 72 per cent in September said they were in favour of the plan. The table continues:

Yes, even with higher taxes .....	52 per cent
No .....	14
Can't say .....	6

Who approved ..... 72 per cent  
Approval for hospital insurance run by the Government is naturally high in the western provinces where it now exists. In Quebec province 75 per cent of the people say they are in favour; in Ontario 69 per cent say they are.

Honourable senators, an article appeared in the *Toronto Star* last night, which seemed to be very timely, and I thought it would interest the house because it has to do with a health plan. The author is J. E. Belliveau, a very well-known newspaperman, who has been in the Parliamentary Press Gallery. The article is headed "Need For Health Plan". I quote:

Some idea of how much this country wants a national comprehensive health insurance plan may be had from a pile of letters on this desk. They came as the result of comments one day last week concerning a family in eastern Ontario made destitute by years of illness.

Further on:

While the letters were arriving, the report of a three-year study of the Windsor, Ont., prepaid medical scheme by the University of Michigan's bureau of public health economics proved a notable point. It shows Windsor's comprehensive plan to be highly successful and endorsed by doctors as well as the public.

The community scheme covers 85 per cent of the Windsor population, collects \$5,000,000 annually in premiums and gives Windsor doctors 60 per cent of their income.

And further on:

Doctors who may oppose public health insurance would be interested to know that in Windsor patients do not swamp the medical men with trivial or needless calls. One-third of the people insured make no claims at all. Home calls to the insured in that city are fewer than to the uninsured.

Most notable of all, Windsor doctors have an average income of \$13,762, which is substantially higher than the Canadian average of \$12,166.

Since the Windsor scheme has 200,000 subscribers and has been operating for a generation, it ought to have proved its point. It has inspired other plans, for example the Ontario Medical Association's less comprehensive Physicians' Services, Inc.

A large industrial city like Windsor, perhaps Canada's most thoroughly organized, of course has a head start in establishing such a system. However, the Swift Current, Sask., city-rural regional plan on a different basis did the same thing out there. Here again there were special circumstances.

These successes have proved the traditional private doctor-patient relationship was not disturbed as some had feared. Further, by their very rarity, they suggest vast areas of Canada are left uncovered by any really comprehensive, unlimited and easily managed health insurance coverage.

**Hon. Mr. Crerar:** May I ask my honourable friend a question, because he is discussing a very interesting point now? How much of

the Windsor scheme was contributed from taxation, if any? I rather got the impression that it was a voluntary scheme.

**Hon. Mr. Croll:** There is no taxation involved in the Windsor scheme.

**Hon. Mr. Crerar:** Everyone supports a scheme like that.

**Hon. Mr. Croll:** It is a scheme that was locally built up. They pay for the services, but they do it on a joint basis. What I am suggesting is that everyone pays co-operatively.

**Hon. Mr. Crerar:** It is really a form of insurance?

**Hon. Mr. Croll:** National health insurance. That is what I am talking about.

**Hon. Mr. Brunt:** What do you mean by national health insurance? What do you include in national health insurance?

**Hon. Mr. Croll:** The Ontario hospitalization plan is a beginning, but it is more like the scheme in Alberta and Saskatchewan rather than the bare bones of the Blue Cross scheme.

**Hon. Mr. Brunt:** Well, the Ontario Government scheme does not include medical fees.

**Hon. Mr. Croll:** It does not at the moment.

**Hon. Mr. Brunt:** All it is, is a hospitalization scheme.

**Hon. Mr. Croll:** I realize that. What I am saying is that this is the first step to national health insurance. That is exactly what Dr. Donald W. Gullett said, and exactly what the Government said in 1947 when it was taking that first step.

Honourable senators have heard the quotation I read a moment or so ago. They may recall my association with the first medical health plan in the province of Ontario, and will appreciate why I was distressed with the speech of the honourable senator from North York. The honourable gentleman opposite (Hon. Mr. Brunt) asked me what I mean by national health insurance. My idea of health insurance is the kind of plan they have in Great Britain, which is by far the very best in the whole world. I saw it in operation in 1949 and 1950, and at various other times. That plan must be the ultimate aim in this country. There was a great deal of talk about the British plan. My friend the honourable senator said he had investigated it in 1949, and he did not have many nice things to say about it. From time to time we hear the British plan talked about, but let us see what the British public itself think about it. I have here the Toronto

Star for July 16, 1956, under the caption of "British Gallup Poll":

A unique "two-sides-of-the-coin" study on the status of Britain's famed ten-year-old national health service has been completed by the Gallup poll of Britain, and shows a surprising unanimity of opinion as between the general public on the one hand, and the medical profession on the other. Both groups now support the basic idea of the national health service, although doctors have many criticisms.

The attitude of the general public was measured by interviews with a true cross-section of adults. The views of the medical profession were obtained from a randomly selected cross-section of 500 general practitioners serving under the national health service throughout England and Wales.

It is probably not surprising that the British public generally favours the plan.

And here is the question that was put to the public:

As far as you, personally, are concerned, how far up or down this scale would you rate the national health service?

This is how the general public responded:

Gave favourable rating .....	89%
Gave unfavourable rating .....	4%
Undecided .....	7%

Then they questioned the general practitioners alone:

Suppose you had a chance to go back 10 years and vote on whether the national health service should be started or not. How would you vote—in favor of starting it, or against starting it?

The general practitioners responded as follows:

In favor .....	67%
Against .....	31
Don't know .....	2

"G.P.'s" in answer to further questions, report, in the main, no change in the number of night calls; relationships with patients "just about as personal as before."

A little farther on the article says:

Among the public, overwhelming majority feel they are getting good service from N.H.S.

The following question was put to the general public:

All things considered, do you think you are getting good service or poor service from the National Health Service?

Here is the response of the general public:

Poor service .....	10%
Good service .....	89
Undecided .....	1
	100%

Well, there is the story. Can it be said that the medical profession as a body united in action cries out "Halt." I wonder whether consideration has been given to the view of the Medical Council, the view of its president, the view of the dental association as expressed through its secretary, the view of the political parties of this country, in the light of the Windsor plan, the Gallup poll on the hospitalization plan in Canada and the Gallup poll on the British plan? I cannot for the

life of me see anything that says "Halt" in any of these things I have presented up to the present time. If anything at all, it is not "Halt" that I see, but rather "Get it into effect as quickly as you possibly can."

**Hon. Mr. Gershaw:** Would the honourable senator permit a question at this point? He spoke of hospital insurance. Apparently in Britain the hospital is paid for by the Government. Would he not favour a system like we have in Alberta, where the provincial Government pays part of the hospital bills and the municipal Government pays part, and yet the patient is asked to contribute a small part as well?

**Hon. Mr. Croll:** I am not as well versed with the Alberta plan—although I have made notes on it—as I am with the British plan. For many years I have followed the British plan, and I know something of it. On two or three visits I have made to Britain I have watched the plan at work. I like the British plan above all others because it has worked on a large scale, particularly in industrial areas, and it seems to be a model plan in this modern world. I am not saying anything to belittle the Alberta plan, but it has not had the experience.

I have dealt with one aspect of what the honourable senator from North York had to say. But he went further than that. The senator's thesis seems to be that something called "State medicine"—which is never defined—leads a country straight to the infernal regions, namely, communism. And he has backed up his argument with a second statement, that state medicine causes malingering, leads to ever-growing expenditure of public funds, dilutes the cause of medical service, and tends to reduce doctors' fees or honoraria.

To the charge that state medicine leads to communism, one can say that no one with the exception of the honourable senator has ever advanced such a theory; and no one, including the senator, has been able to demonstrate that such a theory is valid.

In the course of his speech he equates communism with social welfare, and he goes to great lengths to attempt to prove that from the days of Bismarck to Bevan communism—or its companion, socialism—has been conspiring to destroy the medical profession. Such an argument has always been the refuge of those who fear that a privileged position is endangered by what they call political meddling.

The greatest minds, historians, economists, philosophers, have established that a number of factors, largely economic and historical, have brought about the rise of totalitarianism, whether one calls it communism, fascism or

any other "ism". It was not state medicine, or anything relating to state medicine, or welfare services, that brought about Russian communism, but a combination of a hundred years or more of political repression, social injustice, incredible stupidity of the governing classes, plus disastrous defeat in a war, plus the bold seizure of power by a handful of brilliant but unscrupulous people.

I ask, what has all this to do with state medicine?

I have every respect and admiration for the medical profession, and I say this when I am well, not when I am sick. It is a profession dedicated to one of the noblest aims in life, to serve its fellowmen. But the way the honourable senator tells it, the main purpose of the Russian Revolution was to break the medical profession and turn doctors into overworked and underpaid civil servants.

This leads me to the second theme, that state medicine, as the honourable senator put it, means malingering and waste of the public purse; thus, when the cry for economy goes up, it will mean lower fees for the doctors. The only answer I can make is that these things have never come about, as one can see by the experience in Windsor, in Swift Current and in Great Britain. In countries which have various forms of socialized medicine the incidence of "lead-swinging" and attempts to "beat the system" are no greater than they are in our own system of Unemployment Insurance in Canada.

Does anyone say that the Government, which is to say the Canadian people, is being fleeced through abuses of the Unemployment Insurance scheme? Is there any appreciable "malingering" to "milk the fund" unduly of benefits? I do not think those questions need to be answered. Then why should a health insurance scheme—not state medicine, whatever that is—permit any greater abuses?

As to mounting costs, where does anyone think the moneys paid for health insurance go? They go to doctors, nurses, hospitals, pharmacists, makers of drugs and medicines and hospital beds and bandages and crutches. In other words, health insurance funds filter through the entire economy at every level; and finally, a good share of them, after benefiting the whole country, comes back to the Treasury in the form of income tax, sales tax and so on. I ask, is this process bad for Canada?

Opinions may differ as to costs. None of us are experts on that question. There is no way of knowing exactly what it will cost. The best way to find out is to go ahead with the program and meet the situation as it arises. I am a little bit suspicious of these

people who are constantly painting pictures of horrendous expenditures. I well remember that ten years ago, in a White Paper delivered to the House of Commons, the experts predicted that Canada by 1971 would have a population of 15 million. How wrong they were!

Furthermore, national health schemes are not give-aways, but are an investment in health, which, to a nation, is wealth. Sickness, if not arrested, causes absenteeism, loss of production, with consequent cost to the individual and to the country.

Some abuse in health insurance is certain to be encountered, just as the medical, legal and other professions encounter abuse of its ethics by a small minority of its practitioners. Is that any reason to denounce a plan which will benefit the vast majority of citizens whose one great desire is to be rid of the spectre of crippling medical bills? Most working people are unable to bear the burden of medical costs today. As far as the average person is concerned, any major illness is a catastrophe.

As for making doctors into civil servants and reducing their fees, or rather their honoraria, I should say, first of all, we owe an apology to the members of the public service across the country, from the deputy ministers at Ottawa to the smallest municipal clerk in Saskatchewan or Newfoundland—and there are many thousands of them. Since when has it been a fate worse than death to be a civil servant? An awful lot of people do not think so, and that includes a number of doctors, lawyers, engineers, accountants, architects and school teachers who are in the public service right now. And are not we in this chamber also in the public service?

But in any case, no one is now suggesting, or has ever suggested, putting the Canadian medical profession into a strait-jacket and telling them how to diagnose measles or take out an appendix, or have them lined up for pay cheques every second Friday.

The argument that National Health Insurance will reduce the doctors to ciphers is cobwebby and has been rejected time and again by the medical profession. Nowhere in Europe or Great Britain, where medical plans are operated, has the medical profession been reduced to the flat level of sameness. What is done under these plans is to direct some of the activities into state operated plans whereby the criterion for obtaining medical care is not the size of the bank account. In this day and age the patient must receive care not commensurate with his means, but with his malady.

What is suggested and what is going to be of that you can be certain, is a system of

insurance whereby the risk and expense of illness will be shared by a group instead of by a large number of separate individuals. In essence, it is no more complicated or more sinful than Unemployment Insurance, which has been functioning well and has brought benefits to millions of wage earners; the cost to the public purse has been negligible. Is the moral fibre of Canada weaker because of unemployment insurance, and does anyone seriously think that health insurance will drag us all down to perdition or make leeches and milk-sops of us all?

Is it not rather by helping to free men's minds from the menacing spectre of illness and disease, and the fear from crippling expense, that so often accompanies them, that we will be freeing our people for more productive and fruitful things than worry and fear? To say "that the status of health care depends on the level of wealth, not schemes of one kind or another" is propounding a doctrine which, if followed, would tie the welfare concept to the gross national product. It is true that a country can provide only those services which it is capable of paying for. Can anyone say truthfully that Canada cannot afford to bring medical care within the reach of all its citizens? If, as my honourable friend says, "to achieve welfare one must have wealth"—is not the first call on the public purse that which will help all Canadians? Then surely national health insurance is not the ogre that was pictured here a few days ago.

National health insurance can never be discussed, as the honourable gentleman put it, "in the spirit of cold-blooded realistic discussion". We are discussing human beings and their welfare and, more particularly, sick people of limited means. The first thing to remember is that they are the backbone of this country and they are not expendable.

In the world of tomorrow there will be no free medical market where the doctor alone can pick and choose. It must be one of mutual picking and choosing, where prerogatives will have to be relinquished on all sides.

Before national health insurance is denounced by the medical profession, they should be reminded that it has achieved substantial progress in Canada under a semi-welfare state. Federal grants to hospital construction, started in 1948, to date amount to over \$93 million. This does not take into account what was spent on D.V.A. hospitals, National Defence, Indian and Eskimo hospitals, and that is considerable. Add to that \$125 million at least spent by provincial Governments; from \$75 million to \$100 million or maybe \$125 million spent by municipalities, and there you have \$300 million,

almost \$400 million, in 10 years, out of the public treasury.

And so here we find in Canada, despite our vaunted democracy, despite our great riches and equality of opportunity, that matters of health are still to an extent at least governed by income. A national health plan would simply mean the redistribution of present costs among the total population, sick and healthy. It would lighten the load of those least able to pay and would permit people to pay when they are well instead of when they are ill.

It is said that death and taxes are the only certainties of life. Well, there is not much we can do about either of those. But illness is an ever-present possibility. We can do something about it, and we ought to do something about it as quickly as we possibly can.

I have been long enough in public life in this country to remember politicians who fought against family allowances and lost; fought against unemployment insurance and lost; fought increased pensions and lost; fought against social welfare measures and lost. And you can count this fight against national health insurance as lost. My advice is to stop struggling and join us.

I close with a quotation from Professor Malcolm G. Taylor of the University of Toronto, who has had first-hand experience in the field as Director of Research for the Saskatchewan Health Planning Commission and has recently completed a study of health plans from coast to coast under a Rockefeller Foundation grant. He said this last June, at a meeting of the Canadian Manufacturers Association:

The issue of health insurance has been subjected to more emotional pleading, more outright distortion, more red herrings, more exaggerated cost estimates, more unwarranted predictions of evil consequences than any other matter of public attention since Haley's comet.

To me that statement makes sense, and I hope it does to the rest of the house.

On motion of Hon. Mr. Méthot, for Hon. Mr. Monette, the debate was adjourned.

## EDUCATION

### NECESSITY TO MOBILIZE AND EXPAND EDUCATIONAL RESOURCES— DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Hon. Mr. Cameron drawing the attention of the Senate to:

The necessity for Canada to mobilize and expand the educational resources of the nation with a view to maintaining and strengthening her position as a member of the world community.

**Hon. Arthur W. Roebuck:** Honourable senators, I moved the adjournment of this debate after the speech that we heard yesterday afternoon largely, but not quite entirely, for the purpose of paying a tribute to the honourable senator from Banff (Hon. Mr. Cameron) for his magnificent address.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Roebuck:** It was a splendid piece of parliamentary work. It showed an investigation, of research, into the subject-matter that was to my mind very, very creditable. It was a lengthy speech. I notice that it fills no less than 22 columns of today's *Hansard*. But I submit that the length of the speech was not out of keeping with the importance of the subject which the honourable senator was discussing. He told us that there are 3,700,000 pupils under 21 years of age in Canadian schools this year, and that this is one-half million more than the year before, showing not only that great numbers of our children are involved but that the number is growing rapidly. He told us also that the demands for better and, unfortunately, more expensive education are also growing. Not only does that apply to ourselves and our own needs, but in comparison with other countries the demand in Canada for greater expenditure and more attention to this matter is imperative.

The honourable gentleman stated that in Russia 19.6 persons out of every 1,000 of population are university graduates; that university graduates in the United States number 15 out of every 1,000 of population; whereas university graduates in Canada number only 4.94 per 1,000 population. Of course, that is a startling comparison, but I am not quite sure how far it goes nor what it means, because I notice that nothing was said in the honourable senator's speech about the graduates from the high schools, or what is the basis of comparison between the universities in Russia and our Canadian high schools. I know something about science; in a rough way I have a general knowledge of it, and I did not go through a scientific course in a university—I got my fundamentals of science in high school. I am just wondering how superior graduates of universities in Russia are to graduates of high schools in Canada. I am not asserting anything; I am simply asking a question without having an answer to it. I am not to be too greatly impressed with merely round figures of this kind until I know more on which to base a real comparison between the two systems.

The honourable senator says that in 1937 we graduated 1,700 engineers, and he tells us that the *Engineering Journal* states that

we shall need 6,000 engineering graduates each and every year for the next quarter of a century, and that the same or a like statement applies with regard to technicians. Well, I am all in favour of having many engineers; I hold the profession in the highest regard; but if we cannot employ 1,700 graduates per year, what are we going to do with 6,000 graduates per year?

**Hon. Mr. Macdonald:** Salaries paid in at least one other country are much larger than those paid here.

**Hon. Mr. Brunt:** That is so.

**Hon. Mr. Macdonald:** These men left Canada because of larger returns in some other country.

**Hon. Mr. Roebuck:** That, certainly, is a factor. But some of the managers of big industries which employ engineers tell me that the ruling consideration is not the salary, that the remuneration of engineers in Canada at the present time is fairly proportionate to what is paid across the line; that the real difficulty is shortage of work, particularly public work; that so much of engineering services, for instance in the making of aeroplanes for the Royal Canadian Air Force and other buyers, is done across the line, the explanation being that it costs 20 per cent more to do the engineering in Canada than in the United States. If you have a job of engineering to be done you can get it done cheaper in the United States, partly because ours is so small a market, and partly because of the tariff—around 22 per cent—on most of the things which are purchased for an engineering institution.

I repeat that I am not arguing against an increase in the number of engineers, but I think we should be realistic in our approach to even a subject so important and interesting as this. Before we plunge into tremendous expenditures in this regard we should be well satisfied that other necessary arrangements are made with regard to the employment of large numbers of engineers. To me, the matter comes rather close to home, because nearly half a century ago my only surviving brother, then on the staff of McGill University, was paid such low wages that he could not live there and he went to the United States, to the University of Wisconsin, where he received at least a living wage. He was a trained scientist of the highest calibre and skill, yet in all the 45 years he has been absent from Canada I have not heard of any effort to bring him back to Canada. During this period I have observed the same trend among scientists—educated men, skilled technicians and others—who have left Canada, partly because of lower

returns, and partly through lack of suitable employment in our society. Year after year we have spent large sums of money in educating these men, the most valuable of our population, only to see them drift across the line. I am not saying this in a spirit of criticism of the honourable senator who made so magnificent a speech, but I do insist that it is something of which we must take heed in a discussion of the subject of producing yet more skilled technicians.

My honourable friend told us, and I thoroughly agree with him, that the wages of teachers,—and I think he meant those engaged in all classes of education, primary and upwards—are too low. He suggested \$14,000 per annum as an appropriate wage for a full professor. That amount is not excessive, but it is a good deal more than the average professor in our universities is getting today.

**Hon. Mr. Croll:** No more than a footballer.

**Hon. Mr. Roebuck:** That is true and it is a spectacular comparison; and it may be extended to the actor, and the lawyer,—

**Hon. Mr. Macdonald:**—and the doctor.

**Hon. Mr. Roebuck:**—and the doctor. It is too bad that we have valued our teachers so low, as is evidenced by the salaries we have paid and are paying them. But where does the honourable senator's argument lead us? He tells us that the buildings and equipment of our teaching institutions are inadequate. Certainly I do not challenge that statement. He says that the housing of the students is unsatisfactory, that only one in eight can cram into the residences of the universities. He wants more scholarships. He wants loans to students who require the money in order to conduct their studies and to graduate. He sees a billion-dollar budget for the universities of Canada in the not-far-distant future. I am not appalled exactly, but I am at least impressed with the magnitude of those figures. However, I am not impressed with the comparisons made; that is to say, I refuse to be panicky because of the Russian toy *Sputnik* that has been circling the globe. I am not going to yield or shake at the knees about other comparisons between the ability of our people to produce and the ability of the Russians or some other people to produce, irrespective of their training. I am not so sure how much practical benefit one gets from higher learning. It is true that we need a certain percentage of the most highly trained and educated technicians. That is undoubtedly so, but I very much doubt whether an educated person on the farm needs to know very much about higher calculus. I very much doubt whether some graduate from one

of the Russian institutions, who may know a great deal about the history of art and other things and who may be an exceedingly skilful mathematician, could fix my drain any better than a Canadian plumber of today.

I am for education. Do not misunderstand me. All I am saying is that I am not going to be panicky or rushed by this kind of comparison. Mr. Wendell Willkie, who ran for the presidency of the United States, later on visited Russia and made a report on his visit. It was very kind to the Russians. Certainly he was not prejudiced against them; but he made a comparison between the efficiency of the factories in the United States and those in Russia, and this comparison—which would apply to Canada as well—was very favourable to the United States. Mr. Willkie rated the productive power of our individual considerably greater than that of the Russian. That would be reasonable to expect, because we have been at it so much longer. It is also reasonable to expect that in due season the Russians will catch up with us in many ways. Instead of being afraid about that I think we should almost welcome it.

We should be realistic in these matters to the last degree, whether that is complimentary to ourselves or otherwise, but let me add that fear is the worst of counsellors. I resent the effort that has been made to frighten us by a *Sputnik* or something of that kind. I know it has had a great effect, and perhaps a good one in some regards. I see it is reported in the press that the President of the United States will propose to Congress an expenditure of \$2 billion on these things that circle the earth.

**Hon. Mr. Croll:** Satellites.

**Hon. Mr. Roebuck:** Yes, satellites to the earth. I have no doubt this will have great influence on the military appropriations of the United States. I once asked a full colonel of World War I how long he thought the people of Canada would continue to make such very large expenditures with respect to military upkeep. His answer was, "So long as we keep them scared". Now, do not read too much into that statement. I have voted for all our military expenditures and I intend to continue to do so, although I do not like it. I do not like military expenditures. I remember many years ago discussing this very subject with Sir Wilfrid Laurier. I believe that was prior to the famous naval debate. It was away back in those years long since forgotten by most of us. With that eloquence which was his in private conversation as well as in public debate he said, "There are people in this country who would bring about the damnable conditions of

European countries which spend one-half of their national revenue on military upkeep". Well, in the interval we have fairly well paralleled those conditions of Europe, for today we are spending somewhat in the neighbourhood of 40 per cent of our entire revenue on military upkeep, and unfortunately we must go on doing so.

All I am saying now is that I am not going to be frightened into anything by the military situation or any comparison of that kind.

The honourable senator from Banff (Hon. Mr. Cameron) referred to an editorial in the *Ottawa Journal* of November 20 to the effect that the Technical Service Council reported that from 1951 to 1956 the number of engineers and scientists who left Canada for the United States was equal to almost one-third of the graduating classes of that period.

That is a pretty serious figure. Here we have educated all these men at great expense, having chosen perhaps the very best of our stock. We have made them valuable people, only to hand them over to the United States. We should consider this fact very carefully in order to find some method of retaining these students after graduation. Involved in my honourable friend's discussion was a suggestion that the dominion Government should contribute more largely to educational costs. Several times on the floor of this house I have stated I was convinced that education should be left to the provinces and that we in the dominion should not interfere in that field. I join with the Leader of the Government (Hon. Mr. Haig) in his statement of yesterday that the Fathers of Confederation were wise when they put education under the parliamentary jurisdiction of the provinces.

**Hon. Mr. Reid:** Hear, hear.

**Hon. Mr. Roebuck:** But there has been some change since the British North America Act was enacted. At that time the Fathers of Confederation must have had primary education in their minds. There was very little of any other kind of education then. Primary education was in the public eye, but in the meantime there has been a good deal of change in our educational system. It may be that the time has come for us to revise to some extent our opinion with respect to higher education, but certainly not with respect to primary education. No matter how things may have changed, I would still oppose any interference by the dominion authority in the matter of primary education. But we seem to have broken through with common consent and with very little protest in the matter of higher education; we are now contributing quite considerable sums toward the cost of education on that level.

And I am inclined, notwithstanding the strong views that I have held for a long time in the past, rather to withdraw my opposition to that kind of thing. But, honourable senators,—and I think the senator beside me will concur in this—if we are going into large expenditures such as those mentioned by my good friend from Banff it will be necessary for us to consider, more than we have in the past, the sources of our revenue. If, as he suggested, we add \$150 million a year to our educational costs from the Dominion treasury, what are we going to do? We cannot for one moment anticipate a decrease in our military expenditures—we can hope for it but we cannot expect it. We cannot cut down materially on anything else that I know of. Are we going to increase the tariff in order to get more money, and so make the situation worse than it was in regard to holding our trained men? I am told by manufacturers that the 22 per cent cost in engineering, resulting from the tariff, is one of the difficulties against which they struggle to hold their men from United States employers. Are we going to add to those taxes which increase the cost of living, that is, consumption taxes? If so life will be made still more difficult in this country and the cost of living will be still more pronounced. Are we going to increase income tax, which now takes roughly one-third of the earnings of those in the higher brackets? For my part, I feel we have gone too far in that regard already. I would not like to see the tax increased. There has been a fairly strong popular movement of late to decrease it, which I hope can be carried into effect.

Then, what are we going to do? It is true that there is a source of revenue which it seems that it is not polite to discuss, but we might ask a question of those who have the special privilege of owning the revenue that comes from natural resources which are now taxed only by municipalities. If we are going to carry on those kinds of expenses that make the carrying on of business in this country almost impossible, will the time not come when we shall have to consider charging those people who benefit from the financial returns of the ownership of natural resources of our country, that is, the land, for the privilege which they enjoy? What is the reason why Russia has been able to make the progress she has made? She has very large universities and very heavy military expenses, but at the same time she does not support a landlord class. This is a new idea, no doubt to many of us, but if we are going into these larger expenditures—and I am for them—we shall have to consider very much more carefully than we have in the past the

effect on the public, on the prosperity of our country, of the sources of our revenue.

**Hon. Mr. Reid:** And have some control over it.

**Hon. Mr. Roebuck:** And have some control over it.

Honourable senators, that is enough on that subject at the moment. Let me conclude by paying a further compliment to my good friend from Banff. I think his speech does credit not only to himself but to this house. It is a valuable contribution to the question of education. His speech was the result of great research, full of substance, and is almost a reference book on the subject. I compliment him on his industry, and on the very fine way in which he presented the subject to us.

**Hon. William M. Wall:** Honourable senators, first of all, I would like to thank the honourable senator from Banff (Hon. Mr. Cameron) for bringing this important problem to our attention during the present session, and to congratulate him upon the comprehensive nature of his documentation and analysis of key educational problems. His vigorous argumentation on behalf of interesting, significant and challenging suggestions which he advanced made a deep impression upon me.

I should not like to trespass and touch on problems which have been raised by honourable senators during this debate, which I am sure the honourable senator from Banff will wish to deal with in his closing remarks. My purpose in rising to take part in the debate on this particular inquiry is that I should like to substantiate, if you will, some of the arguments he advanced to emphasize that Canadians do indeed face increasingly pressing educational needs. These needs we must learn more about so that we may understand them better, assess them more adequately, and then solve them as quickly and as effectively as possible.

Once they are possessed of the facts of the case, I believe that the Canadian people will gladly undertake realistic and courageous solutions to such pressing educational problems, even if they involve the expenditure of the millions of dollars which the honourable senator from Banff had indicated. Canadians will spend that kind of money if they are convinced of the need and the practicability of the solutions being suggested by competent Canadian educationalists. Of course, the honourable senator's estimate of an additional \$150 million per year for the next ten years is a great deal of money. However, if I understand him correctly, this

money is to be provided by local, provincial and national governmental authorities and through the private enterprise efforts of our Canadian people.

Furthermore, this estimate of an additional \$150 million per year must be related to the estimated \$915 million which is now being spent annually for public education. Perhaps these sums would be benefited to their proper proportions were we to relate them—in no sense of criticism, I must stress—to the sums Canadians spend annually on ordinary entertainment, pleasure travel, soft drinks, confectionery and chewing gum, tobacco, alcoholic beverages, attendance at horse races, and betting. The total amount spent on all these things in 1955 was \$2,500,000,000. Tobacco and its accessories cost Canadians in 1956 the sum of \$512 million; in that same year Canadians imbibed at a cost of \$965 million.

Perhaps I may be excused for referring once again to the fact that the percentage relationship of our total educational expenditures to our gross national product—and I would contend that our G.N.P. does indicate our ability to provide for education—is now only about 2.75 per cent, and has not approximated for many years the 4 per cent we were somehow able to provide for educational services during the lean depression years. May we note, please, that an increase of 1 per cent in this relationship would bring to education an additional \$300 million per year—twice as much as the sum suggested by the honourable senator from Banff.

There were some references made regarding the relevancy and irrelevancy of discussing educational problems in this honourable chamber. Surely, honourable senators, one of Canada's most important general social services, for whose efficiency and adequacy the federal Government must assume its proper share of responsibility, is the service of education. This responsibility must be defined in terms of assistance, not federal control. Surely the role of our educational institutions in helping to achieve the goals of national development and national purposing needs no antagonistic argumentation in this chamber. The Canadian nation as a whole does bear a collective responsibility to provide for every Canadian boy or girl equality of access to, and equality of participation in, accepted and acceptable educational services, irrespective of the province or locality in which that boy or girl may reside.

For many years the Canadian nation, through its national Government, has given direct assistance to education. During the past five years more than \$140 million was

expended for all forms of education in Canada; this year, 1956-57, almost \$43 million is to be spent. The principle of federal participation in education is now part and parcel of our political tradition and reality, as is the principle of federal financial participation in health and welfare, for example, which I understand to be primarily provincial responsibilities.

Nor can the national Government of Canada avoid its responsibility for making certain that the provinces and their local Governments have the financial means to discharge their constitutional provincial responsibilities, among which is the responsibility for the education of our children and our youth. This evolving principle of "less-direct" national responsibility for basic social services under the jurisdiction of provincial governments is also part and parcel of our political tradition and reality. That is why I respectfully suggested to the honourable senators, in my address on November 7 last, that the fiscal needs of education generally should not be overlooked when a comprehensive transfer payment formula was being adjudicated and evolved at our federal-provincial fiscal conferences. This formula must help to assure that every Canadian province can in fact provide the quantity and the quality of educational services which we believe every Canadian boy and girl should have.

What are the pressing problems of education, or what those of us who have been in education like to term "the crisis in education"? I hold in my hand a very illuminating study which was carried out under the auspices of the Canadian School Trustees Association, and was published in 1955. This study, which is entirely "School Finance in Canada", gives us significant information concerning the many educational problems in the ten provinces. Let us look for a minute at the difficulties we face in providing adequate accommodation and teaching services for steadily increasing school enrolments, or what is called "the rising flood of numbers". In 1951-52 the total enrolment in grades 1 to 13 was about 2½ million pupils; of these 330,000 were in grades 9 to 13.

Averaging three carefully worked-out estimates of future enrolments, this study guessed that by 1960-61 we would have 3,500,000 pupils in grades 1 to 13, of whom 484,000 would be in grades 9 to 13; and that by 1965-66 we would have 4,038,000 in grades 1 to 13, of whom 576,000 would be in secondary schools.

The study, which is based on what we know now to be low estimates, calculated that by 1965 we would need 38,000 additional

classrooms, with of course 38,000 additional teachers, and as well additional inspectors, supervisors and so on. We now have in Canada 120,000 teachers. This would mean an increase by 1965 to roughly 160,000 teachers. To provide these additional services, assuming that the then-prevailing prices and salary scales remain unchanged, would cost Canadians \$950 million in capital expenditures, and would bring increases in annual current operating costs of \$135 million; it would increase the total annual salaries of teachers by \$85 million.

We now know, as I have already said, that these estimates are low. The 1957-58 estimates of enrolment in grades 1 to 13 is 3,750,000, which is more than the estimate for the year 1960-61. Last year we already had 507,000 students in our secondary schools, but this study had estimated 484,000 for 1960-61.

Now let us further suppose that the percentage of our pupils completing junior matriculation continues to rise over our present 25 per cent, because that is what our figures now are. If 10,000 pupils begin in grade 1 we graduate out of high school 2,500, or 25 per cent. Suppose that figure rises to 35 per cent, or indeed to 50 per cent, as it is now in the United States, what an additional flood of students we shall have to provide for, and still more buildings, more trained teachers and greater educational expenditures which we just will not be able to avoid.

The honourable senator from Banff stressed the need to encourage a much higher percentage of students to complete their high school education, and as one means of doing so he advocates the setting up of a National Foundation for this purpose on the one hand, and a revolving Scholarship Bursary Loans Fund in each of the ten provinces on the other hand. I respectfully suggest this kind of student aid program merits consideration by all concerned.

May I now come to the need of professionally trained university graduates. We in Canada share with every progressive country the problems of a societal structure which has become increasingly complex each year. The function of the professionally trained specialist grows in relative importance while that of the unskilled labourer declines.

In 1931, honourable senators, the percentage of professionals in our total labour force was 5.4; by 1956 this percentage had increased to 7, which is roughly a 40 per cent increase. It is further estimated that during the next 10 years the relative percentage of professionals will increase by another 50 per cent—so that from our present 400,000 professionals we shall have to reach a figure of

600,000 by 1967. In other words, we shall have to train within 10 years 200,000 professionals at a rate of 20,000 per year.

How many graduates have we at Canadian universities to meet this need, even if we add to that number the 2,000 professionals that we used to gain by immigration of professional people to Canada, which immigration is beginning to peter out in that particular aspect? Last year, in the scholastic year ending 1957, the universities graduated 15,200 students. If we need 20,000, we will have to increase that number by 5,000 per year. Evidence from the St. Andrews Conference held last fall, which the honourable senator from Banff mentioned, and from the 1957 meeting of the National Conference of Canadian Universities, would seem to indicate further shortages of highly trained professional personnel. These shortages range from 30 per cent to more than 100 per cent, with the average running between 60 and 70 per cent.

The St. Andrews Conference boldly predicted that if we were to graduate sufficient technical and professional personnel to look after the needs of our growing economy, and if we were to try to maintain some kind of parity with the United States and with the Soviet Union, we would need to have by 1980 about 375,000 students in our universities. We now have in our universities 85,000 students.

Our present inflow of entrants into our universities appears to be inadequate if we are to increase the relative percentage rate of graduations, which is now 600 as compared to 10,000 students entering our schools at the grade 1 level. One practical way of increasing this inflow is the provision of many thousands of new scholarships, bursaries and loans.

The honourable senator from Banff mentioned a press dispatch about the quadrupling of federal Government spending on Australian university education during the next three years. Through the courtesy of the Australian High Commissioner I have this paper, plus other information. I see that the new program of assistance to the universities is going to be increased from £6 million, spent in the three-year period 1955-56-57, to £22 million in 1958-59-60, and the news dispatch plus the budget paper goes on to spell out the terms of this distribution.

I will not discuss that point any further, but I do want to point out one thing that interests me about the contribution of the Australian federal and state Governments to university costs. This is very illuminating and I would like to tell you about it.

The 1956 total expenditures of all Australian universities was £11,515,814, and of that total £9,200,000 was provided by federal and state grants.

And then, another very interesting thing. I have heard about the federal or, as they call it, the Commonwealth, Scholarship Scheme which provides annually 3,000 scholarships to the states on a population basis, with some reservations. An interesting figure is that there are now in the University of Australia 9,300 students on these Commonwealth or federal scholarships—that is 25 per cent of the students attending the universities—and I told honourable senators once before that the sum total of all our scholarship students is only 15 per cent.

I submit that the problem of getting sufficient entrants into our universities is most important to the survival of democracies in the world situation we now face—perhaps with alerted realism and decreased complacency. The problem of identifying, assisting, educating and inspiring needed professional manpower is becoming ever increasingly crucial, and in this connection we have ample and deeply disturbing evidence that about 50 per cent of our able young people do not continue their education beyond high school.

Are we sure that we can afford this inefficient use of human talent? Many gifted children never go to a university at all. This is a waste which we must assess realistically, asking ourselves if we can really afford it.

I have an interesting estimate of this waste from a survey prepared by the Ontario College of Education. It is claimed that 60 per cent of academically gifted children, having I.Q.'s of 115 and over, never go on to higher education institutions; and furthermore—what is even more startling—one out of every three of the very gifted—that is, students having an I.Q. of 130 plus—also do not go on to higher education.

I believe we have progressed past our former *laissez faire* attitude or conviction that when a young man or woman deserves and wants to go to the university he or she must carry the whole financial load. I believe we must recognize that Canada falls behind other democracies in the providing of financial assistance for scholarships and bursaries for young people of talent, and that we should do something about it through public and private means. In this connection the Gordon Commission's preliminary report is very interesting, because it points to this critical shortage of trained manpower and specifically suggests increased direct and substantial aid from Governments to needy and deserving students.

Honourable senators will remember that, with some hesitation and trepidation, I suggested that perhaps Canada could spend \$10 million a year for financial aid to students to provide 5,000 scholarships, at a rate of \$2,000 per year, divided equally between the student and the university.

Now I should like to talk a little about university training facilities. The need of meeting this problem of enlarging the facilities was underlined by Dr. Claude T. Bissell, President of Carleton University, early this year in one of the Department of Labour's radio programs,—“Canada at work”. His submission was that on the basis of sober statistical analyses the present total of 75,000 university students will double in ten years' time. Dr. Bissell asked, “What is Canada going to do about it?”—concerning (a) capital costs, and (b) finding 4,000 professors to add to the present 6,000 to teach these students. An analysis shows that the capital costs needed for the next ten years are variously estimated from \$300 million to the \$600 million of which we heard yesterday from the honourable senator from Banff.

I should like to submit this interesting observation. Dr. E. F. Sheffield, of the Education Division of the Dominion Bureau of Statistics, agrees that present trends indicate a doubling of candidates for university admission between 1955 and 1965. I would suggest that the present trends are not necessarily just or, should I say, adequate, and that we may have to treble this number within the next ten years.

I have attempted to re-emphasize a few of the pressing educational problems which Canadians face as they prepare to meet the rising tide of students entering our educational institutions. Furthermore, we do need to increase the relative percentages of graduates from our secondary schools, from our technical and vocational institutions, and from our universities if we are to have adequate numbers of technicians and professionally-trained people to satisfy the future needs of our rapidly developing and changing economy in its socio-economic, political, and cultural aspects.

May I conclude by expressing the hope that honourable senators will follow with interest, and if possible attend, the first large-scale comprehensive national conference on education, which is to be held here in Ottawa from February 17 to 20, 1958. This national meeting grew out of a strong conviction on the part of many people that the time had come for a truly national conference of both educators and representative laymen to examine the needs of education in Canada. Honourable senators have received notification of this conference and, I am sure, have read the message it contains.

Finally, may I express my satisfaction with two aspects of this discussion: one, that the honourable senator from Banff brought this whole educational problem to our joint attention in this form; and, two, that the honourable members of this chamber have made it possible to give some time to a consideration of what I believe is one of our most important general social services,—the service of education. Thank you, honourable senators.

**Hon. Mr. Reid:** Having listened to the splendid speech of the honourable senator from Winnipeg (Hon. Mr. Wall) I wonder whether he would mind answering two questions. During my long association with Parliament I have heard year after year discussions of the British North America Act and the rights of the provinces outlined particularly in regard to health and education. When I heard him speak about the traditions of the provinces in the matter of education, I wondered if he had not overlooked the fact that the B.N.A. Act places education under provincial control and whether, if the federal Government is to hand out moneys for all these educational purposes, he would favour the elimination from the act of the section which makes education a provincial responsibility. My second question is, would he be in favour of millions of dollars being handed out by the dominion Government without any check as to how that money is to be spent?

**Hon. Mr. Wall:** In answer to the first question, dealing with the constitutional responsibilities and the prerogatives of the provinces in relation to the control and administration of education: I would be the last person in the world to contend that this constitutional prerogative or responsibility should be trespassed upon by the federal Government, but perhaps the federal Government could contribute to education directly as it now in fact does, and when assessing the needs of the provinces and municipalities at the dominion-provincial conference to be held early in January it might recognize the needs of education and decide to pay out money—or, as the honourable senator from New Westminster (Hon. Mr. Reid) said, hand out money—to the provinces. The provinces could then use that money with responsibility and care for the education of their children.

Honourable senators will recall that I challenged the validity of the principle of giving conditional grants. It is like giving a conditional grant to a boy; or, if I may be excused for the simple but inadequate analogy, you give a boy a dollar a week as an allowance and then you tell him how he is going to spend it.

I think the provincial governments know the needs of their people and are perfectly responsible and will, in fact, do what is best with the money that comes from the federal Government in the form of a tax-rental redistribution or, as some may call it, retribution.

I wonder if the honourable senator from new Westminster would restate his second question?

**Hon. Mr. Reid:** Would the honourable senator feel it right that the dominion Government should hand out millions of dollars to the provinces for educational purposes without the federal Government having some control as to how that money is to be spent?

**Hon. Mr. Wall:** There may be areas of education where conditional grants or assistance grants for certain specific purposes under certain terms of reference, which could be accepted or rejected, could be given to the provinces, just as we are going to give grants in aid of a national hospital insurance plan which is to come into effect under certain conditions. I believe the main point of the honourable gentleman's question is answered by the fact that I am specifically not too great a believer in conditional grants, and that I feel money that is redistributed by the federal Government to the provinces should be left to the provinces to spend as they deem best. Surely the provincial governments would shoulder that responsibility in a wonderful way.

**Hon. Mr. Reid:** I raised these questions because it is my feeling that there are many provincial governments today which do not care a rap about the British North America Act just so long as the federal Government gives them enough money for health and educational purposes. You never hear them talk about provincial rights as long as they get this money.

**Hon. Mr. Davies:** I should like to ask the honourable senator from Winnipeg (Hon. Mr. Wall) a question relating to what has been said about scholarships by himself and by the honourable senator from Banff (Hon. Mr. Cameron). Would he think it practical, if such a scholarship scheme were adopted, to stipulate that persons educated under the scholarship scheme would have to stay in Canada for, say, at least five years after graduating? Would the honourable senator be in favour of putting any restrictions at all on these scholarships? If we pay out money for the education of a great many young Canadians, should we not benefit from this expenditure, or should we let them go off to the United States as soon as they graduate?

**Hon. Mr. Wall:** I find that question difficult to answer, for when I received a scholarship from Harvard university it did not place any limitation on where I could work after I finished my studies there. I would rather express an opinion than a conviction on this question, for surely there is a great deal of merit in the contention of the honourable senator from Kingston (Hon. Mr. Davies) that if money from the Canadian taxpayers is to be used for scholarships some limitation should be placed on the students to guarantee that they do not leave Canada for at least some period of time. I think that would be a reasonable requirement.

**Hon. Mr. Macdonald:** I think it would be very difficult to put into effect.

**Hon. Gustave Monette:** Honourable senators, may I take time to say a few words on this question? As I understand it, the honourable senator from Banff (Hon. Mr. Cameron) and the honourable senator from Winnipeg (Hon. Mr. Wall) have stressed the necessity for expanding educational facilities in their respective provinces. I am inclined to feel that they are right, that it would be beneficial to so expand education within those provinces, as well as within any other provinces. I would be pleased to see Quebec and any other provinces doing more than at present, if necessary, in one way or another, to advance education. And if they feel this should be done they might decide to allocate more of their money for this purpose. I do not think any member of this chamber would question their right to do so. However, the way in which this subject was presented to the house involves another question, that is the serious question of federal grants to provinces in the field of education. That is the problem.

I am sure honourable senators are familiar with the provisions of the British North America Act, but it may not be useless to read from section 93 of the act:

In and for each Province the Legislature may exclusively make laws in relation to education, subject and according to the following provisions . . .

One of these provisions is that the privileges that were granted before Confederation to the territories within those provinces shall not be attacked or destroyed. But the principle is that the enacting of laws and providing for all things pertaining to the direction of education is exclusively attributable to the provinces, and one province has no right to indicate to another province what it should do in matters of education. The federal Government itself has no authority at all, either directly or indirectly, or in biased ways, to say what kind of education should be had in any province of Canada.

I am not opposed to the provinces getting more than their present revenues for the purposes of education if they so desire. I am not opposed to the federal authority making to the provinces some forms of grants, provided they are not earmarked for education, and provided it is left to the provinces and not to the federal authority to decide whether the whole or part of such grants will be used for education.

**Hon. Mr. Euler:** May I ask my friend a question? He used the word "earmarked". Does he mean that the federal Government in making a grant to a province should not definitely say that the money shall not be used except for education?

**Hon. Mr. Monette:** That is it; because they could not earmark it for education.

**Hon. Mr. Euler:** The province might use it for advertising, or something else?

**Hon. Mr. Monette:** Yes.

**Hon. Mr. Euler:** That is absurd.

**Hon. Mr. Monette:** The federal authority has no right to butt in on the problem of education in a province. It has no right to make suggestions, backed with money, and say: "We are ready to give you money, but only on condition you do this or that", in matters pertaining to the exclusive jurisdiction of the provinces. It may not make such a proviso in such definite terms. I say with full conviction that it would not be right for the federal authority to direct that something additional be done in a province as to a particular branch of education, nor to make a grant to a university for a certain branch of education in that institution, nor to give any direction at all to education. It should not say, "If you do not do this or that you shall not receive the grant." That is what I mean by "earmark". I mean that the federal authority must not impose on a province, even in indirect terms, an obligation to utilize a grant for a specific educational purpose.

**Hon. Mr. Euler:** I do not like to interrupt my friend. I will put the question in this way: Let us suppose that the federal Government offers to a university, whether in Quebec or anywhere else—but we will say in Quebec—a certain sum of money for purposes of education, but does not earmark it for any particular branch of education. Suppose it merely said, "We give this to you for purposes of education", could the province then devote that money to some other purpose than education?

**Hon. Mr. Monette:** I will try to answer the honourable senator. I am not as experienced as he is, and he does not know how much I

esteem him. I followed his speech the other day with great interest. To answer his question I would say this: suppose the federal authority made to a province a grant earmarked for a university, then the province would be in this position, that even though it felt that at the moment it could better enhance the progress of education by applying the grant to the common school level, it could not utilize the money in that way.

**Hon. Mr. Reid:** May I ask the honourable senator a question? I ask him the same question that I asked the honourable senator from Winnipeg (Hon. Mr. Wall). Would you agree to the handing out of millions of dollars by the federal treasury under the conditions you have just outlined, without any control or investigation by the dominion Government as to how and where the moneys were to be spent?

**Hon. Mr. Monette:** If I understand the question, my answer is as I have already stated. If a grant from Parliament had the effect of inducing the province to utilize the money for a particular branch of education, that would not be acceptable. In my view the direction of education lies exclusively with the provinces.

**Hon. Mr. Euler:** Suppose the federal Government said merely that the grant was for education.

**Hon. Mr. Monette:** If it says the money is for education, it is earmarked, and it should not be.

There are many other problems regarding education, and I need not elaborate on them. I think the economic welfare of the population in a particular part of a province, for instance, might have some bearing on a plan for education. Thus it might be that before a province developed a particular scheme of education for such a part the province would feel it wise first to undertake a program for improving economic conditions so as to render the population concerned more receptive to such a plan; yet, in the case of a grant earmarked for education, the province could not utilize those funds for such preparatory economic purposes.

I want to emphasize that the matter of education generally, as well as the choosing of the means by which a plan of education is to be implemented, and the time when it should be done, are within the exclusive jurisdiction of the provinces, and therefore the federal authority should not encroach upon these matters.

I am sorry to bring the subject of income tax into this debate, but I do so just for an example. The British North America Act provides that the federal parliament has

jurisdiction for "the raising of money by any mode or system of taxation". Before the war the then revenues from federal taxation were sufficient for peace-time needs. During the war, however, the federal authority found it necessary to collect much larger sums of money by increasing both personal and corporation income taxes. The provinces agreed to allow the federal authority to do this for the duration of the war, and for the time being they transferred their rights in that regard to the federal authority. At the end of the war the federal authority decided, rightly or wrongly—I am not passing on that at the moment—to continue taxing as heavily as it did during the war. Now the provinces are placed in the position that if they re-assumed their former taxing powers they would appear to be imposing excessive taxation. Therefore if it were possible for the federal Government to alleviate the burden of those taxes by reducing its present rates of levy, so as to allow the provinces to re-enter adequately their legitimate fields of income and corporation taxation, then the provinces would again be in a position to meet their needs in relation to education.

So, briefly, while I understand the position of the federal Government, I would support the position of the provinces in claiming the return to them of their taxing facilities.

I appreciate the very clear and earnest appeals made by the honourable senators who have discussed the need for greater education. May I add to what they have said that we are now facing the most pressing problem of extending our scientific education to far-reaching limits. Indeed, unless we solve this problem expeditiously we may be lost. I am strongly in favour of such a scientific educational program. So, honourable senators, I say again that I support the view that the federal authority should make it possible for the provinces to levy a reasonable share of taxes, or give the provinces generous grants without having them earmarked for education or any other specific purpose assigned exclusively to provincial jurisdiction. In that way all provinces, not only Alberta and Manitoba, would have available to them substantially larger amounts than their present revenues, and it would unquestionably be within their exclusive jurisdiction to decide how that money should be spent.

**Hon. Mr. Vaillancourt:** Honourable senators, I am not a lawyer, and cannot discuss the provisions of the British North America

Act as many of my friends can. But one problem has been apparent to me for many years. The Family Allowances Act requires that parents of children past the age of five or six years must either send their children to school or forfeit the right to receive the allowance. Is that law not now *ultra vires*?

**Hon. Mr. Monette:** Honourable senators, may I be allowed to say another word or two? As I understood the honourable the junior senator from Winnipeg (Hon. Mr. Wall), he said that these special grants to education have now become part and parcel of our system and are considered a reality. By that statement I understood him to mean that this particular problem of jurisdiction in education as between Ottawa and the provinces is now conditioned by precedents which tend to legalize those encroachments upon our Constitution.

This may be a way of modifying, by precedents, a body of law. It may be a very respectable way indeed, but fortunately the provinces were not unanimous in accepting those grants earmarked for education. They were not approved by Quebec, as that province did not and does not accept them because of their being so earmarked.

Therefore, may I say to my honourable friend from Winnipeg that the system of earmarked grants has not yet reached the point where it could be deemed to modify our Constitution. As I see it, the system is still under discussion, and we want to be able to discuss it as long as necessary. As it stands at the present time it is not constitutional. Let us help the provinces as much as we can by direct unconditional grants or by alleviating taxation, and leaving to the provinces the unimpaired liberty of determining what shall be spent on education within their own borders.

**Hon. Mr. Vaillancourt:** As my honourable friend from Mille Isles (Hon. Mr. Monette) knows, the Quebec Minister of Social Welfare and Youth received in 1936-37 and for many years, a purse in the form of a scholarship, which was contributed by the federal Government and the provincial Government, for the assistance of students taking technical training.

On motion of honourable Mr. Beaubien, for Hon. Mr. Crerar, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Thursday, December 5, 1957

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

Prayers.

### APPROPRIATION BILL NO. 7

#### FIRST READING

**The Hon. the Speaker:** Honourable senators, a message has been received from the House of Commons with Bill 198, for granting Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958, to which they desire the concurrence of the Senate.

The bill was read the first time.

#### SECOND READING

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

**Hon. John T. Haig:** Honourable senators, I move, seconded by the Honourable Senator Brunt, that this bill be read the second time now. This is a financial bill, providing for supplementary supply. After this bill has been passed and certain moneys have been voted, the right of any honourable senator will be reserved to discuss any item in the bill as though the bill had not been passed. This is the usual reservation made on a bill of this nature, and I repeat it.

Before speaking on this bill today, I asked Department of Finance officials to prepare me a statement, which I ask permission of the house to quote. It is quite long—some honourable members may think it is unnecessarily long—but when it is remembered that part of the money was voted last March and April, and part has been voted by way of supplementary supply this fall, it will be agreed that it is a most complicated matter for the Department of Finance. Indeed, the gentleman whom I engaged to come and help me with the bill tells me they have never had this happen before. Usually when the Government changes, the supply bill has been passed and all the business done for the year, and the new Government steps in and votes its own supply. But that was not the case this time.

Honourable senators may think my explanation a little long. When I conclude my remarks I will ask permission to place on *Hansard*, by way of financial information, the text of the document prepared for me. By this means any honourable senator or any outsider will be able to get an up-to-date statement of the financial facts from April 1, 1957, to date.

The supply bill before us today covers two things, namely, additional supply of the regular items to carry on for one month, and some other matters that have been added in. Both these items will be covered in my explanation.

As I have indicated, I am going to make a little longer explanation than usual. I do so for two purposes. If we referred the bill to a committee and examined it there this same official to whom I refer would come there and give us the information we require. I did not feel that would be as good as having him make a statement to me in answer to my questions put to him as to the actual situation. In any event, that is the procedure I followed, and he made a statement as an official of the department, not as a political man, if I may use that expression. He has given us a statement which I think is better even than anything that has been placed on the records of the House of Commons, because as the Minister himself said, quite candidly, his was mostly a speech of his own making, and it probably would not contain any of the details that a person might want to ask about.

This report that I have here covers all those matters. Now, honourable senators, after I read this report if anybody wants to ask any questions I will be glad to answer them, and thus we will have a record here for ever of the transition period. And I may say, honourable senators, that this is something that I personally wanted to be placed on record and I think every member wanted this kind of report. It is more important to the Senate than it is to the House of Commons. God willing, many of us will be here for some years, and within let us say the next four or five years we will be able to refer to this report for details of the adjustment between what happened to the expenditures authorized by the old Government, and what has been done by the new Government. Questions like that will always be coming up for consideration, regardless of whether expenditure was authorized by the old Government or by the new Government.

This report divides those questions. Before I read from the report, may I say that it is the report of an official of the Government, one who is not on one side or the other. For many years he has been in the employ of the Department of Finance. I think he worked in that department under the Bennett Government, and then under the Liberal Government, and he now works under the Diefenbaker Government.

I think honourable senators will find this to be a comprehensive report. It will give

to each one of us, and not only to members of the house but to quite a number of people outside—people who have already spoken or written to me saying that they would like to know—information as to what the adjustments are with regard to the finances during this transition period. When I got the chance to do it I thought I would get it out in such form that in the future an auditor or anybody else who wanted to know about the relationships between the accounts would be able to refer to an official record in our *Debates*.

For those reasons I may take a little longer than usual to deal with it, and it may be that it will be a little tiresome to the house.

**Hon. Mr. Macdonald:** Honourable senators, may I say to the honourable Leader of the Government (Hon. Mr. Haig) that we have no objection to his taking the time. I think we would all like him to take the time of the house, and I feel the statement should be read completely.

**Hon. Mr. Haig:** I will read it fully.

**Hon. Mr. Roebuck:** Does the honourable leader mind telling us the name of the official who wrote the report?

**Hon. Mr. Haig:** It was written by Mr. Allan. I do not know him at all. I just asked for one of the officials, and they named two, and I chose Mr. Allan just by chance. I did not know either of them. Mr. Allan came and I was very delighted with his work. That is all I know about him. I never saw him before in my life; I had never spoken to him before.

**Hon. Mr. Robertson:** May I ask the honourable gentleman if what he is putting on the record is an official statement or a Government statement?

**Hon. Mr. Haig:** I am speaking as representative of the Government in this house. Of course it is a Government statement. I am standing behind it. I have mentioned the source of my information. I did not get it from the minister: although he is a great friend of mine I wanted, not that kind of statement, but material from an official of the department, who is not in politics at all.

**Hon. Mr. Robertson:** Was the official who gave the statement authorized to do so by the minister?

**Hon. Mr. Haig:** Yes. The minister said I could apply to any official I wanted, and I named this man. That is all there is to it.

**Hon. Mr. Roebuck:** I think it is excellent.

**Hon. Mr. Hugessen:** And it is your statement?

**Hon. Mr. Haig:** It is my statement.

**Hon. Mr. Roebuck:** But the honourable senator, I presume, may add to it. He might tell us, for instance, when we are to have the budget.

**Hon. Mr. Haig:** In answer to honourable gentlemen, I repeat that I take full responsibility, but in fairness to all concerned I want honourable senators to know the basis of my report; otherwise some might say, "Haig did not know and he did not try to find out." I did try to find out, and I am giving you information on the best authority at my disposal. I am not trying to hide behind it, however; I am taking full responsibility for it, and so does the Government. I really felt obligated to give the house a financial statement of which it could be said "This is not Haig's report; it is prepared by departmental officials and can be depended upon as being authoritative." I believe it to be so, though there may be a slip here or there. As I have said, the official prepared it, not I, though I accept full responsibility.

**Hon. Mr. Pratt:** Are we to understand, in hearing the statement, that it reflects Government policy—actual Government policy?

**Hon. Mr. Haig:** I would not say that it is Government policy, or that it is not.

**Hon. Mr. Pratt:** It is not accepted by the Government?

**Hon. Mr. Haig:** I am giving honourable gentlemen the facts of the case.

**Hon. Mr. Pratt:** May I ask, what case?

**Hon. Mr. Haig:** It is a report of what the Government has done about finance—what it has done with the money—since it came into office on June 10.

**Hon. Mr. Roebuck:** Go ahead.

**Hon. Mr. Macdonald:** Proceed: let us have the statement.

I think the honourable Leader of the Government (Hon. Mr. Haig) has made it clear that he is presenting this statement on his own responsibility, as a member of the Government. He has told the house the source of his information, but he is not relying on anyone outside this house: he is acting, as I say, in the capacity of Leader and representative of the Government in this chamber.

**Hon. Mr. Haig:** And the Government—

**Hon. Mr. Macdonald:** —takes full responsibility for it?

**Hon. Mr. Haig:** Certainly.

**The Hon. the Speaker:** Will the honourable senator please proceed?

**Hon. Mr. Haig:** I wanted to give honourable senators the facts. They can draw any conclusions they like. Although I may dispute those conclusions, the facts speak for themselves, and I am not denying them.

**Hon. Mr. Golding:** Read the statement.

**Hon. Mr. Haig:** This is a situation which may not happen again in 50 years. It never happened before.

**Hon. Mr. Macdonald:** It may happen in a year.

**Hon. Mr. Haig:** It may happen in a year.

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Haig:** Here is a record which everybody can understand when it is discussed. I thought the ladies and gentlemen of this chamber would want this kind of report. That is exactly what I am trying to give you.

**Hon. Mr. Euler:** Let's have it, then.

**Hon. Mr. Haig:** Section 2 of the bill provides one-twelfth of all the items to be voted in the main estimates for the fiscal year ending March 31, 1958, except certain votes.

Sections 3 and 4 of the bill cover additional proportions of four special items in the main estimates to provide for construction programs for which expenditures are concentrated in the first nine months of the year.

Sections 2, 3 and 4 of the bill are covered by the first page of the report, giving exactly what money has been spent, including the one-twelfth.

Then you turn over the page and you get one-sixth of all the items to be voted in the further supplementary estimates. The particulars are covered in the bill itself. The additional proportions of three special items, not included before, are given with the amounts.

Then, the other estimates not included amount to \$4,453,000, giving a total of \$281 million odd. That is the amount of this estimate.

Now, then, the proportions requested in this bill are intended to provide for all necessary requirements of the public service up to December 31, 1957, excluding those for which full supply has already been granted.

The form of the bill is the same as that of similar bills passed in previous years.

Then they go on. The first item, one-twelfth generally of the main and supplementary estimates, \$276 million; the second item, six-twelfths generally and special proportions of the main and supplementary estimates, \$1,714 million; and the third item, remainder of

items in main and supplementary estimates, \$63 million. That has been passed in full.

That covers each one of the items up to that point. Then it goes on to the next item, for acquisition, construction and improvement of public buildings. The major repairs to and improvement of, and plans and sites for public buildings, are listed. The item is \$300,000. That will be found in the text, and is covered in the special estimate.

The note from the department that I have before me says:

The additional proportion of 1/6th will bring the total amount allotted to this vote to 11/12ths, or \$275,000. The many minor projects of an improvement nature for public buildings, for which this vote provides, have been under way for some time and are now being completed at a rapid rate. The vote is fully encumbered, and estimated expenditures to December 31 total \$275,000, of which approximately \$75,000 will be spent in Ottawa, and approximately \$200,000 elsewhere in Canada.

Then with regard to Northern Affairs and National Resources:

Votes 318 and 719 provide a total of \$10,911,741 for construction and for acquisition of equipment for the Northwest Territories and other field services. This additional proportion of 1/12th will bring the total amount allotted for that purpose to \$8,884,784.15. Work in the north, of course, must be concentrated largely in the warmer months, and for this reason, more than the general proportion is required at this time.

This brings me to the estimated expenditure to December 31, of the additional one-twelfth of the main estimates, for Building and Works, \$7,580,000. When that amount is deducted from the supply proposed in this vote for the portion of the program carried out by the Public Works Department, amounting to \$7,735,000, a balance for allowance for contingencies remains of \$155,000, which is one-seventieth of the total vote.

Additional one-twelfth amounts of the main estimates are listed in the schedule, and include the wharf at Borden, improvements to French River south, and many others, at \$1,440,000, showing where expenditures have been made for improvements at different places, on the main estimate vote in the original bill.

There is an item under "Development Engineering Services", to provide for the construction of the Trans-Canada highway through the national parks, amounting to \$10 million. The breakdown is given of the estimated expenditure by allotment to December 31, and is as follows:

Allotment	Estimated expenditure to December 31, 1957
Terra Nova .....	\$ 1,200,000
Banff .....	5,000,000
Yoho .....	2,200,000
Glacier .....	1,000,000
Revelstoke .....	120,000
Engineering Expenses .....	1,000,000
	\$10,520,000

The next is an additional one-third of the amount shown in the further supplementary estimates (2) item. These estimates show an amount of \$12,700,000 for the acquisition of, and additions and improvements to, governmental buildings, etc., in Ottawa.

These estimates show how the former administration spent the amounts.

The next item concludes the votes on Public Works, and shows a further amount required of \$1,500,000 to provide for the construction of the Trans-Canada highway through national parks.

Honourable senators, I ask that this statement be put on today's *Hansard*, with the consent of the house. It shows what the former Government voted, and how much has been spent on each item.

*For statement see appendix to today's Hansard, pp. 358-62.*

**Hon. W. Ross Macdonald:** Honourable senators, as the Leader of the Government (Hon. Mr. Haig) has explained, this is an interim supply bill, and it is the second interim supply bill presented to this house during this session. As he stated, it represents a portion of the estimates which were brought down prior to this Parliament, during the present fiscal year, by the former administration, and also a portion of the estimates brought down by the present administration this year. Honourable senators will recall that in the early part of this year the former administration brought in its main estimates. Those estimates appear in the *Blue Book*, of which we all have a copy. Later, and before the middle of April, the administration brought down further estimates, known as supplementary estimates, of which we also have copies. Still later, before Parliament was dissolved, the former administration brought down further supplementary estimates (1). Honourable senators will recall that those estimates were not passed by the former administration, but that Parliament, before dissolution, granted six months' interim supply to the former administration.

After the new administration took office and called Parliament, it tabled further supplementary estimates known as "Further supplementary estimates (2)". So, we have before us now the main estimates, the supplementary estimates, the further supplementary estimates (1), and the further supplementary estimates (2).

As the honourable Leader of the Government has said, this bill, generally speaking, represents interim supply for one month, and the total amount being voted is \$281,607,101.16.

I made the general statement that this represents one-twelfth of these estimates, but as the Leader of the Government has said, it covers more than one-twelfth of certain items.

If honourable senators will look at Bill 198, copies of which have now been distributed, they will see that clause 2 votes the sum of \$260,679,899.09, being one-twelfth of the main estimates. Clause 3 would vote one-sixth of certain items, which are set forth in Schedule A to the bill. As the Leader of the Government has said, that is an estimate prepared in connection with certain public works, and one-sixth of that item is being voted. That is an item in the main estimates.

Clause 4 would vote \$1,787,853.42, being one-twelfth of the amount set forth in schedule B to the bill. Honourable senators will note that that schedule contains certain items of the Department of Northern Affairs and Natural Resources and the Department of Public Works.

Clause 5 would vote \$1,497,738.25, one-twelfth of the supplementary estimates.

Clause 6 would vote \$2,138,888.89, which is one-ninth of certain further supplementary estimates (1). Honourable senators may ask why in this paragraph the percentage is one-ninth, while in most other paragraphs it is one-twelfth. As the Leader of the Government has pointed out, the supplementary estimates were for a period of nine months, not for a year; hence, the vote is for one-ninth of the amount.

Clause 7 would vote \$125,000, which is one-twelfth of the amount of an additional item in the further supplementary estimates (1). It is an expenditure in connection with Maritime freight rate assistance.

Clause 8 would vote \$13,474,054.84, which is one-sixth of the further supplementary estimates (2), with the exception of certain items.

Clause 9, which would vote \$1,853,666.67, is one-third of further supplementary estimates (2). Those items are set forth in schedule C to the bill.

As the Leader of the Government has pointed out, this is the usual supply bill, and I do not take any exception to it. The fact is, the former administration tabled most of the main estimates and the supplementary estimates; the further supplementary estimates (2) were brought in by the present administration, for the most part to cover increased expenditures under amendments made to the Old Age Security Act, the Old

Age Assistance Act, the Blind Persons Act, the Disabled Persons Act and the War Veterans Allowance Act, 1952.

I recall, honourable senators, that when we passed the former interim supply bill it was stated there would not likely be time for the Finance Committee, under the able chairmanship of the senator from Milford-Hants (Hon. Mr. Hawkins), to consider these estimates this year. It now seems that the session may last long enough for that committee to have ample time to go to work on them.

In the meantime, I wish to say only that I take no exception to what the Government is doing at the present time. This is in line with the custom that has been followed throughout the years, and, so far as I am concerned, I approve of the legislation.

**Hon. Mr. Reid:** Honourable senators, before this bill is passed, I would like to ask the honourable Leader of the Government a question. In his opening remarks this afternoon he said there would be further estimates come before the house, and an opportunity would be given to honourable senators to examine them. My question to him is this: In view of what has happened in the past can he assure us that these further estimates will be brought down in time for us to examine them, or will we be told that the Governor General is coming here in two hours and for goodness' sake let us get through with them?

**Hon. Mr. Haig:** I thank the honourable senator for his question, and I entirely agree with what he says. The problem is to be able to carry out such an assurance. Let me say that I will do my best to carry it out.

**Hon. Mr. Reid:** Thank you.

**Hon. Mr. Isnor:** Before the question is put, would the Leader of the Government explain clause 7, which would vote \$125,000 for Maritime freight assistance?

**Hon. Mr. Haig:** I am sorry, but I am unable to answer my friend. My understanding is that there is an organization functioning in the Maritimes, and this item is by way of a contribution to it. I am unable to give a precise answer.

**Hon. Mr. Isnor:** What do I understand to be the total amount of the expenditure, \$1,500,000?

**Hon. Mr. Macdonald:** Yes, that is correct.

**Hon. Mr. Haig:** I do not have the information, but I will get it for you.

**Hon. Mr. Isnor:** Before the bill receives the third reading?

**Hon. Mr. Haig:** I will give you the information regardless of whether the bill has been passed.

The motion was agreed to, and the bill was read the second time.

### THIRD READING

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

**Hon. Mr. Haig:** I move that it be read the third time now.

The motion was agreed to, and the bill was read the third time, and passed.

### ROYAL ASSENT

#### NOTICE

**The Hon. the Speaker:** Honourable senators, I have the honour to inform you that I have received the following message from the Secretary to the Governor General:

GOVERNMENT HOUSE  
Ottawa

December 5, 1957.

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 5th December, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,  
Sir,

Your obedient servant,

J. F. Delaute,  
Secretary to the Governor General  
(Administrative)

The Honourable  
The Speaker of the Senate,  
Ottawa.

### NATIONAL GALLERY WORKS OF ART INQUIRY AND ANSWER

**Hon. Mr. Pouliot** inquired of the Government, pursuant to notice:

With reference to the pictures published in the annual reports of the National Gallery of Canada for 1955-1956 and 1956-1957, when and from whom was bought each painting, drawing, etching, sculpture or statue illustrated therein and how much was paid for each one of them, the answers to be related to the number of the picture, as set out in the said reports?

**Hon. Mr. Haig:** I have the answer to the honourable gentleman's inquiry, and will hand it to *Hansard*:

The Trustees of the National Gallery are prepared to supply information regarding prices paid and the dates of purchase (as previously reported in *Hansard*, January 22, 1957). However, it is the considered opinion of the Trustees that it is not in the public interest to disclose from whom works were purchased and they point out that to treat such information as private is the standard practice with all art galleries and museums.

Purchases made during the fiscal year 1956-57 illustrated in the National Gallery of Canada Annual Report 1956-57:

#### TITLE, ARTIST AND PRICE:

1. The Virgin and Child, Unknown, \$10,000.
2. Summer White, Anne Kahane, \$210.

## TITLE, ARTIST AND PRICE:

3. Rock Drill, Sir Jacob Epstein, \$2,800.
4. The Return of the Prodigal Son, Ossip Zadkine, \$4,400.
5. Reclining Woman, Henry Moore, \$5,600.
6. Seated Girl, Giacomo Manzu, \$7,500.
7. Nude Woman with a Staff, Albrecht Dürer, Donated.
8. A Prophet Standing, Domenico Beccafumi, \$240.
9. Satyr Family, Giovanni Bendetto Castiglione, \$432.
10. Bethsheba in the Bath, Cornelis Engelbrechtsen, \$2,500.
11. Trees, Lionel LeMoine FitzGerald, one of 11 paintings purchased for \$3,000.
12. Fuchs, Paul Klee, \$1,800.
13. Fountain of Trevi, Rome, Joseph Plaskett, \$55.
14. Milkweed at Oak Lake, Bruno Bobak, \$125.
15. Grey Bird, Louis Archambault, Donated.
16. Island, Georgian Bay, Will Ogilvie, \$75.
17. Survivors, John Minton, \$500.
18. Rowstone Carving with Hanging Lamp, John Piper, \$100.
19. Still Life: Blue, William Scott, \$975.
20. Port de Sicile, Nicolas de Staël, \$8,600.
21. Seven Immortals, Li Lung-Mien, \$16,000.
22. La Petite Place au Réverbère, Paris, Albert Marquet, \$4,870.
23. Le salon de Tristan Bernard, Edouard Vuillard, \$27,500.
24. The Doge's Palace, Richard Parkes Bonington, \$9,800.
25. Canal Boats, Clarence A. Gagnon, \$100.
26. Première Neige, Horatio Walker, \$100.
27. Sunny Sandown, Isle of Wight, F. M. Bell-Smith, \$300.
28. Grace Lake, Franklin Carmichael, \$100.
29. In the Rockies, John A. Fraser, \$1,750.
30. The Mill Stream, Moret, Maurice Cullen, \$450.
31. Newfoundland Coast, Ernest Lawson, \$900.
32. October, Twin Butte, A. Y. Jackson, \$850.
33. Le visiteur du soir, Jean-Paul Lemieux, \$350.
34. Prairie Towers, Kazuo Nakamura, \$600.
35. Le peintre émerveillé devant le monde, Joseph Plaskett, \$400.
36. Still Life, Maxwell Bates, \$125.
37. Portrait of a Young Man, Unknown, \$75.

Purchases made during the fiscal year 1955-56 illustrated in the National Gallery of Canada Annual Report 1955-56:

## TITLE, ARTIST AND PRICE:

1. St. Catherine, Simone Martini.
2. Return from Market, J. B. S. Chardin.
3. The Governess, J. B. S. Chardin.
4. The Entombment of Christ, Peter Paul Rubens, four for \$850,000.
5. Portrait of a Cardinal, Daniel Dumonsteir, £150.
6. Duvet reading the Apocalypse, Jean Duvet, \$2,000.
7. Vienna from the Danube Canal, Wenzel Hollar, \$265.
8. A Landscape, Jacques Fouquieres, \$335.
9. A Stag Hunt near the Coast, John Wootton, \$335.
10. Femme au collier, Pablo Picasso, one of seven for \$8,500.
11. Articulated Form, Graham Sutherland, \$100.
12. Blackmail, Walter Richard Sickert, \$1,400.
13. Le chat noir, Gino Severini, \$7,000.
14. La Tour Eiffel, Marc Chagall, \$16,000.
15. Les Bienfaits de la Paix, Pierre Puvis de Chavannes, \$3,920.
16. Nature morte, Andre Derain, \$22,000.
17. Flowers, James Griffiths, one of five for \$100.
18. Le repas du colon, Ozias Leduc, \$450.
19. Landscape with Figures, Robert Whale, \$1,250.
20. Jerome Avenue, The Bronx, David Milne, \$126.
21. Red Lanterns, Thomas Hodgson, \$400.
22. Maple Leaves, David Milne, \$400.
23. Hillside, Kazuo Nakamura, \$250.
24. Composition (Femme assise), Jean Philippe Dallaire, \$750.

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## TITLE, ARTIST AND PRICE:

25. Calme obscur, Alfred Pellán, \$150.
26. King David, Jack Markell, \$200.
27. Pruned Trees, Gordon Smith, \$150.
28. Car Ferry at Sidney, B.C., Edward J. Hughes, \$400.
29. Moonlight, Saint-Tite-des Caps, Albert H. Robinson, \$650.
30. Jeune fille assise, Jacques de Tonnancour, \$375.
31. Landscape, Stanley Cosgrove, \$530.
32. Diego, Albert Giacometti, \$1,972.
33. L'age d'airain, Auguste Rodin, \$15,000.
34. Seated Figure, Jacques Lipchitz, one of seven for \$8,500.

## DIVORCE BILLS

## FIRST READINGS

**Hon. Arthur W. Roebuck**, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill C-7, for the relief of Bernhard Wilhelm Michael.

Bill D-7, for the relief of Paul-Emile Bedard.

Bill E-7, for the relief of Gordon Frank Skilling.

Bill F-7, for the relief of Michael Todascu.

Bill G-7, for the relief of Iris Dorothy Birks Yates.

Bill H-7, for the relief of Marion Gloria Ewart Balleine.

Bill I-7, for the relief of Yvonne Florence Kee Brien, otherwise known as Yvonne Florence Kee Durocher.

Bill J-7, for the relief of Christine Mary Mackay Leavitt.

Bill K-7, for the relief of William Lucien Proulx.

Bill L-7, for the relief of Lionel Houde.

Bill M-7, for the relief of Gilberte Henriette Marie Harchoux Vuillaume.

Bill N-7, for the relief of Catherine Maitland Moenting Johnstone.

Bill O-7, for the relief of Maria Torossi Chartrand.

Bill P-7, for the relief of Judith Sidney Browne Stein.

Bill Q-7, for the relief of Florence Wedge Whitlock.

The bills were read the first time.

## SECOND READINGS

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the second time?

**Hon. Mr. Roebuck:** Honourable senators, I have objected many times to bills being given one reading after the other at one sitting when there is not a good reason advanced for so doing, but in this instance, since we are drawing near to the close of the session—at

least, we hope so—it is in the public interest that we give three readings to these particular bills today. With the concurrence of the house I ask that they be read the second and third times today. If that is done, they may go before the other house even tomorrow, and certainly on Monday next. If we do not do so, but go through the regular delays, it will not be possible for the bills to receive consideration in the other house until the end of next week. Therefore, honourable senators, I move, with the consent of the house, that these bills be now read the second time.

**Hon. Mr. Haig:** Honourable senators, I am sure the house will consent to give second reading now to these bills, because I have a nasty motion coming up—I am going to propose that this house adjourn today until Tuesday night next. So if these bills are to go before the House of Commons right away we should agree to giving them three readings today.

**Hon. Mr. Roebuck:** That is what I intended to ask. We are on the motion for second reading now.

**Hon. Mr. Vaillancourt:** On division.

The motion was agreed to, and the bills were read the second time, on division.

### THIRD READINGS

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Roebuck:** With leave, I move the third reading now.

The motion was agreed to, and the bills were read the third time, and passed, on division.

### ADJOURNMENT

**Hon. Mr. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until Tuesday next, December 10, at 8 o'clock in the evening.

The motion was agreed to.

### EDUCATION

#### NECESSITY TO MOBILIZE AND EXPAND EDUCATIONAL RESOURCES— DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the inquiry of Hon. Mr. Cameron drawing the attention of the Senate to:

The necessity for Canada to mobilize and expand the educational resources of the nation with a view to maintaining and strengthening her position as a member of the world community.

**Hon. T. A. Crerar:** Honourable senators, as this is Thursday afternoon, and I have no doubt that some honourable senators would wish to leave rather earlier than usual, I shall endeavour to make my remarks brief.

**Hon. Mr. Macdonald:** What about the rest of us?

**Hon. Mr. Crerar:** I hear some remarks to which I am not going to pay the slightest attention!

We are indebted, I think, to the honourable senator from Banff (Hon. Mr. Cameron). Many of us know that the cause of education is very close to his heart. Unfortunately I did not hear his address on Tuesday, but I have read it with much interest. It covered a very wide field. All of us may not agree with the suggestions he put forward, but certainly we can concede that many of them are challenging, and we are in his debt for the amount of research he has done and for the facts in relation to the subject which he has given us.

Personally, I could wish that the honourable senator had given a little more attention to the purpose of education—what it is, and what it is for. In this day and generation there are, it appears to me, widely conflicting opinions as to what we really mean when we fling around, rather loosely at times, the term “education”. Some people hold that it is a preparation of our youth for the struggle in life. I cannot agree. Education is something more than the sharpening of the beak and the talons of the individual so that he may the more successfully prey upon his fellow man. That is a wholly mistaken concept of its purpose. Primarily it is the mental development of the individual, but it is not limited to that. If it is adequate it makes a contribution to his spiritual, moral and cultural and—I would add—his physical development.

When a man has run the gamut of his years of education, what should he possess? If the process has been successful, one consequence is a realization and an understanding of the importance of discipline in life. It seems to me that in these days we do not put enough emphasis on the importance of discipline, not only in our family associations but in the broader aspect of our human relationships. Discipline is essential. If there was any glory and grandeur—as I believe there was—in the old Scottish system of education it arose largely from the importance it assigned to discipline. To the young lad or girl entering into active life, going to school, getting his or her preparation for the years that lie beyond, nothing is more important than an understanding of the meaning and purpose of discipline.

**Hon. Mr. Euler:** What is discipline?

**Hon. Mr. Crerar:** My honourable colleague from Waterloo (Hon. Mr. Euler), whose education in this respect has not been defective, and who is of an inquiring turn of mind, asks, what is discipline? Well, it is self-control, and it is the recognition of the rights of others. I believe that these definitions sufficiently explain the meaning of a quality in which the honourable gentleman in his youth was, I am sure, very well trained.

**Hon. Mr. Euler:** Thank you.

**Hon. Mr. Crerar:** Another product one is entitled to expect from a good educational system is intellectual integrity. There is, I believe, nothing of greater importance to the individual in his associations with his fellow men. What do we mean by intellectual honesty? It means the courage and ability to think clearly and honestly. In my time in Parliament, which goes back now so many years that I hesitate to mention them, I think one of the most outstanding figures in public life who had intellectual honesty beyond everything else was the Right Honourable Arthur Meighen. I did not agree with him always. I thought he was often wrong. But there was no question whatever that he had the courage of his convictions, and that he had the intellectual honesty to put them forward even in the face of great difficulty and opposition. That is a great asset in a human individual.

If a young man has a well-rounded education when he comes out of university, he will have much of the spirit of toleration. Almost eternally human beings fall into conflict with each other, so what a fine thing it is to be able to try to understand each other's viewpoint. I was very much impressed the other day when my honourable colleague from Waterloo, while discussing the international scene, pleaded that we try to understand the point of view of those opposed to us in our human relationships, business relationships and, indeed, in all our relationships in life. That is a fundamental need.

**Hon. Mr. Pouliot:** Hear, hear.

**Hon. Mr. Crerar:** We should have a good deal of the milk of human kindness fixed in our mode of life when we leave university. That is an essential thing in helping us to overcome any difference of opinion that may exist. A university will be making another important contribution to a graduate's well-being if it can help him to acquire a sense of humour that will enable him to laugh at himself, if necessary. There is no more saving grace in the relationships we hold with each other than that of a sense of humour.

I am convinced that these advantages I have enumerated cannot be produced by any system of education alone. They can be added to in school and university, but the foundation for these attributes is laid in the home during the first six years of a child's life. That is basic. The home is where ideals are implanted in the young, unfolding mind. There is where you get in the wise home the first lessons in the importance of discipline, and it is in the very early years when the value of truth and of honesty in our dealings with one another is implanted in the childish mind.

Honourable senators, will you pardon me a personal allusion? As many of you know, I grew up out on the hard-bitten prairies of Western Canada, where my father was a pioneer who settled in the rural district in 1881, when I was five years of age. You do not have to do any mental arithmetic on my age, because the newspapers publish it every time I have a birthday.

**Hon. Mr. Macdonald:** It is the only way we would know it.

**Hon. Mr. Crerar:** Our home was typical of the homes in that Scottish frontier community. I am glad to say that there was family worship in our home every morning. When one contrasts the conditions of today with what they were then, well, there is no comparison at all. It was a stern life. Some of our sociologists would weep bitter tears if they had to endure some of the experiences that our frontier people underwent. I had to quit summer school when I was 12 years of age and I did not return to school until I was 18. There was not the same opportunity then for university education, but my parents instilled these ideas into me. One of the books I read before I was in my teens, a book that profoundly influenced my life, was entitled *My Schools and Schoolmasters*, or *The Story of my Education*, by the very famous Scottish geologist Hugh Miller. In his book the author tells how he came from a very poor home and lacked the advantages of an early education. He describes how he set about, assisted by others who were willing to help him, to acquire an education and a knowledge of the world. That man later became one of the most eminent geologists of his time.

I never like introducing personal allusions and I would not have done so today except I think it illustrates something I wanted to express to the house. I say that that experience, hard as it may have been by today's standards, gave me something which was of inestimable value to me during my whole

life. Perhaps at times I show too much impatience with those who wish to hurry along, those who wish to have fine new university buildings and all the paraphernalia and equipment associated with them. But I would say to them that if there is not the foundation in the student, if he has not got within his own soul the desire to grow and expand and learn, then one of the essential elements in his success is lacking.

Our colleague from Banff (Hon. Mr. Cameron) drew some comparisons between Canada and Russia. I have no doubt that in some ways we may be lagging a bit behind countries like the United States, which, after all, have had a hundred years start on us. If in the next hundred years—and none of us will be here to see it—we make as much progress in the humanities as Russia has made in material things, then this will be a very blest country, indeed.

**Hon. Mr. Burchill:** Hear, hear.

**Hon. Mr. Crerar:** But coming back again to Russia provokes some very interesting reflections. If I understood the honourable senator from Banff aright, there is little doubt that in certain aspects of education Russia has made very great progress. I think, honourable senators, there is a reason for that, which I should like to put before this house. Russia's great progress has been in the broad field of the science of mathematics, the science having to do with the development of atom bombs, hydrogen bombs, these strange things called *sputniks*, for which, may I say, I have very little regard. But in the broad field of the science of mathematics there is no ideology, absolutely none. It is a well-known fact that after the war the Russians grabbed the rocket scientists which Germany had employed at their rocket base, or nearly all of them. A few of them escaped to the United States and helped to develop the atomic and hydrogen bombs in that country. Russia's own country was broken, devastated, and she took these German scientists and gave them the best in the land—fine houses, motorcars, and good salaries. Mathematical scientists, particularly, are more concerned with the development and study of their science than with anything else. These scientists laid the foundation for the development of the progress that Russia has made in the whole field of mathematical science. But what did they do in other fields? They gave free rein to the scientists, but not to the students of philosophy and of the humanities, who, such as they have, are obliged to toe the Marxist-Lenin line, so far as ideology is concerned. They miss the opportunity of development in those fields,

and therefore they have not access to the progress made in other parts of the world in this direction. Imagine what would happen to a professor in a Russian university if he got up some morning and lectured his class on the merits of the democratic system of government, as we understand it, or said to his class, "I have been doing a great deal of study and research, and I think that the Sermon on the Mount provides tremendous truths for the guidance of mankind." How long would he last? He would be put out, without question.

In my humble opinion—and perhaps I am not qualified to judge—therein lies the weakness of Russia. Sooner or later these ideas must come to the surface. You cannot open the windows of the mind, even in the science of mathematics, without an urge and a yearning to have the windows opened in respect to other things. Eventually this influence in Russia will gather momentum and force and, I am convinced, profoundly influence the future of that country. That may be some years away, and in the meantime we have to live with the Russians. My plea this afternoon is for an understanding of what education really means.

Honourable senators, I come to another point, and this may find me at variance with some of my colleagues, which is not an unusual thing, sir, I can assure you.

I was impressed in another way with the highly admirable address given by the honourable senator from Banff—with the splendour, shall I say, of his plans for broader university and educational development. It was quite clear that a great deal of money would be involved. That in itself should not be a barrier. After I read that portion of his speech I pondered, and I thought to myself, well, we are spending, for example, over \$400 million a year at the present time in family allowances. What was the purpose of family allowances? The great argument was that they would assist parents to bring up their children in the proper way. But was there not a fallacy in that argument? If history has proven anything it is that money is not the most essential thing in the training of a child.

**Hon. Mr. Roebuck:** It is very handy, though.

**Hon. Mr. Crerar:** It is not the most essential thing; and when I reflected that family allowances were paid to families where the income might be \$25,000, up to, say, \$50,000 a year, I wondered if that were wise, and if we could not use that \$400 million a year to better advantage. Of one thing I am convinced, that we have been starving our school teachers and our university professors. I hope

to say a word or two about that later on. I would like to see conditions evolved whereby a young man or woman taking up the teaching profession as a career could expect to live with a reasonable degree of comfort, and to have a pension at the end of his term of service to continue so to live.

That brings up the very interesting question of the relationship of the federal authority with the provincial authorities in education. I am a convinced believer in the federal system of Government in Canada. The framers of our Constitution showed extraordinary wisdom when in the end they came down with a federal system. It would not have been possible to achieve Confederation at the time, as honourable senators know, if the effort had been directed toward a unitary state. But under the Constitution certain things are left to the federal authority: the control of a monetary system, trade and commerce, tariffs, defence—in these broad fields the central authority is pre-eminent. But the Constitution leaves to the provinces, and wisely so, the control of education.

Now, if the federal Government drifts into the habit—or accepts the principle, if you like—that it is part of the federal responsibility to assist in education, then I do think it will bring some peril to the concept of the Fathers of Confederation. That is not to say that the federal Government should deny all assistance.

I have always been troubled in my mind about the developments in what are called federal-provincial fiscal relations, concerning which we had a conference in Ottawa a short while ago. There is no doubt, and it is a demonstrable fact, that the central provinces do draw wealth from the outlying provinces, a wealth which the outlying provinces cannot reach but which is earned in those provinces. That is a condition which some sensible means must be found to overcome. Whether wisely or not, an arrangement was made. Now, within that limitation, recognizing the essential rightness of that principle, I hold to this view, and it is not new with me, that the contribution by the federal authority to the provincial authorities should be under that heading, and under that heading alone.

I dislike—nay more, I distrust—this business of mixing our federal and provincial finances. We have the provinces coming here and telling the federal authorities what they need for roads, what they need for education, and what they need for this, that and the other thing. We have taken over in a very large measure the responsibilities of the provinces. For instance, the whole realm of welfare was essentially the responsibility

of the provinces under the Constitution. But that can be carried through, I think, without impairment of the principle I am endeavouring to deal with. I would try to arrive at some arrangement whereby one kind of payment was made, and out of that the provinces had to do all their own financing.

I would hope further that as time goes on, and as we accumulate wealth—and in the natural order of things much of that wealth would go to individuals because of their superior skills and abilities—we would have in Canada wealthy men who were willing to give a portion of their wealth, at any rate at their death, to some beneficent purpose by way of a foundation. Nothing has been more noted than the degree to which that has been done in the United States, and it is a custom we could well follow here.

This business of one government raising money and giving it to another government to spend is essentially unsound; it is unsound in the very nature of it. The government that has the need to spend the money should have the responsibility of raising it, subject to the qualification I mentioned a short time ago. In that way it would be a little more prudent perhaps in its spending, than if it felt it could come to Ottawa next year with increased demands, and under pressure probably get them.

These are very important matters. They are not directly related to education, but they are indirectly related to the motion moved by the honourable senator from Banff. I say that because a reading of his speech inclines me to the view that he had in contemplation that because the provinces could not meet the increased demands for education, such as extension of university facilities, residences and so on, the federal authority should come to the rescue. I dislike to differ with my honourable friend, but on that point I am bound to say, honourable senators, I am "from Missouri".

Honourable senators, I have taken up more time than I intended to take, but there is no question of the value of a discussion on the subject raised by the honourable senator from Banff.

I do wish to say, as my last words today, let us try to understand the importance of education. Let us try to understand what it means and of what it should consist. I think it was the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) who in his address the other day quoted a line from Tennyson:

Knowledge comes, but wisdom lingers.

I place stress not necessarily on knowledge, but on wisdom, which is the essential thing.

The old Scottish folk had a homely expression to describe it when they called it "common sense". But wisdom is the essential thing.

I do hope that out of the turmoils and differences of opinions to which we give such free rein and expression in Canada we ultimately will learn wisdom. If there is one lesson that has been impressed by all the great thinkers of history from the time of the Hebrew prophets down to the present time, it is the importance in all human activities of learning wisdom.

On motion of Hon. Mr. Kinley, the debate was adjourned.

The Senate adjourned during pleasure.

At 5.40 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

### ROYAL ASSENT

The Honourable Patrick Kerwin, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of Joseph Alfred Victor Tasse.

An Act for the relief of Claudine Yvette Felicite Cavallero Neely.

An Act for the relief of Evelyn Thelma Passineau Uyeda Victor.

An Act for the relief of Ronald Turner.

An Act for the relief of Charles Frederick Church.

An Act for the relief of Sarah Sally Abramovici Schor.

An Act for the relief of Eunice Kennedy Standeven.

An Act for the relief of Kathleen Louise Blaylock Hall Dunning.

An Act for the relief of Mary Hilbert Madge.

An Act for the relief of Marthe Helene Le Bel Champion.

An Act for the relief of Elizabeth Dermer Boyd.

An Act for the relief of Clarice Mendell Uditsky.

An Act for the relief of Dorothy Elizabeth Allen Bellenger.

An Act for the relief of Mildred Weiner Gordon.

An Act for the relief of Theresa Mary Moran Redmond Cooke.

An Act for the relief of Siegmund Paul Fritz Matthes.

An Act for the relief of Lillian Boyce Suttner.

An Act for the relief of Helen May Verner Joyce.

An Act for the relief of Lila Redmond McCorrison.

An Act for the relief of Phyllis Freda Sabbath Isaacson.

An Act for the relief of Marguerite Lavoie Jolin.

An Act for the relief of Margaret Lillian Macenzie Smallwood.

An Act for the relief of Edith Elizabeth Altherr Thompson.

An Act for the relief of Jean Marc Marceau.

An Act for the relief of Mae Boxerman.

An Act for the relief of Marilyn Joan O'Bryan Watson.

An Act for the relief of Irene Elsa Rubin Cohen.  
An Act for the relief of Sally Baker Golding Rohrlick.

An Act for the relief of Jerzy Dzynaw.

An Act for the relief of Pauline Mechanik Winterfeld.

An Act for the relief of Gennie Loza Jarvis.

An Act for the relief of James Keith.

An Act for the relief of Michal Rybikowski.

An Act for the relief of Beverley Joan Abbott Reid.

An Act for the relief of Mark Astman.

An Act for the relief of Karl Schubert.

An Act for the relief of Norma Liebovitch Ryer.

An Act for the relief of Manola Mainville Lefebvre.

An Act for the relief of Anne Marie Fontaine Brien.

An Act for the relief of Joyce Hahn Maiste.

An Act for the relief of Joseph Fabien Marcel Perras.

An Act for the relief of Elizabeth Geroux Touchette.

An Act for the relief of Conrad Donat Joseph Bouffard.

An Act for the relief of Claire Lenoff Schecter.  
An Act for the relief of Gun Elsa-Maria Stridh Zukrowski.

An Act for the relief of Dorothy Maureen Allan Cybuliak.

An Act for the relief of Lita Eleanor Ciceri Desrochers.

An Act for the relief of Gwendoline Georgina Adelaide McNamee Phillips.

An Act for the relief of Robert James Beakes.

An Act for the relief of Elizabeth Ann Vedder Chadwick.

An Act for the relief of Osbourne Denzil St. Martin.

An Act for the relief of Elizabeth Janet Davidson Blacklock.

An Act for the relief of Mary Isabel Bristow Livingston.

An Act for the relief of Zelda King Neuss.

An Act for the relief of Lena Therese Dean Lauzon.

An Act for the relief of Sydney Wagner.

An Act for the relief of Margaret Williams Mullins.

An Act for the relief of Donald Ernest Lamont.

An Act for the relief of Margo Jean Thornton Savard.

An Act for the relief of Marie Reina Pauline Duquette Cottier.

An Act for the relief of Molly Gloria Goldman Mencher.

An Act for the relief of Marie Marguerite Eugenie Lucie Prevost Dorfman.

An Act for the relief of Florence Hewitt Scribner Hartt.

An Act for the relief of Mona Areta Emsley Forbes.

An Act respecting British Columbia Telephone Company.

An Act respecting The Rio de Janeiro Tramway, Light and Power Company, Limited.

An Act respecting Sao Paulo Electric Company, Limited.

An Act respecting Brazilian Hydro Electric Company, Limited.

An Act respecting Brazilian Traction, Light and Power Company, Limited.

An Act to incorporate Investors Trust Company.

An Act respecting Mexico Tramways Company.

An Act respecting The Bell Telephone Company of Canada.

**Hon. Roland Michener**, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, December 10, at 8 p.m.

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## APPENDIX

Statement presented by Hon. Mr. Haig on motion for second reading of Appropriation Bill No. 7, for granting Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958.

## INTERIM SUPPLY

The proposed Bill will provide:

## MAIN ESTIMATES

Section (2) One-twelfth of all the Items to be voted in the Main Estimates for the fiscal year 1957-58 (except Votes 52, 57, 116, 117, 131, 132, 153, 156, 158, 248, 252, 281, 322, 324, 328, 333, 334, 335, 336, 355, 397, 399 and 460, for which additional proportions previously granted have brought the total proportion released up to 11/12ths or more) .....	\$260,679,899.09
Sections (3) and (4) Additional proportions of four special items in the Main Estimates to provide for construction programs for which expenditures are concentrated in the first nine months of the year .....	1,837,853.42

## SUPPLEMENTARY ESTIMATES

Section (5) One-twelfth of all of the Items to be voted in the Supplementary Estimates for the fiscal year 1957-58 (except Votes 626, 635 and 654, for which additional proportions previously granted have brought the total proportion released up to 11/12ths or more) .....	1,497,738.25
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## FURTHER SUPPLEMENTARY ESTIMATES (1)

Section (6) One-ninth of Items 669 and 670 in the Further Supplementary Estimates (1) to provide for the payment of Veterans Allowances and Pensions at the increased rates which took effect on July 1, 1957 .....	2,138,888.89
Section (7) One-twelfth of Item 668 in the Further Supplementary Estimates (1) to provide for payments under the Maritime Freight Rates Act at the increased rate authorized by this Item .....	125,000.00

## FURTHER SUPPLEMENTARY ESTIMATES (2)

Section (8) One-sixth of all the Items to be voted in the Further Supplementary Estimates (2) (except Votes 754 and 759 for which additional proportions granted in the last interim supply bill have brought the total proportion released up to 11/12ths) .....	13,474,054.84
Section (9) Additional proportions of three special items in the Further Supplementary Estimates (2) to provide for construction programs for which expenditures are concentrated in the first nine months of the year .....	1,853,666.67

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\$281,607,101.16

Schedule "A"  
 Additional one-sixth  
 (Main Estimates)  
 Service

**PUBLIC WORKS**  
**PUBLIC BUILDINGS**  
**CONSTRUCTION AND SERVICES**

Acquisition, Construction  
 and Improvements of  
 Public Buildings

No. of  
 Vote

367 Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings as listed in the details of the Estimates, provided that Treasury Board may increase or decrease the amount within the vote to be expended on individual listed projects—Improvements generally—Not more than \$25,000 to be expended on any one project without the approval of Treasury Board, Amount in Estimates, \$300,000\*.

The additional proportion of 1/6th will bring the total amount allotted to this Vote to 11/12ths, or \$275,000.

The many minor projects of an improvement nature for public buildings, for which this Vote provides, have been under way for some time and are now being completed at a rapid rate. The Vote is fully encumbered, and estimated expenditures to December 31 total \$275,000 of which approximately \$75,000 will be spent in Ottawa, and approximately \$200,000 elsewhere in Canada.

\* Net total \$50,000.00.

Schedule "B"  
 Additional one-twelfth  
 (Main Estimates)  
 Service

**NORTHERN AFFAIRS**  
**AND NATIONAL RESOURCES**  
**NORTHERN ADMINISTRATION AND**  
**LANDS BRANCH**

No. of  
 Vote

318 Northwest Territories and Other Field Services—Construction or Acquisition of Buildings, Works, Land and Equipment, Amount in Estimates, \$10,286,741.

Votes 318 and 719 provide a total of \$10,911,741 for construction and for acquisition of equipment for the Northwest Territories and Other Field Services. This additional proportion of 1/12th will bring the total amount allotted for that purpose to \$8,884,784.15. Work in the north must, of course, be concentrated largely in the warmer months and, for this reason, more than the general proportion is required at this time.

Over \$9,000,000 of the total amount of the Vote represents larger programs and projects being carried out by the Department of Public Works as agent for the Department of Northern Affairs and National Resources. It is in this area that the additional proportion is required, as shown in the following table:

	Estimated expenditure to December 31st
Roads and Bridges	
Aklavik (East 3)—Roads within Townsite and to Airport .....	\$ 150,000
Mackenzie Highway—Extension to Yellowknife via Fort Providence and Fort Rae .....	2,100,000
Peace Point—West Boundary of Wood Buffalo Park at 5th Meridian Road .....	60,000
Survey of Road from Fort Fitzgerald, Alta., to Bell Rock, N.W.T. ....	10,000
Building and Works	
Aklavik (East 3) .....	1,900,000
Cambridge Bay .....	100,000
Fort Liard .....	21,000
Fort McPherson .....	765,000
Fort Simpson .....	7,000
Fort Smith .....	1,350,000
Frobisher Bay .....	6,000
Hay River .....	Nil
Lake Claire .....	50,000
Spence Bay .....	25,000
Tuktoyaktuk .....	61,000
Yellowknife .....	965,000
Other Locations—Projects under \$15,000 .....	10,000
	<hr/> \$ 7,580,000
Supply proposed in this Vote for portion of program carried out by P.W.D. ....	7,735,000
Allowance for contingencies ....	<hr/> \$ 155,000
	<hr/> (1/70th of total Vote)

Additional one-twelfth  
 (Main Estimates)  
 Service

**PUBLIC WORKS**

**HARBOURS AND RIVERS ENGINEERING**  
**SERVICES**

Acquisition, Construction and  
 Improvements of Harbour  
 and River Works

No. of  
 Vote

373 Construction, acquisition, major repairs and improvements of, and plans and sites

for, harbour and river works listed in the details of the Estimates, provided that Treasury Board may increase or decrease the amount within the Vote to be expended on individual listed projects—Prince Edward Island, Amount in Estimates, \$1,167,500.

Votes 373 and 732 provide \$1,577,500 for harbour and river works in Prince Edward Island. \$1,102,291.64 has already been made available for these construction projects, \$90,000 of which was provided by Treasury Board authority from Vote 393 "To supplement . . .".

The additional proportions requested in this Bill (1/12th of Vote 373 and 1/3rd of Vote 732) would bring the total amount allotted to about \$1,434,000. Cash requirements to the end of December, however, will be as high as \$1,440,000 if final claims on the two largest projects are processed before that time, as is expected. As of November 26, 1957, there were accounts in the amount of \$111,000 which were unpaid due to shortage of funds.

(A list of the construction projects, with estimated expenditure for each to the end of December, is set out hereunder.)

Allotment	Estimated expenditure to December 31st, 1957
Borden—Towards wharf . . . . .	\$ 38,000
French River South—Improvements . . . . .	16,000
Georgetown—Dredging . . . . .	26,000
Georgetown—Railway Wharf—Towards reconstruction . . . . .	515,000
Howards Cove—Dredging . . . . .	20,000
New London Bay—Harbour improvements . . . . .	18,000
Point Prim—Harbour improvements . . . . .	90,000
Poverty Beach (Murray Harbour North)—Breakwater and landing facilities—To complete . . . . .	70,000
Rustico—Harbour development—To complete . . . . .	15,000
Skinner's Pond—Harbour improvements . . . . .	143,000
Souris—Railway Wharf—Improvements and repairs . . . . .	36,000
South River—Landing—To complete . . . . .	11,000
Summerside Harbour—Dredging . . . . .	40,000
Tignish—Breakwater repairs . . . . .	40,000

Allotment	Estimated expenditure to December 31st, 1957
Victoria—Wharf repairs—To complete . . . . .	40,000
Wood Islands—Improvements—To complete . . . . .	322,000
	<hr style="width: 100%;"/>
	\$1,440,000

Additional one-twelfth  
(Main Estimates)  
Service

PUBLIC WORKS (Concluded)

DEVELOPMENT ENGINEERING SERVICES

No. of Vote	
389	Trans-Canada Highway—To provide for construction through National Parks, Amount in Estimates, \$10,000,000.

Votes 389 and 737 provide a total of \$11,500,000 for construction of the Trans-Canada Highway through the National Parks. The additional proportions now requested (1/12th of Vote 389 and 1/3rd of Vote 737) would bring the total amount allotted for the purpose to \$10,420,000.

Total estimated expenditures to the end of December are \$10,520,000, of which unpaid accounts due to a shortage of funds amounted to about \$800,000 on November 26. Highway construction in the Parks must be concentrated to a large extent in the summer and autumn months, accounting for heavy expenditures at this time of year.

(A breakdown of estimated expenditure by allotment to December 31st is set out hereunder.)

Allotment	Estimated expenditure to December 31st, 1957
Terra Nova . . . . .	\$ 1,200,000
Banff . . . . .	5,000,000
Yoho . . . . .	2,200,000
Glacier . . . . .	1,000,000
Revelstoke . . . . .	120,000
Engineering Expenses . . . . .	1,000,000
	<hr style="width: 100%;"/>
	\$10,520,000
	<hr style="width: 100%;"/>
	\$21,454,241*

\*Net total \$1,787,853.42

Schedule "C"

Additional one-third  
(Further Supps (2) )  
Service

PUBLIC WORKS  
PUBLIC BUILDINGS  
CONSTRUCTION AND SERVICES  
Acquisition, Construction  
and Improvements of  
Public Buildings

No. of  
Vote

729 Construction, acquisition, major repairs and improvements of, and plans and sites for, public buildings listed in the details of the Estimates, provided that Treasury Board may increase or decrease the amount within the Vote to be expended as individual listed projects—Further amounts required—Ottawa, Amount in Estimates, \$3,651,000.

Votes 359 and 729 provide a total of \$15,394,000 for public building construction projects in Ottawa. \$10,024,250 has already been made available for these purposes, but with practically all Ottawa projects in the Estimates committed to contract, it is considered necessary to request an additional proportion of  $\frac{1}{3}$  of the Further Supplementary Estimates (2) item, for a total requested release of approximately \$12,710,000 from the two Votes. As of November 26, 1957, accounts in the amount of \$400,000 were unpaid due to a shortage of funds, and normal supply for December would be immediately reduced by that amount together with similar accounts which have accumulated since that time.

Total expenditure to the end of December is estimated at \$12,700,000 (as indicated in the following list of estimated expenditures for each project).

	Estimated expenditure to December 31st, 1957
Allotment	
Ottawa—Addition and alterations to Science Service Building at Central Experimental Farm ..	\$ 1,950,000
Ottawa—Administration Building for Department of Mines and Technical Surveys .....	800,000
Ottawa—Central Experimental Farm—Central Heating Plant..	50,000
Ottawa—Central Experimental Farm—Improvements to Water Supply System for Domestic and Fire Prevention Services ..	70,000
Ottawa—Chemical Laboratory for Department of Mines and Technical Surveys—To complete ..	1,100,000
Ottawa—Demolition of Buildings	50,000
Ottawa—Forest Products Laboratory for Department of Northern Affairs and National Resources	1,650,000

Estimated  
expenditure  
to December  
31st, 1957

Allotment	
Ottawa—Geological Surveys Building for Department of Mines and Technical Surveys..	1,850,000
Ottawa—Improved accommodation for Comptroller of Treasury, Department of Finance ..	350,000
Ottawa—Improvements to Parking Areas .....	42,000
Ottawa—Improvements to Central Heating Plant on Booth Street—To complete .....	20,000
Ottawa—Mirror Transit Building for Department of Mines and Technical Surveys .....	46,000
Ottawa—Mortimer Building—Alterations and improvements ..	500,000
Ottawa—Office Building at Elgin and Albert Streets .....	900,000
Ottawa—Office Building for Department of Public Works ....	550,000
Ottawa—Parliament Hill—Resurfacing Roadways and Renewal of Walks and Curbs .....	28,000
Ottawa—Postal Station West End—to complete .....	35,000
Ottawa—Riverside Drive Site Development .....	500,000
Ottawa—Royal Canadian Mint—Addition and alterations .....	20,000
Ottawa—Testing Laboratory for Department of Public Works on Riverside Drive .....	600,000
Ottawa—Towards acquisition of property required for sites for future Government Buildings..	950,000
Ottawa—Trade and Commerce Building—To complete .....	550,000
Ottawa—Tunney's Pasture—Improvements to Central Heating Plant .....	63,000
Ottawa—National Gallery Storage Building—Addition and alterations .....	26,000
Total .....	<u>\$12,700,000</u>

HARBOURS AND RIVERS  
ENGINEERING SERVICES  
Acquisition, Construction and  
Improvements of Harbour  
and River Works

No. of  
Vote

732 Construction, acquisition, major repairs and improvements of, and plans and sites for, harbour and river works listed in the details of the Estimates, provided that Treasury Board may increase or decrease the amount within the vote to be

expended on individual listed projects—  
Further amounts required—Prince Ed-  
ward Island, Amount in Estimates,  
\$410,000.

Votes 373 and 732 provide \$1,577,500 for  
harbour and river works in Prince Edward  
Island. \$1,102,291.64 has already been made  
available for these construction projects,  
\$90,000 of which was provided by Treasury  
Board authority from Vote 393, "To supple-  
ment . . ."

The additional proportions requested in  
this Bill (1/12th of Vote 373 and 1/3rd of  
Vote 732) would bring the total amount allot-  
ted to about \$1,434,000. Cash requirements to  
the end of December, however, will be as  
high as \$1,440,000 if final claims on the two  
largest projects are processed before that  
time, as is expected. As of November 26, 1957,  
there were accounts in the amount of \$111,000  
which were unpaid due to shortage of funds.

(A list of the construction projects, with  
estimated expenditure for each to the end  
of December, is set out hereunder.)

Additional one-third  
(Further Supps. (2))

	Estimated expenditure to December 31st, 1957
Allotment	
Borden—Towards wharf . . . . .	\$ 38,000
French River South—Improve- ments . . . . .	16,000
Georgetown—Dredging . . . . .	26,000
Georgetown—Railway Wharf— Towards reconstruction . . . . .	515,000
Howards Cove—Dredging . . . . .	20,000
New London Bay—Harbour improvements . . . . .	18,000
Point Prim—Harbour improve- ments . . . . .	90,000
Poverty Beach (Murray Harbour North)—Breakwater and land- ing facilities—to complete . . . . .	70,000
Rustico—Harbour development —To complete . . . . .	15,000
Skinner's Pond—Harbour improvements . . . . .	143,000
Souris—Railway Wharf— Improvements and repairs . . . . .	36,000
South River—Landing—To com- plete . . . . .	11,000
Summerside Harbour—Dredging	40,000
Tignish—Breakwater repairs ..	40,000

Estimated  
expenditure  
to December  
31st, 1957

Allotment	
Victoria—Wharf repairs—To complete . . . . .	40,000
Woods Islands—Improvements— To complete . . . . .	322,000
	\$1,440,000

Additional one-third  
(Further Supps. (2))  
Service

PUBLIC WORKS (Concluded)

DEVELOPMENT ENGINEERING SERVICE

No. of  
Vote  
737 Trans-Canada Highway—To provide for  
construction through National Parks—  
Further amount required, Amount in  
Estimates, \$1,500,000.

Votes 389 and 737 provide a total of  
\$11,500,000 for construction of the Trans-  
Canada Highway through the National Parks.  
The additional proportions now requested  
(1/12th of Vote 389 and 1/3rd of Vote 737)  
would bring the total amount allotted for the  
purpose to \$10,420,000.

Total estimated expenditures to the end of  
December are \$10,520,000, of which unpaid  
accounts due to a shortage of funds amounted  
to about \$800,000 on November 26. Highway  
construction in the Parks must be concen-  
trated to a large extent in the summer and  
autumn months, accounting for heavy expendi-  
tures at this time of year.

(A breakdown of estimated expenditure by  
allotment to December 31 is set out here-  
under.)

	Estimated expenditure to December 31st, 1957
Allotment	
Terra Nova . . . . .	\$ 1,200,000
Banff . . . . .	5,000,000
Yoho . . . . .	2,200,000
Glacier . . . . .	1,000,000
Revelstoke . . . . .	120,000
Engineering Expenses . . . . .	1,000,000
	\$10,520,000
	\$5,561,000*

\* Net total \$1,853,666.67

## THE SENATE

Tuesday, December 10, 1957

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

Prayers.

## DIVORCE

## REPORTS OF COMMITTEE

**Hon. Arthur W. Roebuck**, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 189 to 192 and moved that the said reports be taken into consideration now.

The motion was agreed to.

**Hon. Mr. Roebuck**: Honourable senators, I now move that these reports be adopted. I should point out that these are the last four reports to come from the committee. I will have the corresponding bills to present in a few minutes and will ask for special consideration of them. I will ask that these four bills be read the first, second and third times tonight, because our time in this session is running out. This evening also I wish to present the committee's final report of the session, giving figures on the work that we have done. But I have some remarks to make prior to the presentation of the committee's final report.

Once again it is my duty and pleasure to report to the house at the close of the sittings of the Senate Committee on Divorce, and to inform the house of the committee's work and progress.

Honourable senators will recall that at the last session we revised the rules of divorce, making a number of very important changes. It may be worth while to mention the more important of these changes. They are as follows:

1. The naming of and service of documents upon every person with whom it is alleged a matrimonial offence has been committed.

2. Setting out of the alleged matrimonial offences fully and precisely in separate paragraphs, including, whenever possible, the name and address of every person with whom a matrimonial offence is alleged to have been committed, and omitting vague allegations such as "at divers times and places".

3. Where the name or address of the co-respondent is alleged to be unknown, a statement that every reasonable effort has been made without success to ascertain the name and address of such person, together with particulars of the efforts which have in fact been made.

4. Verification may now be made "in a form valid in the jurisdiction in which it is made" rather than, as in the past, under the Canada Evidence Act only.

5. If the respondent or co-respondent desires to oppose the granting of the divorce and to be heard by the committee, he or she must now file and serve upon the solicitor for the petitioner a concise statement of the material facts upon which he or she relies in answer to the petition.

6. Where the committee is of the opinion that there has been an offence against the Criminal Code of Canada or a violation of any other law in force in Canada, they may now direct that such evidence, or a part thereof, be drawn to the attention of such law-enforcement or other agency in Canada as the committee may deem appropriate.

7. Provision has been made whereby every witness summoned shall, at the time of service, be tendered conduct money.

These are important changes. Honourable senators who are not serving on the committee can hardly realize how important they are. The new rules went into force on September 1 of this year, and since that date 60 petitions have been presented to the Committees Branch and are accordingly subject to the new provisions.

Honourable senators will be interested to know that of the 60 petitions presented, only six petitioners made application to proceed without naming and serving the co-respondent. The applications are supported by affidavit evidence as to lack of knowledge of the name or location of the co-respondent, and as to the efforts made to discover the name or to serve the person. When the circumstances seem to justify a relaxing of this rule, an order is made in the following or similar terms:

Ordered that the petitioner be permitted to proceed to trial without naming or serving the co-respondent, without prejudice to the right of the committee to take such action at the hearing as may seem appropriate.

That is to say, when the parties are before the committee and the evidence is given *viva voce* and recorded, the committee may waive the rule and tell the petitioner that he must serve the documents on the co-respondent if he knows who he is.

**Hon. Mr. Macdonald**: Were the six applications granted?

**Hon. Mr. Roebuck**: Yes, all six were granted and none was changed by the committee when the evidence was heard.

Honourable senators, before I read the formal report of the committee let me tell you that in the short time that Parliament has been sitting this session there has been

held a total of 24 meetings of the main committee, and of course many more meetings of subcommittees, where evidence is heard. And let me express again my appreciation of the industry and devotion of the working members of this committee. It is an honour and a privilege to be chairman of such a group of men and women. I hope that you will not be surprised when I tell you that every one of the 300 odd reports we have made to the house have been unanimous, both in the subcommittees where the evidence was heard and in the general committee to whom the subcommittees report. There has been no effort to bring about unanimity. Such is the fruit of long experience, knowledge and wisdom of each individual member that we just naturally think alike.

Because I firmly believe in giving credit where credit is due, I have made a practice in recent years of giving the names of the working members of the committee and their attendances. In this connection I bow, as usual, to the Honourable Senators Golding and Gershaw, each of whom attended 23 of the 24 meetings. They take the prize.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Roebuck:** It is difficult to be present at all times at an institution of this kind which functions day in and day out for most of the session.

I also bow to the Honourable Senator Hodges—I am sorry she is not here this evening—who was present at 20 meetings; and also to the Honourable Senator Fergusson—and I am glad she is here—who was present at no less than 19 meetings. Here, let me pause to say how much I appreciate the attendance of these women senators at the meetings. One would think it was a distasteful job, but once I heard one of them say, when some special reference was made to the women on the committee, "Please don't—I am just one of the members of the committee." They have acted as such, without showing any special concern, or responding in any way differently from the rest of us, but nevertheless infusing into the hearings a certain indefinable something which has added to the dignity and, I think, the wisdom and carefulness, of our meetings.

Others who attended over 50 per cent of the time, and some a good deal more, are the Honourable Senator Smith (Queens-Shelburne), 17 meetings; and the Honourable Senators Barbour, Howden, Hawkins, myself, Kinley and Taylor (Westmorland). These hold the best record of attendance.

However, attendance is not everything. I have referred to attendance at the general meetings, not at the subcommittees, and I bow to my deskmate, the Honourable Senator Croll, who attended no less than 9 general meetings, and also presided at all but two of the contested cases, of which there were 30 notices given. To the hearing of these contested cases he gave of his knowledge and wisdom. His special qualifications made him a most acceptable and capable chairman.

**Hon. Mr. Macdonald:** Hear, hear.

**Hon. Mr. Roebuck:** I express my gratitude to him, for he volunteered to do that work and to take the burden off my shoulders. We were grateful to have an able lawyer as chairman for the contested cases.

May I also make special honourable mention of the Honourable Senators Isnor, Burchill, Cameron, Baird and Horner.

The senators I have named are the ones who did the work. There are no less than 20 members on the committee, and in addition two *ex officio* members, the Leader of the Government (Hon. Mr. Haig) and the Leader of the Opposition (Hon. Mr. Macdonald). The honourable positions they hold in the house entitle them to this recognition. They are not expected to attend the committee's meetings; but to those who have done the work, the credit which I have mentioned is due.

Honourable senators, since I am giving credit where credit is due, permit me also to mention the staff of the Committee Branch for their good work, knowledge, care and ability, which are responsible for the smooth and efficient working of the committee's system. The chief of that branch, who is responsible for a great deal in connection with this work, is Mr. Harvey Armstrong. He has been a member of the branch for 37 years, and I need not say, honourable senators, that he is thoroughly experienced and, I may add, thoroughly capable of supervision of the work done by that branch.

It may not be known to all honourable senators, but the Committees Branch prepares all cases, examines the proceedings, checks to see that the rules are complied with in respect of advertising, payment of fees, proper service and proof thereof, and so on; and, when the meetings of the committee take place, certifies to the committee that all the rules with regard to each petition being heard have been duly observed. That is responsible work.

In addition, the preparation of the cases, the calling of them when they are ready for hearing and listing of them for the days of

meeting, is a very big piece of work. In that connection, Mr. John Hinds, who is the Assistant Chief Clerk of Committees, has taken a most active and creditable part. He is a thoroughly experienced officer, and has been with us for no less than 12 years. Mr. James MacDonald is clerk of No. 1 subcommittee, the committee in which I, when I am there, sit as chairman. He has been with us for 11 years. Let me say that as a registrar of the court and one who handles multifarious details, his work is outstanding. Mr. Alfred Fortier, another member of the staff, is clerk of No. 2 subcommittee. He has been with us 10 years. Mr. Gerard Lemire is clerk of No. 3 subcommittee. His experience is not so great, he having been with us for only four years, but his ability is very considerable.

I give honourable mention also to Mr. George McIntosh, the crier and filing clerk, who has been with us only a short time, and to Mrs. Bertha Anderson, the stenographer in the Committees Branch office. I do not know that all businessmen appreciate as much as do lawyers the advantages of having a competent stenographic staff in the carrying on of the work of an office. To Mrs. Anderson I tender the olive branch: she has been doing excellent work.

Let me say a further word about the staff. A great part of the routine hard work of the committee is done by the *Hansard* reporters who report the evidence day after day with remarkable concentration and attention to detail. It is exhausting work, and it is done with a great deal of care and efficiency. Mr. Basil Lake, as you know, is chief of the Reporting Branch; Mr. Graydon Hagen is senior reporter, and Messrs. Shelton, Hubbard, Crockett and Lawrence are the other reporters, all of whom have been engaged in this task. I should not fail to mention the young women who type these long stories day after day with a great deal of care and devotion.

Honourable senators, those are the personal remarks I wanted to make in connection with this matter.

The motion for adoption of the reports was agreed to.

#### STATISTICS

**Hon. Mr. Roebuck:** Honourable senators, I trust you will now permit me to read the committee's 193rd report.

For the present session of Parliament 325 petitions for Bills of Divorce were presented

to the Senate and dealt with by the Standing Committee on Divorce, as follows:

Petitions heard and recommended .....	187
Petitions heard and rejected .....	2
Petitions withdrawn .....	2
Petitions not disposed of .....	134
<hr/>	
Total .....	325

While this has been a short session, and there has been a good deal of pressure on all of us, every case that was ready to be heard at the time we set for the closing of the hearings, was heard; no case that was ready for hearing at that time was deferred. Each of the 134 petitions not disposed of is a case in which some detail has not yet been completed, in consequence of which the case goes over to the next session.

Of the petitions recommended, 186 were from petitioners domiciled in the province of Quebec, and one from a petitioner domiciled in the province of Newfoundland. I bow to Senator Baird, from Newfoundland, who is a member of the committee. I am pleased to say that the work from that province is very much less than it has been in previous sessions.

Of the 186 petitioners domiciled in the province of Quebec, 59 were husbands and 127 were wives. We may hear from the ladies on that point. When I presented a similar report on a previous occasion, an honourable senator commented "The figures speak for themselves."

The petitioner domiciled in the province of Newfoundland was a wife.

Of the petitions heard, eight were opposed at the hearing.

The committee met on 24 days and held a total of 75 meetings. That takes into consideration the meetings of the subcommittees. On eight days the committee functioned in one section. On five days the committee functioned in two sections. On 11 days the committee functioned in three sections. I may say there are really four subcommittees, but they do not all meet at the same time. Three subcommittees have been hearing the non-contested cases, and the fourth subcommittee, presided over by Senator Croll, usually sat on days when the other subcommittees were not sitting.

In seven cases when the petitioner pleaded inability to pay the full parliamentary fee, the committee recommended a partial remission. It is sometimes said that our committee functions for the rich and not for the poor. I suppose it is always an advantage to have some money, but we never allow lack of money to stand in the way when there is a good case to be put forward for someone who has not the funds with which to carry on proceedings.

**Hon. Mr. Macdonald:** Has the committee power to remit fees, without coming to the house to get authority?

**Hon. Mr. Roebuck:** We always come to the house. The committee merely recommends that fees be remitted, and then only in part, never in whole. On each occasion when we have so recommended, our report has been approved by the Senate.

The fees paid to Parliament for bills of divorce heard and recommended during this second session of 1957 amounted to \$38,475. So it can be seen we did not remit all the fees by any means. My honourable leader will no doubt appreciate this revenue.

**Hon. Mr. Macdonald:** That will help to balance the budget.

**Hon. Mr. Roebuck:** Assuming that all bills of divorce recommended by the committee and now at various stages before Parliament receive the Royal Assent, the numbers of marriages dissolved by Parliament in the last ten sessions are as follows:

1949 2nd Session	166
1950	240
1951	294
1952	312
1952-53	282
1953-54	378
1955	402
1956	356
1957 1st Session	338
1957 2nd Session	187

I have here statistics covering the number of divorces granted in Canada in the years 1952 to 1956, both inclusive, and in 1957 for Quebec and Newfoundland. I do not propose to read all of this statement, but I might point out that in Canada, in 1952, there were 5,634 divorces and that number has held fairly consistently through to 1956, the last year for which we have full records, when the number was 5,890. The same is true in large measure of the provinces. In the number of divorces Ontario led of course with 2,366 last year, and British Columbia followed with 1,502. With permission, I will place the figures on *Hansard*:

	1952	1953	1954	1955	1956	(1957)
Canada	5,634	6,110	5,922	6,031	5,890	
Newfoundland	3	9	8	1	5	6
Prince Edward Island	9	15	8	7	1	
Nova Scotia	188	185	249	253	230	
New Brunswick	200	181	117	181	215	
Quebec	309	273	370	401	351	519
Ontario	2,202	2,774	2,468	2,509	2,366	
Manitoba	338	374	371	337	314	
Saskatchewan	223	218	250	237	221	
Alberta	630	603	610	627	685	
British Columbia	1,532	1,478	1,471	1,483	1,502	

The following statement shows a comparison between the number of divorces granted

to husbands and wives respectively in the years mentioned, 1952 to 1956:

	Husbands	Wives
1952	2,218	3,416
1953	2,421	3,689
1954	2,337	3,585
1955	2,357	3,674
1956	2,279	3,611

So the general figures for all of Canada do not show the disparity between the applications by husbands and the applications by wives as do the applications to our divorce court here.

Honourable senators, all of this is respectfully submitted on behalf of the Committee on Divorce by myself as chairman.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, that this report be tabled?

**Some Hon. Senators:** Agreed.

The report was tabled.

BILLS—FIRST READINGS

**Hon. Mr. Roebuck:** Honourable senators, I now present four bills for divorce, the last that it will be my duty to present this session. May I ask the indulgence of the house to have these bills given first, second and third readings tonight?

The bills are as follows:

Bill R-7, for the relief of Jean-Baptiste Gagnon.

Bill S-7, for the relief of Christine Silverson Manchur.

Bill T-7, for the relief of Joseph Napoleon Leon Prosper Brault.

Bill U-7, for the relief of Kaarlo Kustaa Loikkanen.

The bills were read the first time.

SECOND READINGS

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the second time?

**Hon. Mr. Roebuck:** With the consent of the Senate, I move the second readings now.

**Hon. Mr. Vaillancourt:** On division.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

**The Hon. the Speaker:** Honourable senators, when shall these bills be read the third time?

**Hon. Mr. Roebuck:** With leave, I move the third readings now.

The motion was agreed to, and the bills were read the third time, and passed, on division.

## COLUMBIA RIVER HYDRO-ELECTRIC DEVELOPMENT

### NOTICE OF INQUIRY DROPPED

On the notice of inquiry by Hon. Mr. Reid:

That there be tabled a copy of either the interim or final report made by the British Columbia Engineering Company in regard to their investigations concerning the possible hydro-electric development of the Columbia River including the effect of any diversion or diversions of the Columbia River.

**Hon. Mr. Haig:** Honourable senators, I suggest that this inquiry should be dropped. The Government notified the House of Commons on Friday that it had no complete report at all on this matter and as to what they did have it was not in the public interest that it be produced or tabled in the House of Commons. The same answer would apply in this chamber.

**The Hon. the Speaker:** Dropped.

### THE TITLE "HIS EXCELLENCY"

#### INQUIRY AND ANSWER

**Hon. Jean-François Pouliot** inquired of the Government, pursuant to notice:

Who, in Canada, are officially entitled to be called "His Excellency"?

**Hon. John T. Haig:** Honourable senators, I have the following answer to the honourable gentleman's inquiry:

The persons residing in Canada who are generally accorded the title Excellency in official usage are:

The Governor General of Canada or The Administrator of the Government of Canada; Ambassadors, High Commissioners and Ministers Plenipotentiary of other countries accredited in Canada;

The Apostolic Delegate to Canada.

It has been customary in the past to accord, by courtesy, the title Excellency to the wife of the Governor General.

In ecclesiastical usage the title Excellency is accorded to Archbishops and Bishops of the Roman Catholic Church.

### SPEECH FROM THE THRONE

#### ADDRESS IN REPLY ADOPTED

The Senate resumed from Wednesday, December 4, consideration of Her Majesty the Queen's Speech at the opening of the session and the motion of Hon. Mr. White, seconded by Hon. Mr. Méthot for an Address in reply thereto.

**Hon. Gustave Monette:** Honourable senators, on this my first occasion of rising in the debate on a Speech from the Throne my mind is still deeply impressed by the exceptional and may I say, historical, event, when Her Majesty the Queen of Canada, in person, graciously came from the heart of the community of British nations to open, for the first time, our Canadian Parliament. Those of us who, on that memorable day, were just

born as members of this house and integrated as such into the very structure of our Parliamentary system, cannot but feel, and I believe all honourable senators do feel, that this royal accomplishment was a great blessing of which we should endeavour to remain worthy.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Monette:** For indeed, the event is of a great momentous significance. This official act of Queen Elizabeth II in coming and opening herself our Parliament has brought us to a closer and more vivid realization and understanding of what the Crown means in our Parliamentary institutions. The idea of a monarch presiding and, therefore, dominating by majesty and dignity, a democratic Parliament, where the policies and destinies of a nation are framed through free debate, and ultimately resolved for action, has not evolved nor has it been maintained without criticism. But allow me, honourable senators, to speak my mind. Never was I more convinced than I am at this time—and I was already convinced long before—that the Crown, in our system, far from being just a preservation for the sake only of tradition, politeness, or even vanity, of a mere sign of the past, is in reality a true symbol and an always fertile stimulant for us ever to maintain, in the necessary impact of our singular and sometimes serious divergencies, a paramount aspiration for national unity.

From our feelings of pride as well as emotion, all of us at the time realized what distinct features of grandeur, dignity and self-respect, as well as of common devotion to our state, the hereditary, and therefore non-partisan, royal authority is maintaining in our debates, in our divisions, and even in our strong and definite party platform determinations, honest and legitimate as they may be. When our Monarch represents Canada in other countries—as it occurred lately for Her Majesty to visit, as Queen of Canada, the great neighbouring republic of the south—we all feel, as we truly did feel, that our august representative was voicing the good wishes and hearty feelings of all Canadians, irrespective of creed, religion, language or party differences.

To royalty, mingling in a free parliamentary régime an ever-present and discreet appeal to unity and grandeur, I have long given, as I do now, the assent of my mind as well as of my heart. This is the more true when, as on this last occasion, the majesty of the Queen appeared environed, not only with dignity, but also, in a most sympathetic demeanour, with the charm and grace expected from her sex and family atmosphere. In spite of criticisms that we

have heard of, though not coming from our country, we have experienced an event which clearly demonstrated the possibility of a Queen behaving with a most natural and cordial feminine smile and countenance, though, at the same time, reflecting all the majesty expected from a Sovereign acting in the performance of her so important functions, within Parliament as well as throughout the Canadian territory which it was made possible for her to visit.

Honourable senators, let us continue, as usual, to pray in this house for our Queen, Elizabeth II, and the royal family.

Now I believe it is my duty, honourable senators, to give you a word of introduction about myself. Since 1911 I have been simply exercising my profession as a barrister and solicitor. My legal studies I performed at the Montreal branch of Laval University, which branch has since evolved to the present status of the independent University of Montreal. As to college instruction, preparatory to university's attainment, it was in the form of a classical course, which I followed and completed at the College or Seminary of Ste. Thérèse de Blainville, in the county of Terrebonne, one of the component parts of the senatorial division of Mille Isles, which I have the honour to represent. However, my primary education, that which was my first inspiration and stimulant to try to do my best in life, I received from my parents, at home, and from a modest but very noble and devoted woman country teacher in the very heart of the farming district in the county of Laprairie. That is where and how, under the continued attention and moderate severity of my father, I was definitely impressed, in my heart and mind, to try to become an honest and useful citizen.

Last week, honourable senators, I was deeply moved when listening, very keenly indeed, to the honourable senator from Churchill (Hon. Mr. Crerar). While elaborating on the essential features of education, he was stressing the paramount importance of the examples of honesty and discipline that one can receive, as he himself was fortunate enough to receive, and be definitely marked with, in the elevating atmosphere of such a home, more especially, as I am sure he meant, in the noble and fertile profession of cultivating the soil.

Surely Virgilius, whom Emperor Augustus had asked to glorify the virtues of the simple farm life, in an effort at reforming the morals and the whole social fabric of the Roman Empire, was, in three words, referring to the inspiring family atmosphere of such farms as the honourable senator has given us to appreciate: *Potens ubere glebae*.

In referring to the senatorial division of Mille Isles, I wish to render homage to my predecessor, the late Honourable Senator Armand Daigle. While until his death he was the Senator for Mille Isles, he used to live close to me at the summer resort of Laval-sur-le-Lac, just separated by the river of Mille Isles from his senatorial division of the same name. He was the husband of a very noble and discreet wife, and the father of a large and sympathetic family. An industrious and distinguished citizen himself, he was always loyal to his many friends, to his political association, to his province and country. He was a discreet example of honesty, a model citizen whom one is happy to try and follow. To his wife and family I offer my sympathy and admiration.

It is now my great pleasure to thank honourable senators most sincerely for the courtesy extended to me from the first day I came to this house, and which has been continued to this time. I have appreciated, in private conversations, honourable senators, your very good words of welcome, and on all occasions, whether in this house or outside, the assistance generously given. I know that it is our duty firmly to offer criticism of opinions expressed in this house, as the occasion may appear to warrant, and to defend one's own principles with conviction and courage; yet I find the atmosphere of this house to be serene and not unduly partisan, and this to a much greater extent than I had expected. I found that we all could here, in honest and firm debate, endeavour to adequately scrutinize legislation originating in our house or brought to us from the Commons, suggest substantial modifications as to wording or substance, and also challenge, perhaps, the principles underlying any proposed legislation. Above all, I realize that in all our honest endeavours we are preserving among ourselves a sense of fairness and mutual respect.

Mr. Speaker, may I offer you my congratulations upon your appointment to the high position you now occupy and the noble functions you are now called upon to exercise. Not only, your Honour, do you discharge your duties with determination, clarity and grace, but you have already made it plain that your impartiality is at the level of what honourable senators on both sides are expecting from you in the pursuance of their constitutional right to free speech and debate.

To my beloved and so honest-meaning honourable leader (Hon. Mr. Haig), I offer my thanks for his indefatigable assistance to me, and to all of us. His constant efforts are aimed sincerely at his being fair to every senator, and in respect to any matter.

To the honourable Leader of the Opposition (Hon. Mr. Macdonald) I am grateful for his kind and serene attitude, as well as for his undisputed broadness of mind in the performance of his functions.

I have also a particular feeling of gratitude for the honourable senator from Kennebec (Hon. Mr. Vaillancourt), who has had for me a few words so generous that they moved me deeply.

You will forgive me, I hope, if I have also a particular word of attachment and good will for those honourable senators who were sworn in with me. I was honoured to be the last of them to take the oath, and, therefore, to be guided by their noble demeanour. May I remark, however, that one of them, the honourable senator from Repentigny (Hon. Mr. Lefrançois), who was sworn in on the same occasion, appears to be forgetful of his fate, that is of his right, at least apparent, of closer brotherhood with those of us who were born into this house with him on the same day. He missed the chance of taking his seat on our side. Let him not be too late in seizing the opportunity, since after the next election there may not be enough room for him to take his place on the side of the present Government Leader.

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Monette:** Honourable senators, I should like to say a few words in reference to the honourable senator from Waterloo (Hon. Mr. Euler). When taking part in the debate on the Address in reply to the Speech from the Throne on November 20 he referred in particular to the policy and manner of approaching the question of international relations, especially in our dealings with Russia and the Communist nations. With the permission of the house I should like to take the time to quote his remarks rather extensively. He said:

I shall take the liberty of quoting from a speech which I made last year. I stated then that in the last few years two events of tremendous international importance had taken place. The one, of course, was the invention of the atomic bomb—later, of the hydrogen bomb—and now, and still more important, of the guided intercontinental missile. I do not know how powerful this last weapon may prove to be, but certainly it has put the fear of God into the United States and other nations. The second important event was the death of Stalin. I pointed out that after this event there had been, apparently, an entire reversal of policy on the part of the Russians. I said:

"Since the reversal of Stalin's policy the attempts of these leaders  
The Russians—

"to come to improved relations with the West appear to be sincere. I am bold enough to say that we cannot afford to ignore these attempts and we should go half way to meet them. Keep your powder dry if you must, but let us use every opportunity of trying to remove the friction that

has existed between the peoples living on either side of the iron curtain."

I still believe that. You cannot destroy all the people of Russia. Nor can you exterminate ideas by violence. As I said last year, there are only two possible courses of action. Either we must go on as we are going, with what is called the "Cold war", . . . we must get together on a plane of co-existence, as it is called. To my mind it is just a case of co-existence or no existence at all.

Further on the honourable senator from Waterloo said:

For what is the alternative? I will tell you what the alternative is. We shall continue the cold war or have a suicidal world war. I did not get much backing for the speech I made last year, but I have pretty good backing for it now. Almost immediately after President Eisenhower and the British Foreign Secretary refused the invitation of Mr. Khrushchev, statements were issued around the world. Here is one from Canberra, Australia, quoting Prime Minister Robert Menzies as saying: "We ought to be willing to discuss matters with the Soviet Union, as suggested Wednesday by Communist Party Secretary Khrushchev."

That statement comes from the Prime Minister of a sister member of the Commonwealth. It is quite unmistakable. Then there was a statement made by Mr. Pearson, who until recently was Canada's Secretary of State for External Affairs. This is datelined from Minneapolis, November 3, and reads:

"Lester B. Pearson, winner of the 1957 Nobel Peace Prize, urged the West today to seize every opportunity to negotiate a peaceful co-existence with Russia."

Later on the honourable senator said:

Perhaps that picture is a little too dismal, but from what we hear there are just two courses open to us: we have got to live with these people or destroy them and be destroyed ourselves. My thought is that this Government should do what it can to bring about a meeting such as has been suggested, even if this suggestion does come from Russia.

I will conclude my remarks by quoting from what I said last year in this house:

"Anything we can do, either through trade or in some other way, to replace international friction by good will, to remove the threat of war and restore to our people a sense of security,"—which they have not had for two generations now—"will certainly be in the best interest of Canada and of the whole world."

Honourable senators, those were very important words. I consider them to be very sound and I have no hesitation in declaring that I share the honourable senator's way of expressing what ought to be done at the present time with respect to international affairs. The honourable senator from Waterloo might have been pleased to read lately that the present Minister of External Affairs, the Honourable Mr. Smith, said that it seemed to him we should not always answer "No" to proposals made from Russia. I cannot say what the new minister has in mind for further elaboration on that; be it sufficient to say that since he appears to be pretty much of one mind with his predecessor as to Canada's foreign policy, he appears himself to be willing to scrutinize perhaps more than has been done in the past the possibilities of coming to an understanding with Russia. I

think we should leave him to elaborate on his policy, but we can express our gratitude for the meeting of minds on the two sides of this Government and Parliament with respect to foreign affairs.

Honourable senators, I would like to say a word concerning the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). First, I compliment him, and through him, his committee, upon the splendid work they have done. I do not speak on the advisability of having divorces; but since the system exists it is necessary to cope with the situation of the increasing number of petitions for the relief of unhappy married couples. I note that the job is well attended to. The report that was presented today impressed all senators to a great extent, and myself particularly. I congratulate the honourable gentleman upon the clarity of his exposé, and upon the results achieved by the indefatigable work of both himself and his associates.

Yet—and perhaps I am wrong—I would like to express a little reproach at the words spoken the other day by the honourable senator when he was referring to the number of unemployed. As recorded in *Hansard* on page 287, he said:

Did I understand the honourable Leader of the Government to say it was expected that we would have 50,000 unemployed people in Canada this winter?

Hon. Mr. Hugessen: 250,000.

Hon. Mr. Roebuck: That is a national disaster. Regardless of what Government is in power, to have 250,000 persons unemployed is a most undesirable situation. I know we have always expected such a situation when a Conservative Government was in office, . . .

I stop there.

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Monette:** Perhaps many senators on both sides know that indeed such situations develop. If I may be permitted to paraphrase the honourable senator's remarks, I would suggest that with a little time for previous reflection he might rather have said: "I know I have always expected such a situation, when the economic conditions of Canada were such, as before the last elections, that the people of the country felt they had better choose a new administration to act as a receiver, in order to prevent the nation's economy from going on the rocks—while there is yet time".

And if my honourable friend has read a number of commentaries in the *Toronto Telegram* on the policy of tight money, which was not a creation of the Conservative party, he will realize that the tight money policy has already been responsible to a large degree for the decline in our economic situation, and has caused a great change of opinion in the country.

Honourable senators, I come now to a question of great importance, that is, freedom of religion and worship, on which a decision was brought down lately in the Supreme Court of Canada. This question was raised in very able terms, and in very sincere accents, by the honourable senator from De la Durantaye (Hon. Mr. Pouliot). At the moment it is not my purpose to add to his criticism of the Supreme Court of Canada. In fact, I do not want to criticize, for reasons that I shall try to elaborate. The matter that was before the Supreme Court of Canada was a very difficult one, and extremely complex. The judgment took up 90 pages in the Supreme Court Reports. The full court of nine judges sat. All the judges wrote notes, except two. In those notes we see the complexity of the case, the number of legal sources to be considered before the judges could arrive honestly, as they did, at their individual conclusions. The court's decision was five to four. The very learned, honest and qualified jurists on both sides also gave their divided opinion on many incidental issues, connected with the only point that they determined by a majority of five to four.

Honourable senators, there are to my knowledge some other cases bearing somewhat on the same question which are still pending to be heard and decided by the Supreme Court of Canada. It is true that the case which was decided is no longer *sub judice*. But some aspects of the main question are still before the court in other cases yet to be decided, and, as honourable senators may see in a moment, some other solution for other cases may be forthcoming. Therefore, although I realize that in anything I say in this regard I have immunity, as a senator, there is no advantage in discussing that further. We have a court of great credit and ability, of which we should all be proud. And though it be divided on important matters, it is nevertheless a body which does not deserve criticism that is too loud or too strong. If I had to give an example of a judicial forum where there is division, among the highest courts, it would be in the United Kingdom, namely, in the House of Lords, the highest court of that land. That so renowned final Court of England has decided a number of great questions, and its members write their notes, which very often reveal definite divergence, both of reasoning and of conclusion.

The Privy Council, however, does not show dissidence by judges. That is not because the judges fall easily into common accord, but rather because the Privy Council, being an institution by itself, consisting of Privy Councillors who are sworn in to hear cases and deliver judgment in the name of Her Majesty, could not divide themselves and

show the Sovereign as being divided against herself. So the members of the Privy Council are always unanimous in their judgments.

The House of Lords is just as important as any other court in the world, but the judges are free to express different opinions. Nevertheless the majority decision is respected. The same situation obtains with respect to the Supreme Court of the United States, which hears very difficult cases that are important to the life of that country. issues, connected with the only point that There again, the rule is the majority decision of the highest tribunal, and such decision becomes the law on the point raised in each case.

Honourable senators, no democratic country can be really great unless justice is administered by men who are respected by all. The Government seeks out and finds those men whom they believe are best qualified, the men whom they believe have the best legal minds in the country, and appoint them to the highest court. Once that court has made a decision, we must bow to it.

It is of course true that the Senate, as one of the Houses of Parliament, has the right to scrutinize decisions of our Supreme Court. But we must not indulge in violent criticism. I do not for a moment suggest that the honourable senator from De la Durantaye was expressing such extreme criticism. I am just expressing a general opinion. The Senate has the right, after close scrutiny of a decision of the court, to recommend action. But whatever action should be recommended, certainly, it should not be that a judgment be reversed, for we do not have power to do that. We might offer some remedy for a situation by amending the law in respect to a particular subject, if we felt it should be amended. But it would serve no purpose in the interests of justice to persist in debating a decision of our own Supreme Court, which is the final court, while there are other similar cases *sub judice*.

Therefore, honourable senators, with all due respect to the senator from De la Durantaye—and I have great respect for him, and for other honourable senators who have debated this question to a moderate extent—I would suggest that as early as possible we close the debate on this subject, unless it is felt that we can offer some measure of remedy, without criticizing the court.

Therefore, if you will allow me, I would only make some observations on the many difficulties involved in the question which has been raised, and the diverse points of view that have been expressed, without bringing any disrespect on our highest court, but rather with a view to helping us to understand the situation better and have greater admiration and respect for the court.

The case in question arose out of a municipal bylaw of the City of Quebec prohibiting anyone from doing anything that would have the tendency to, or the effect of, denying the right of full freedom of religion and worship to anyone. But the bylaw provides one exception to such freedom. In this connection I should like to read the bylaw, which is in broad terms and appears in (1953) Supreme Court Reports at page 365, where the decision is reported in full. The bylaw reads:

It is ordained and enacted . . . It is by the present by-law forbidden to distribute in the streets of the City of Quebec any book, pamphlet, booklet, circular, tract whatever without having previously obtained for so doing the written permission of the Chief of Police.

Let us stop there. This municipal bylaw prohibited the circulation and distribution of papers without first having obtained permission from the Chief of Police of the city concerned. Let us examine on what authority that bylaw was passed. It was based, as was explained in the case, on an article, or rather a number of articles, of the Cities and Towns Act of the province of Quebec. This argument was put forward by one side, and was not very strongly disputed by the other side. But that is not the point at issue. It was claimed that the municipalities had the right to enact such a bylaw to prohibit distributions of that kind without proper authority first having been received, whether from the City Clerk or from the Chief of Police. It was said that the Chief of Police perhaps was not qualified to determine the propriety of any particular paper or document to be distributed on the street. But that is not the point for the moment.

Going a bit further as to the source of the bylaw, which was based on the Cities and Towns Act, the latter being part of the laws of the Province of Quebec, it was propounded by four judges that this provincial law derived its authority from section 92 of the British North America Act, paragraph 13, which says that the provinces have the exclusive right of legislation in matters of property and civil rights in the province. That point was challenged by the opposing parties, and also by some of the honourable judges, who were divided on it—that is, divided fairly and honestly.

This law of the province of Quebec, permitting the municipality to enact such a bylaw, was based not only on section 92 of the B.N.A. Act. Indeed, as I shall try to explain, it could be said that it was not based at all on the B.N.A. Act, because Chapter 307 of the Statutes of Quebec prohibits any municipality in the province from attempting to counteract the freedom of religion and worship of any citizen of any religion.

That statute made an exception, and I am referring now to section 2, Chapter 307 of the Revised Statutes, 1941, and to the bylaw,

both to be found at pages 313 and 365 of the Supreme Court Reports, 1953.

At page 341 I read from the original Statute of 1852, before Confederation, which the Revised Statutes of Quebec reproduced verbatim, and there in it is stated:

Whereas the recognition of legal equality among all Our Religious Denominations is an admitted principle of Colonial Legislation; And whereas in the state and condition of This Province to which such a principle is peculiarly applicable, it is desirable that the same should receive the sanction of direct Legislative Authority, recognizing and declaring the same as a fundamental principle of our civil policy; be it therefore declared and enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and of the Legislative Assembly of the province of Canada . . . That the free exercise and enjoyment of Religious Profession and Worship, without discrimination or preference, so as the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the Province, is by the constitution and laws of this Province allowed to all Her Majesty's subjects within the same.

That was a very serious enactment for the protection of religion and freedom of worship, but it was conditioned by the exception that, under the guise of utilizing such right of full freedom of worship, one group of men of an established church or only members of a new school of thought in religion, should not take the opportunity of such freedom as an excuse for acts of licentiousness or as a justification of practices inconsistent with the peace and safety of the province.

There lies room for a great discussion and it was thoroughly discussed at the Supreme Court, and with cogent reasons on both sides. My words may appear inconsistent, but we know that in law there is nothing so fixed and absolute as "two and two make four". The realm of law and the duty of interpreting the law, constructing the law, is something very, very difficult, and after having looked up the principles in many books it is still possible for honest and brilliant legal men to disagree.

So the question was, whether the Witnesses of Jehovah, who claimed the liberty of exercising freely their ways of worship—though they contended in printed tracts that they were of no religion at all and they rather attacked all religions—the question was whether they fell in the exception mentioned in the statute. Some learned judges felt that, since the Witnesses had some way of believing in God, it might be easy to admit that they were entitled to the freedom granted to people exercising a religion, to the freedom of worship. One may honestly feel there is legal substance in that.

But the fact is that they distributed tracts in which they attacked very violently the

Church of Rome, the Catholic religion, the religion practised by 90 per cent of the people of the province of Quebec. If they had simply attacked the propriety of our belief, if they had tried to demonstrate that we were wrong in our form of religion, well, nobody could have challenged them under that law of Quebec which gives them a full right to practise their religion and worship as they see fit, and to peacefully challenge the doctrine of others. But they said things in those pamphlets that I will not reproduce here, things of which you have heard, I am sure, and which are quoted in the judgment, some in words that would have made Britishers jump to their feet if things like that—and I see an honourable senator nodding affirmatively—had been said to them. It was very insulting, and therefore it was thought by the Quebec authorities that such exercise of one's religion was made an excuse for acts of licentiousness or a justification for practices inconsistent with the peace and safety of the province.

In fact, if you read those things, which I am not going to read, though they are here in the report, I think you would agree with me that there soon would have been a quarrel which might have developed into serious events likely to border on violence and perhaps be an occasion for imposition of martial law.

Honourable senators, there is a limit to what you can say to people and especially what you can say about their religious beliefs. The Jehovah's Witnesses went to an extreme limit.

I am not criticizing the judges, not at all, but I am saying this to explain how some judges would be quite concerned about the seriousness of those accusations, while some other judges would be convinced, I do not doubt, that nevertheless the whole attitude of the Jehovah's Witnesses pertained to their right of worship and religion.

Now, apart from the main issue, there were a number of questions raised in the case. The first was this: Was the distribution of those tracts in violation of the bylaw itself? And, because there were terms in it that are found in Chapter 307 of the Revised Statutes of Quebec, 1941, it raised also the question whether the distribution was also a violation of the provisions of the said chapter. And again because of the same terms being present, was it also a violation of the pre-Confederation basic statute of 1852 which existed in the provinces of Quebec and Ontario?

I will now read from those Statutes of the Union of the two Canadas, at page 341 of

the report. This was the act of 1852, and the statute read in exactly the same terms:

Whereas the recognition of legal equality among all Religious Denominations is an admitted principle of Colonial Legislation,

This was at the time of the union of the two Canadas, plus the provinces of New Brunswick and Nova Scotia: they were colonies and independent, one from the other.

and whereas in the state and condition of This Province, to which such a principle is peculiarly applicable, it is desirable that the same should receive the sanction of direct Legislative Authority, recognizing and declaring the same as a fundamental principle of our civil policy;

Be it therefore declared and enacted . . . that the free exercise and enjoyment of Religious Profession and Worship, without discrimination or preference, so as the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the Province, is by the constitution and laws of this Province allowed to all Her Majesty's subjects within the same.

And the French text is—I quote only the concluding part—

Il est par le présent déclaré et statué par l'autorité susdite, que le libre exercice et la jouissance de la profession et du culte religieux, sans distinction ni préférence, mais de manière à ne pas servir d'excuse à des actes d'une licence outrée—

I may say, without giving this as my definite opinion, for I want to be very respectful, that, this being an official translation, and the text to which the Fathers of Confederation adhered when they agreed to the scheme of Confederation, it does not refer to licence in relation only to morals.

Now then, let us revert to the French text: ni . . . de manière à servir d'excuse à des actes d'une licence outrée.

*Licence outrée* means, so to speak, an extreme permission which one takes for oneself, to behave, in any matter, contrary to the essential rules of ethics. As I say, it does not refer only to morals. So it may be argued, and it was argued, that when the statute was passed in 1852 the intention was to give full freedom of religion and worship, provided advantage was not taken of that freedom to make it an occasion of unjustified licence, a kind of excess in liberty which is unjustified and which is likely to create disorder. Licence, in that text, is the abuse of liberty. Liberty should not degenerate into licence.

So that contention was advanced on the one side. It was a difficult question and a serious one to put before their lordships. On the other side it was argued that the licentiousness referred to related only to morals, and as there was no question of morals involved in the circulation of the books, though this denegation might be challenged by one who reads the pamphlets, a majority of the court decided that the

enacted exception to freedom of worship did not obtain in the case before them. I am not criticising anyone; I am merely stating what were the elements of the problem. But there is something further.

As I have said, at the time of Confederation the British North America Act took its definite form after numerous long conversations between the Fathers of our Constitution, the delegates from the respective provinces, who were not keen to make speeches in vindication of their views against others who disagreed, but who sat there peacefully. Nevertheless, it was difficult to achieve Confederation. The Province of Quebec, interested in preserving full freedom of religion, had to preserve that law which had been made in 1852 for the two provinces only; not for New Brunswick nor for Nova Scotia; these had their own law; not for Alberta nor Saskatchewan, they later had their own—provincial—legislation for freedom of religion and worship. But at the time of Confederation there were only two provinces interested—Upper Canada and Lower Canada, which comprised the province of Canada. At the time they insisted that this disposition of the Union Act of 1852 should remain in force in the new agglomeration which was to be known as Confederation. Therefore, for that and other purposes, section 129 was drafted carefully, redrafted, modified, and finally took its actual form at the time the British North America Act was passed. I would now read this most important section of the British North America Act, which has such an important bearing on the question in issue:

Except as otherwise provided by this Act,

We start with an exception to what is going to be said in the Act of Confederation. all Laws in force in Canada,

“Canada” meant at the time, Upper Canada and Lower Canada. I repeat: all laws in force in Canada, Nova Scotia, and New Brunswick, at the Union,

That is at Confederation, at the time Confederation was definitely established by law. and all Courts of Civil and Criminal Jurisdiction . . . shall continue . . .

Let me quote again:

all Laws in force in Canada, Nova Scotia, or New Brunswick at the Union . . . shall continue in Ontario, Quebec, Nova Scotia, and New Brunswick respectively, as if the Union had not been made; . . .

Let us stop there. There is, after that, an exception which does not apply in this case. All those laws which existed in the two provinces of Canada at the time they became part of Confederation— shall continue in . . . Quebec . . . as if the Union had not been made.

What does that mean? It means that the Confederation does not exist for these laws; that these laws shall continue to exist as having been existent in the separate colonies at the time they were independent one from the other, and therefore shall continue to exist in the province of Quebec and in the province of Ontario, as it is said, "as if the Union"—that is, Confederation—"had not been made".

If we were to stop here, there would be no case at all for those who contend that the statute of Quebec, which is the reproduction of the anterior law of 1852 in force in Lower Canada at the time, had ceased to exist. The absolute, constitutional validity of that Quebec statute about freedom of religion and freedom of worship could not be questioned at all. This proposition is subject to an exception. And let us go further. Section 129 of the B.N.A. Act goes on:

subject nevertheless—

The next words, which are within brackets, are not important at the moment; leaving them out, section 129 would read:

. . . all Laws in force in Canada, Nova Scotia, or New Brunswick . . . shall continue in Ontario, Quebec, Nova Scotia, and New Brunswick respectively, as if the Union had not been made; subject nevertheless to be repealed, abolished, or altered by the Parliament of Canada, or by the Legislature of the respective Province, according to the Authority of the Parliament or of that Legislature under this Act.

Therefore, after Confederation, either the Parliament of Canada, if it had authority, or the provinces themselves, if they had authority, had the power to modify those laws. And so we come to the question as to which of these authorities has the right to modify the laws which existed in Quebec before Confederation. The question does not present itself in the present case, for the Parliament of Canada has never modified, altered or revoked this statute of 1852 which was passed under the Parliament of the Union. It is recognized by everybody. It was made plain in Court. Therefore, this law that existed in both Ontario and Quebec before Confederation continues in existence in Quebec by virtue of section 129 of the B.N.A. Act, and it can be defeated only by an amendment made by the Legislature of Quebec or the Parliament of Canada, whichever has jurisdiction to amend those laws. The question has never been raised as to whether the federal Parliament or the Legislature has jurisdiction, for nobody has sought to amend the statute. No law has been passed by the Parliament of Canada to amend, modify or repeal that legislation, and it will continue in force unless amended by the proper authority.

The province of Quebec reproduced verbatim in its own statutes this statute that existed

under the union of both provinces in Canada. The province of Ontario did the same thing. Some honourable senators thought that the honourable senator from De la Durantaye (Hon. Mr. Pouliot) said that the law had been abolished by Ontario. He did not say that. He said the act was reproduced for some time in the Revised Statutes of Ontario and later omitted. But Ontario did not pass any act that would abolish or modify it at all. So the law still exists in the statutes of Ontario. It was not reproduced in subsequent revisions; but there was no legislation to state that the non-reproduction was caused by the fact that the Ontario Legislature wanted to abolish it. So, it is still the law of Ontario.

**Hon. Mr. Pouliot:** I did not use the word "abolish". I said "dropped".

**Hon. Mr. Monette:** Perhaps the word "dropped" is a better one, but I should think "omitted" would mean the same thing. However, the constitutional question of the continued validity of the statute that existed in Upper and Lower Canada at the time of Union cannot be challenged at the moment. It is still the law. It was not modified, abolished, dropped or in any way tampered with. It is still the law of Quebec.

**Hon. Mr. Macdonald:** Are you making that statement in accordance with the judgment?

**Hon. Mr. Monette:** No, I am making it in accordance with certain propositions that were made and discussed. This is not the gist of the judgment. This was advanced by some judges and it was made clear, especially by the Chief Justice at that time. It was challenged by other judges. Ultimately that point, as many other points discussed in the judgment, remain to be considered as *obiter dicta*, that is, as not bearing essentially on the determination of the judgment, since the decision determined a majority judgment only on one point, as I am going to show in a moment.

This avoids the necessity of elaborating on subsection 13 of section 92 of the B.N.A. Act. It may be argued that neither section 91 nor section 92 has any bearing on the validity or constitutionality of the Quebec statute, Chapter 307, reproducing the act of 1852, for it was continued under the Confederation Act, section 129, and it was never modified.

In concluding my discussion of this subject may I say that the judges have quoted authorities from the Supreme Court in many, many cases which bear more or less closely on the subject, depending on opposite views. They have quoted very important authorities from England, but not based, it was argued, on the statute that Confederation preserved for Ontario, Quebec, New Brunswick and Nova Scotia.

I wish to summarize now and try to show what was the gist of the decision of the Supreme Court, notwithstanding these diverse opinions, quotations and authorities. There were many points discussed but one point only was determined by the majority judgment. It is to be found at page 299 of volume II of the Supreme Court Reports, 1953.

**Hon. Mr. Connolly (Ottawa West):** Before the honourable gentleman proceeds, may I ask him if he says that the statute of 1852, which was passed in Quebec by the Legislature empowered to pass that statute, has ever been reviewed by the courts to determine whether it is now *intra vires* the Legislature of Quebec? Has it ever come before the courts?

**Hon. Mr. Monette:** That is not my impression. I may be wrong, since when one denies that something was done the denial is not as strong as an affirmative of something which he knows to exist. As far as I know it has never been decided that there was an amendment made by the federal Parliament to this previous statute of the Union; and it has never been decided, according to my information, that the statute in question—which in the absence of such amending legislation by the Parliament of Canada or of the provinces would remain the law of Quebec and Ontario as fully as if Confederation had never existed—could be amended by the Parliament of Canada and not by the Legislature.

**Hon. Mr. Pouliot:** May I be permitted to say to the honourable senator that Mr. Justice Kellock in his notes said that it was the first time that that statute was brought before the Supreme Court of Canada.

**Hon. Mr. Hugessen:** I think I can help my honourable friend by reading from the notes of Mr. Justice Kellock. This is what he said:

I have not overlooked that the Legislatures of Ontario and Quebec have since Confederation purported to re-enact the statute of 1852. The question of the competency of this legislation has, however, so far as I am aware, not been previously judicially considered.

**Hon. Mr. Monette:** I thank the honourable senators for this information. But what I said in answer to the honourable senator from Ottawa West (Hon. Mr. Connolly) was that to my mind it was not challenged by any decision of our Supreme Court of Canada. *Obiter dicta*, opinions of a judge during a hearing, demanding respect as they do, are not judgments.

**Hon. Mr. Connolly (Ottawa West):** It was never in direct issue.

**Hon. Mr. Monette:** I had decided not to refer to the judges by name, but since one of the judges was named, I may say this: I

have high esteem for him, for he is one of the most eminent judges in Canada. Yet he is human—he may be wrong or he may be right, and I am not determining who is right or wrong.

Honourable senators, if I may proceed further, I wish to try and explain the gist of that decision and to impress upon you that this decision was only on one point, which was a point of interpretation of the bylaw of the City of Quebec. The majority decision was not on any other topic, but five of the judges were in agreement on that point, as against four who were dissident. The Saumur case, at 299 says:

*Held:* (reversing the decision appealed from),

The decision was from the Court of King's Bench in the province of Quebec.

**Hon. Mr. Dupuis:** Was the court in Quebec unanimous?

**Hon. Mr. Monette:** No; there was one dissident.

*Held:* . . . that the bylaw did not extend so as to prohibit the appellant as a member of Jehovah's Witnesses from distributing in the streets of the City any of the writings included in the exhibits and that the City, its officers and agents be restrained from in any way interfering with such distribution.

So the decision was one of interpretation, not one of constitutional validity. The decision was one of interpreting a bylaw. It did it in a way so as not to prohibit a class of people like Jehovah's Witnesses from distributing those so-called religious tracts and papers in the city of Quebec. Mr. Justice Kerwin, as he then was, ranked with the majority decision, and he elaborated on the subject. I will read what he said, at page 321:

Whether or not such legislation be taken to supersede the pre-Confederation enactment, no statutes such as the Quebec City Charter, in the general terms in which they are expressed, and whenever originally enacted, have the effect of abrogating the specific terms of the enactment providing for freedom of worship.

It appears from the material filed on behalf of the appellant that Jehovah's Witnesses not only do not consider themselves as belonging to a religion but vehemently attack anything that may ordinarily be so termed but in my view they are entitled to "the free exercise and enjoyment of (their) Religious Profession and Worship". The Witnesses attempt to spread their views by way of the printed and the written word as well as orally and state that such attempts are a part of their belief.

Of course their tracts were not only against the Catholic church; and they were in really violent terms, I might say, if anyone will read the evidence in the case. The judgment goes on to say:

Their attacks on religion generally, or on one in particular, do not bring them within the exception "so as the same be not made an excuse for licentiousness or a justification of practices inconsistent with the peace and safety of the Province".

So that is the gist of the judgment. This was the decision of five judges out of nine.

Mr. Justice Kerwin was one of the five, and his pronouncement served as the basis of the one-point decision, that the tracts and papers that were distributed by these people attacking not only the Catholic religion, but other religions, did not constitute licentiousness nor a practice inconsistent with the peace and safety of the province. It will be found in the summary of the decision that two or three judges, or one judge alone, expressed opinions on broader questions, such as the constitutionality of the Quebec Act and so on, but none of those propositions are determined as a judgment by a majority of five. The five who decided did so only on that point which I have mentioned.

Honourable senators, in conclusion, I do not change my mind in respect of my analysis of the conflicting views expressed by the honourable Justices in the case. I have my views, but I hold them with some concern, because it has happened to me, and to many lawyers more learned than I am, that my views have not always been affirmed by the judgments or decisions of the courts. I am not giving my opinion, nor criticizing. I can only say that divergence of opinions of very honest and learned judges is very frequent and very normal indeed, and that in many cases, important as they may be, with very complex points, conclusions are bound to vary at times, even in the highest courts of the land, as they varied in this case. It is nevertheless necessary, for the purposes of good government of a country, that our courts be stable and our justices have authority. Where a judge happens to be in error in a judgment, there are remedies by way of appeal to correct such an error. But when a decision is made by our highest court, it should be final. A late respected confrère of mine, Aimé Geoffrion, often said to me: "I may have my own opinion, and I may be right in my own mind, but once the majority of the highest court has given its judgment, that is the law, regardless of what I thought it was."

May I once again, honourable senators, beg of you, out of decency and respect for the authority of the highest court in our land, and for the maintenance of the well deserved credit of all the judges who sit on that court, that, as far as possible, we refrain from further discussing this case. Certainly we should refrain from discussing it when there are parallel cases still undecided.

I thank you, honourable senators, for your kind attention and for your courtesy in listening to a lengthy and tiresome speech on a complex and tedious problem of law.

The Address was adopted.

**Hon. Mr. Haig:** Honourable senators, I move, seconded by the Honourable Senator Macdonald:

That the said Address be engrossed and forwarded to Her Majesty the Queen.

The motion was agreed to.

**Hon. Mr. Haig:** Honourable senators, I move, seconded by the Honourable Senator Macdonald:

That an Address be presented to His Excellency the Governor General praying that His Excellency will be pleased to transmit to Her Majesty the Queen an engrossed Address, which the Senate of Canada, in Parliament assembled, adopted in reply to Her Majesty's Speech at the opening of the First Session of the Twenty-Third Parliament.

The motion was agreed to.

**Hon. Mr. Haig:** Honourable senators, I further move, seconded by the Honourable Senator Macdonald:

That the Address to His Excellency the Governor General, adopted this day, be engrossed and presented to His Excellency the Governor General by such members of this house as are of the Honourable the Privy Council.

**Hon. Mr. Bouffard:** May I ask the honourable Leader of the Government whether this Address will be engrossed in both French and English?

**Hon. Mr. Haig:** Yes, it is always prepared in both languages.

The motion was agreed to.

## DIVORCE STATISTICS

### CORRECTION

**Hon. Mr. Roebuck:** Honourable senators, may I rise on a point of order? I have been informed by the Committees Branch that I made one mistake in the statistics I presented earlier this evening with respect to Honourable Senator Golding, who I said had attended 23 of the 24 meetings of the committee. I should have said the honourable senator attended all 24 meetings.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Roebuck:** If there were a Nobel prize for attendance, it would surely go to Senator Golding. May I add that the honourable senator has had perfect attendance at every sitting of the house since I have been Chairman of the Divorce Committee.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

—  
 Wednesday, December 11, 1957

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

Prayers.

## NATIONAL GALLERY WORKS OF ART

## QUESTION OF PRIVILEGE

**Hon. Jean-François Pouliot:** Honourable senators, I rise to make several corrections, and to several questions of privilege. In the first place I refer to a Canadian Press dispatch from Ottawa, dated December 4, which refers to questions that I asked in the chamber with regard to the National Gallery. The Canadian Press dispatch reads partly as follows, quoting me:

The delay can mean it is only because he (Senator Haig) is ashamed of the prices that were paid for those horrors," . . .

I was very particular when I spoke—and we have to live together in the Senate—and I do not want to be unfair to the honourable gentleman who is the Leader of the Government in the Senate. What I said, as recorded at page 329 of *Hansard*, is this:

If Alan Jarvis showed more co-operation this inquiry would have been answered a long time ago. The reason for the delay is that he is ashamed of the prices . . .

"He" could refer only to Mr. Jarvis, and not at all to the honourable gentleman. Moreover, I repeated the same statement:

Hon. Mr. Haig: Honourable senators, I do not know whether my honourable friend is directing criticism to me.

Hon. Mr. Pouliot: I do not blame the honourable gentleman; I blame Alan Jarvis.

And in a later paragraph:

Hon. Mr. Pouliot: I want the honourable gentleman to understand that there was the least reflection on him. My criticism is of Jarvis.

Therefore, I submit, the Canadian Press should make due correction. When we fight, we fight; and when we are at peace we must remain at peace, in the Senate. That is my conclusion on this item.

## FREEDOM OF RELIGION

## QUESTION OF PRIVILEGE

**Hon. Mr. Pouliot:** Honourable senators, my second question of privilege refers to another dispatch of the Canadian Press. I complain of the wording of it. It is entitled:

"Freedom of Religion" basis of Senate Clash.

I have the report from the *Halifax Chronicle Herald* of December 4, and I know that it has

been published in several other papers. The first two paragraphs read as follows:

Anglican and Roman Catholic senators took sharp issue Monday with each other as to whether the federal Government or the provinces has jurisdiction over the freedom of religion.

The division of opinion was so great that several senators continued the argument outside the chamber after the house had adjourned.

The dispatch goes on to describe Senator Arthur Roebuck as an Anglican, Senator Jean-François Pouliot as a Roman Catholic, Senator C. G. "Chubby" Power as a Roman Catholic and Senator A. K. Hugessen as an Anglican.

We are all practising our respective faiths. The honourable senators from Toronto-Trinity (Hon. Mr. Roebuck) and Inkerman (Hon. Mr. Hugessen) are practising the Anglican faith, and the honourable senator from Gulf (Hon. Mr. Power) and I are practising the Roman Catholic faith to our best. I have no power of attorney to speak on behalf of the honourable senator from Gulf, but I know I am telling the truth.

My point is that the four of us are lawyers. The honourable senator from Inkerman is the head of a large law firm in Montreal. He has eleven partners in his firm, if I am not mistaken, and he has a large staff. The honourable senator from Toronto-Trinity is a former Attorney-General of the province of Ontario. My honourable friend from Gulf debated legislation in the House of Commons for 37 years, and I did so for 31 years. Each one of us has had an active practice for many years.

Well, now, my point is that when we discuss a strictly legal argument as to whether freedom of religion comes under federal or provincial jurisdiction, we do not speak as theologians or doctors of divinity, we speak as lawyers. That is my first point.

I complain also that when there are dissenting judges in the Supreme Court, and when the Canadian Press reports a judgment, they put in one corner the judges according to their religious faith, and in another the judges of another faith; they say Roman Catholic judges have been on this side, and the Protestant judges have expressed different opinions. I find it absurd, and I want a correction made about that, not because I am ashamed of my faith, but because it misleads public opinion. Anyone who is not familiar with the issue and reads a dispatch like that would imagine that there has been religious war in the Senate. I am opposed

to it and I hope that my honourable friends are not offended because I said that none of us is a doctor of divinity or a theologian.

But now, honourable senators, I have some other remarks to make. The effect of my modest speeches must have been tremendous, because the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) said that I have stirred him up sufficiently. And the case of the honourable senator from Inkerman (Hon. Mr. Hugessen) was worse. He said that my speech had somewhat struck and somewhat perturbed him. I never thought that by speaking quietly and in a mild manner about legal issues I could create such a commotion in the minds of any one of my honourable colleagues.

I also have another correction. It is that my honourable friend the senator from Toronto-Trinity said, as reported at page 302 of *Hansard*, in the second column:

In my opinion a criticism of the Supreme Court of Canada in this chamber takes on certain importance.

I did not criticize the court, I criticized some opinions—rather opinions than judgments—but I reserved my judgment to use the sacramental word about the court itself. But on the other hand my honourable friend, the senator from Toronto-Trinity followed the illustrious example of our late leader, Mr. Mackenzie King, in arguing both sides at the same time, for although he differed from me he supported my argument, and I will prove it to the honourable gentleman, although I did not go as far as he did. I did not criticize the court, I criticized the opinions of judges. In the same column he says:

. . . I have no criticism of a senator's action in criticizing the court, if in that senator's opinion the public interest is to be served by so doing.

And following again our late leader's illustrious example he said, as reported on page 305:

With my friend's admonition to the Supreme Court of Canada to be very careful in constitutional matters I heartily agree . . .

I thank my honourable friend for his support, which I deeply appreciate. After he had enunciated those principles I cannot see why he was stirred up by some remarks I made about legal opinions of others.

I have another correction which I wish to make. The honourable senator from Toronto-Trinity said:

My honourable friend says that religious liberty is a matter of civil rights, under section 92 of the British North America Act, paragraph 13, which reads:

"Property and Civil Rights in the Province."

I never said so. My argument was that the rights of the province in the matter of religious freedom were in virtue of section 129 of the British North America Act. What surprised me was that another distinguished member of the legal fraternity who has an outstanding reputation, the honourable senator from Inkerman (Hon. Mr. Hugessen), said the same thing. I am not going to insist any more about it.

**Hon. Mr. Hugessen:** May I interrupt my honourable friend? I see at page 272 that my honourable friend said this:

I have put that case before Parliament to establish that the freedom of religion is a highly personal and civil right which belongs exclusively to provincial jurisdiction.

By that I understood my friend to mean that in his view religious freedom was a provincial matter which came under section 92 of the British North America Act.

**Hon. Mr. Pouliot:** Well now, honourable senators, you see my friend took it for granted, but I never said it, which is entirely different, and I do not want anybody to speak on my behalf. I do not know the whole *corpus juris* by heart, but when I speak on a question of law I try to have my feet solidly on the ground, and to show my honourable colleagues that I have learned enough to know my onions. I would be thankful if my honourable friends would read what I have said, quietly, near the fire-place, smoking a cigar. They will perhaps not enjoy that reading, but gradually they will have the conviction that there is another issue, and that perhaps one was right against the opinion, not of nine, but of five judges. If we come to the argument that nine judges can do better than one modest country lawyer, it means the rule of numbers; it means that nine men know more than one man. There is a principle of philosophy about it, but there are exceptions. I say to my honourable friend from Toronto-Trinity, if it is the number that counts, who was right when he, as Attorney General of Ontario, discharged 10,000 justices of the peace by a stroke of the pen? Was he right or were the ten thousand right?

May I conclude what I was saying when I was interrupted by my honourable friend, my learned and friendly confrère from Inkerman (Hon. Mr. Hugessen)? I am imbued with the Christmas spirit. I have not yet made any Christmas gift this year but I will make two now, one to each one of my distinguished colleagues. And if they find that the consolidation of the Ontario Statutes in 1902 is contentious—if they consider that what happened 55 years ago, when we were all youngsters and when some of us were probably not

yet born, is contentious—I hope that what I will send them will not be found any longer controversial, because it relates to what happened more than a century ago, in 1852, 105 years ago.

### MARITIME FREIGHT RATES ASSISTANCE INQUIRY

**Hon. Gordon B. Isnor:** Honourable senators, I wonder if the honourable Leader of the Government (Hon. Mr. Haig) is now prepared to answer a question that I asked of him on Thursday, December 5, in connection with clause 7 of Appropriation Bill No. 7. The question, which appears on page 350 of *Hansard*, deals with an item of \$125,000 for Maritime freight assistance.

**Hon. Mr. Haig:** I thought that was payable under agreement in connection with assistance on Maritime freight rate payments.

**Hon. Mr. Isnor:** In your remarks on page 350 you said that you would explain it later, even though the bill were passed that day.

**Hon. Mr. Haig:** Well, at the time I was bringing in a supplementary supply bill, and I understood that item was part of the supply that needed to be voted for this purpose, to take care of our agreement for assistance on freight rates between here and the Maritime provinces.

**Hon. Mr. Isnor:** I would like to know just what it really means.

**Hon. Mr. Haig:** I must say quite candidly that I do not know what the Maritime freight rates agreement is. If my honourable friend doesn't know what it is, I don't see how I should know about it.

**Hon. Mr. Isnor:** I know about it, but what I was asking about was that item for \$125,000.

**Hon. Mr. Haig:** The question you asked me reads as follows:

Before the question is put, would the Leader of the Government (Hon. Mr. Haig) explain clause 7 which would vote \$125,000 for Maritime freight assistance?

I thought it was pretty clear.

**Hon. Mr. Isnor:** What is clear? I mentioned the figure of \$1,500,000 when you apparently did not know about the \$125,000. I suggested that \$1,500,000 was the total amount to be voted for Maritime freight rates assistance this year.

**Hon. Mr. Haig:** When I look at page 350 I see that you asked about the amount of \$125,000 and you said that it was for Maritime freight assistance. I could not find anything that told me anything different, that is all.

**Hon. Mr. Isnor:** When we were dealing with the bill were we not dealing with one-twelfth of the estimates? If one-twelfth is \$125,000 naturally it would mean a total payment of \$1,500,000 for the year.

**Hon. Mr. Haig:** I told you I was only dealing with a supplementary estimate, and all this information would be in the general estimates to be brought down later, showing credits to this item. In the final supply bill, suppose you have an item for \$1 million and \$500,000 has already been voted, then there is \$500,000 more to vote. That is the way it has been done in the past. The final supply bill has not come down yet.

**Hon. Mr. Isnor:** Honourable senators, I am quite prepared to allow the question to remain as it is, and perhaps the Leader of the Government will look into it further and give us a fuller explanation as to what this item actually is.

### INTERNATIONAL TRADE

#### COMMITTEE EMPOWERED TO CONDUCT INQUIRY

**Hon. A. Neil McLean** moved, pursuant to notice:

That the Standing Committee on Canadian Trade Relations be empowered to inquire into and report on:—

1. What, in their opinion might be the most practical steps to further implement article 2 of the North Atlantic Treaty whereby the signatories to that document agreed that "They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them".

2. That notwithstanding the generality of the foregoing, the committee be instructed and empowered to consider and report upon how, in their opinion,

(a) any project for developing economic collaboration specifically between the countries which are signatories of the North Atlantic Treaty, can be co-ordinated with the trade policies of other countries of the free world;

(b) any project for developing economic collaboration between the countries which are signatories of the North Atlantic Treaty, might have the same degree of permanence that is contemplated in the twenty year military obligation under article 5 of the Treaty whereby "The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all".

3. That the committee be empowered to extend an invitation to those wishing to be heard, including representatives of agriculture, industry, labour, trade, finance and consumers, to present their views, and that the committee also be empowered to hear representatives from business interests or individuals from any of the NATO countries who might wish to be heard.

4. That the committee be empowered to send for persons, papers and records, and to secure such services as may be necessary for the purpose of the inquiry.

**Hon. Mr. Macdonald:** May I ask the honourable senator if the motion is similar to the one which was presented to this house last year?

**Hon. Mr. McLean:** It is exactly the same. The purpose is to hold a meeting of the committee and bring this matter before them.

The motion was agreed to.

## EDUCATION

### NECESSITY TO MOBILIZE AND EXPAND EDUCATIONAL RESOURCES— DEBATE CONTINUED

The Senate resumed from Thursday, December 5, the adjourned debate on the inquiry of Hon. Mr. Cameron drawing the attention of the Senate to

the necessity for Canada to mobilize and expand the educational resources of the nation with a view to maintaining and strengthening her position as a member of the world community.

**Hon. John J. Kinley:** Honourable senators, may I take this first favourable opportunity to congratulate the Honourable the Speaker upon his appointment as Speaker of the Senate.

We first saw you, Your Honour, in action on that historic and brilliant occasion when Her Majesty Queen Elizabeth II visited Canada and for the first time the Parliament of Canada was opened by the Sovereign in person. Although that event must have been quite a trial for you as a new member of this chamber, I was glad to see that you seemed to be at ease you carried on with grace, and you finished the day without a fault.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Kinley:** We thought you looked good on that occasion. Since that time, having seen you here, we know what you can do, we know that you are good, and we are pleased to have you as our Speaker. I hope you will be happy in your service. I believe you will guard carefully the privileges and the honour of the Senate, and I am sure that in doing so you will have the co-operation of every member of this body.

Honourable senators, I am going to talk on education. That is a wide subject, and I believe that if I say a little about ourselves I shall remain within the rules of the house.

First, I am most pleased to hear that that veteran of this chamber the honourable senator from Rosetown (Hon. Mr. Asetline), who while on a mission for the Government became seriously ill in India, is now on his way home, partly restored to health. I am

glad also to see my old friend the honourable senator from Algoma (Hon. Mr. Farquhar), who has come back to us after his illness.

It is a pleasure also to extend congratulations to those honourable senators who have joined us since the election. They have already shown that they are going to be good and valuable members. The Liberal Government was friendly toward the Senate and left the portals open, and as a result we now have a Conservative delegation that is worth while. Their leader (Hon. Mr. Haig) must be proud to have so many excellent men behind him.

The party to which I am attached was in power for 22 years. That is a long time. Naturally there was criticism; some people chafed at what they believed was too large a representation of Liberals in this house. However, the Government has changed, and I think we shall have fairer winds from now on.

Members of the Senate sometimes are criticized on the ground that the tenure of our appointment is too long. I recall that when I came here the number of my Senate ticket was 86. That was 12 years ago. Today the number is 32, so it can easily be seen that nature too brings about changes in the Senate. I do not suppose there is a corporal's guard of senators who were members of this chamber when a Liberal Government took office 22 years ago. Probably changes occur more slowly in the Commons than in this house, because after 22 years the strength of the Liberal party in the other house is practically as great as that of the party in power. So if anyone says that we senators have a long term of office, they may be reminded that, by comparison, our stay is even shorter than that of members of the House of Commons.

I am particularly glad to see here my friend of old days in the Commons, the honourable senator from Hastings-Frontenac (Hon. Mr. White). We sat near each other and served together in that house, and it is good to see him here because he will be a valuable addition. I recall the splendid speech he made in which he was quite critical of certain provisions governing succession duties. He thought the rates were too high. I find that in what they call the "baby budget" the present Government has proposed a reduction of succession duties. This indicates that the honourable senator is a man of influence, and it is satisfying to have a colleague who is influential with the party in power.

As I have said, I am going to talk on education. I do not do so with much confidence, because I have been preceded by men who

are specialists on the subject, whereas I am just an ordinary man who never had a college education. I listened with a great deal of interest to the speech of the honourable senator from Banff (Hon. Mr. Cameron). It was an exhaustive presentation of the subject from his point of view. He was positive in his statements; he quoted many authorities, men eminent in the educational field; and his conclusions were definite. I do not know that we can agree with all of them, but at least we learned something from his address. It showed he had a splendid knowledge of the situation from his point of view, which is that of the educator. He was ably supported with many facts by the honourable senator from Winnipeg (Hon. Mr. Wall), whose rhetoric and language is so colourful that it would delight any audience and adorn any record—and in this instance it adorns the pages of the Senate *Hansard*.

The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) also took part in the debate. He gave a very practical review of what had been said in the debate and I am sure we all enjoyed his contribution. Then we had a speech from the honourable senator from Churchill (Hon. Mr. Crerar) who, after long and distinguished service, has mellowed. He dealt with the human side of the problem in a way that pleased us all.

**Hon. Mr. Euler:** Hear, hear.

**Hon. Mr. Kinley:** I may say that I could not accept as an independent appraisal what was said by the honourable senators from Banff and Winnipeg. They are advocates of a cause in which they are deeply interested and of which they have a great knowledge. I read the speech of the honourable senator from Banff twice. He quoted many authorities, and his speech reminded me of the story about the cadet who was marching in a parade in which many bands took part. His superior officer said to him: "You are out of step. Don't you hear the drum in the band behind?" The cadet replied, "Sir, I'm listening to the drum up in front." The honourable senators from Banff and Winnipeg are in the front line, but we must take a realistic look at the whole situation.

The honourable senator from Mille Isles (Hon. Mr. Monette) entered the debate and brought something new to it. Although we were all aware of the fact, he pointed out that by virtue of section 93 of the British North America Act jurisdiction over educational matters is exclusively vested in the provinces. I think that is the law, and that everybody agrees it is the law. It would be difficult to change it. We changed the British

North America with respect to the humanities, but I do not think anybody would say that we should change the act with respect to education. The section governing education is one of the cornerstones of Confederation. If it were changed and education came under federal jurisdiction, somebody with a certain ideology might get into power some day and disrupt this whole country. I am sure everyone agrees that that part of the British North America Act is good and should remain unchanged, that the provinces should continue to control education.

The honourable gentleman from Mille Isles said something to the effect that when the federal Government makes contributions to the provinces it should do so without strings attached. The honourable senator from Winnipeg got over this by pointing out that last year the Government gave \$23 million to education in Canada, and he said that all he was asking was that the Government should continue to make such contributions and to add to them.

When we are dealing with education we are dealing with three theatres of government in this country—the municipal, the provincial and the federal. Of the three, the heaviest burden falls on the municipalities. The honourable senator from Banff said that this educational matter constituted a crisis. He referred to the "present crisis", and in the same paragraph he proposed certain action "in order to meet this crisis". I cannot go along with that. I do not think it is a crisis. It seems to me that a crisis would indicate a weakness, an emergency, an hour of imperative decision, when conditions call for an immediate radical change. I will admit that it poses a serious problem. However, that is not because of any weakness but rather because of strength. Canada is a strong country, which has lived up to its obligations and kept in step with the world in educational and other matters. It is because of our growth that we have this problem. You see the same sort of thing everywhere. When a city grows too fast it is difficult to provide the taxpayers with the services they require. When a country goes ahead too fast it is difficult to find the money to provide for the necessary capital expenditures. It is a sign of strength when a country needs a lot of capital. A year ago I visited the city of Caracas, Venezuela, which is said to be the fastest growing community in the world. I was told they are paying 20 per cent for money. They have oil and other riches but they are short of capital and are restricted in their development, all because they are going ahead too fast.

Back in 1924 I was a member of the Government of Nova Scotia, and as such I was

a member of the Council of Public Instruction. There came a time when we were thinking of replacing our Superintendent of Education. He was a splendid official but he was getting old. A young Nova Scotian by the name, I believe, of Davis, who had been doing very well in the United States, came up and gave a lecture in one of the local auditoriums, and he defined education as "the ability to survive". Now, from what I read of the speeches of the honourable senators from Banff and Winnipeg, I think that definition would appeal to them. Mr. Davis gave certain examples. He pointed out that the big powerful dinosaur has become extinct, whereas the little flea apparently possesses qualities that enable it to survive. Perhaps the flea helped to bring about the extinction of the dinosaur, for there is always trouble when fleas are around. The honourable senator from Churchill may demur to acceptance of the definition of education as "the ability to survive", for it will be remembered that he said he did not think people should strive competitively to get ahead of one another in trying to get a formal education. I don't know, but I think the ability to survive calls for character and discipline. If a person does not have these qualities he is apt to have trouble in dealing with others and he might not survive. I know that in political life—and I have run in seven elections—if you do not have discipline and character, or at least if the people do not believe you have it, you will have a difficult time. I agree the qualities of discipline and character, therefore, should be included in the idea of what education should be.

A few years ago I was in Oslo, which is a great city for statues. One statue there displays a number of figures representing the struggle of mankind toward the top. No matter how we feel about the matter, if man does not compete, life will be very drab and he will not get very far.

The honourable senator from Banff suggested that the satellites which the Russians put into outer space rather spark-plugged the idea that something should be done, and done quickly, about education. Well, I recall that a few years ago, when my son was taking post-graduate work at the Massachusetts Institute of Technology, I used to go down and visit him and talk to the students. At that time they were all excited about the splitting of the atom, and they said that that was the big objective. A little later on American scientists and technicians did split the atom. I think that achievement was responsible for the peace we have enjoyed in the world during the past ten years. Everybody was afraid to start a war, realizing that another war would result in

universal extermination. The splitting of the atom led to the discovery of a very powerful force and was, I think, the scientific achievement of the century.

It is one feature of education that the universities cannot claim all the credit for discovery in scientific achievement. For instance, at Chalk River we have a reactor that is one of the best in the world, and we feel that Canada played quite a part in this atomic energy project. When the reactor was built we were told that we were in the "atomic age". We know there is a future in atomic energy. We have uranium and the other necessary materials. As I have said, the Americans split the atom—I suppose with the help of Einstein and other foreign-born scientists—and I have no doubt they will advance further in the realm of science. We are told that we need to get excited because a satellite has been rocketed into space by the Russians. It must be remembered that a satellite travelling in outer space is an uncontrolled force. The Russians cannot get back either of their *Sputniks*, or they have not succeeded in doing so yet. It is said that each will be destroyed when it falls toward the earth, and that the dog which was sent up in the second of them perished. The impression I have received from men of science is that a satellite is of very undetermined value, as to both science and defence. Although Russian scientists have made a dazzling achievement, and something that we must admire them for, I do not think it comes anywhere near the creation of the atomic bomb.

I did not like the following remarks of our honourable friend from Banff, which are recorded in *Hansard* at page 308, second column:

You have only to think of the extravagant bills for advertising, television, radio, entertainment, liquor, packaging, etc., to realize the importance of that statement.

The reason I mention this is that these and countless less worthy examples of our extravagant way of living which come to mind, all serve to underline an imbalanced sense of values in our life which is almost tragic. Against this ostentatious display of economic waste we contrast the fact that the professors in our universities, the teachers in our schools, the ministers in our churches, and, in short, all of those agencies which are concerned with building and maintaining the educational, spiritual and moral values in our communities, continue to struggle along like so many mendicants, trying to eke out an existence with austerity budgets, . . .

Well, as I understand it, a mendicant is a professional beggar. I think this in an overstatement on the part of my honourable friend. It is true that in the past some of our ministers and most of our teachers have had a hard time financially in this country,

but they are doing infinitely better now, and they certainly have not done so badly in the past few years.

Honourable senators, I have here a clipping from a recent issue of the *Ottawa Journal*, which bears the caption, "700 Ottawa PS Teachers Get Pay Boost". The article reads:

Salary increases approved by a quorum of Public School trustees will add some \$200,000 to the annual budget and affect some 700 Ottawa teachers.

Described as a major salary revision, the move will bring a maximum across-the-board raise of \$200 for many of the teachers.

It also puts Ottawa teachers with first-class certificates but no university degree in a higher maximum salary bracket than any other Canadian city.

The new salary range goes into effect January 1.

Involved are reclassifications in a number of teaching categories with maximum increases going as high as \$800.

Following are some of the changes approved:

Supervisors, up \$500 to \$9,500; special class supervisors and psychologists, from \$9,700 to \$10,200; assistant supervisors up \$400 to \$8,400; vocational school principals, raised to \$8,300 from \$7,500; head teachers, from \$6,400 to \$6,800.

Also affected were the salaries of instrumental music teachers and those involved in physical instruction, ceramics and general music instruction.

Oh, it may be said, that is in Ottawa, the capital city. Well, I could take you to Halifax, in the poor country of Nova Scotia, where two years ago Judge Pottier, a former member of the House of Commons for some years and a room-mate of mine, was appointed a commissioner to review the provincial situation in regard to teacher's salaries. Judge Pottier made a report, and in Halifax today the salaries are ten per cent above the scale he recommended. Also in the town in which I live, and where I was chairman of the school board in 1909, the salaries are higher than those recommended by the Pottier report. In Halifax an academic teacher is paid up to \$5,960 and a principal gets another \$100 to \$300, according to the number of rooms in the school.

True, this is not a high salary as salaries go today, but I do not think the teachers are mendicants or professional beggars, by any means. We are told that people in other professions get more money. When the senator from Toronto-Trinity was making his speech the other day, someone mentioned the high pay received by football players. Let me point out that teaching is a sheltered and an honourable profession. Teachers have regular duties and a steady income, and a pension when they are through teaching. No one would suggest that a football or a hockey player has those benefits. Indeed, very few of them get high pay, and those who do are outstanding. In the field of entertainment some high salaries are paid, but they go only to those who are good, who appeal to the

public and who are of some value to their sponsor. These people are short-lived in their professions. The prize fighter is another example: he has to be good and he has to conquer every competitor before he rises to the top and gets big pay. So, honourable senators, it seems to me a little unfair to compare teachers' salaries with those in other parts of our economy.

We are told that we are wasteful, that there are many things we could do without in order to give more money to education. Mention was made of liquor. As I understand it, about 90 per cent of the cost of liquor goes to pay federal and provincial taxes; the provincial Governments get a lot of money from that source, and they usually tell us they are going to use it for education. Mention was also made of cigarettes. Cigarettes too have very little value in themselves, in that the cost largely represents taxes. Indeed, if I were a temperance advocate I would call all the drinkers and smokers together and tell them what fools they were to pay the taxes for other people who do not indulge in these luxuries.

In Halifax the school principals are sometimes hired by agreement. As you know, the school teachers have discovered there is strength in organization, and they now have good unions that are able to look after their members. It seems to me that is what happens in Nova Scotia.

There is no use in doing something that will kill you. Down in Nova Scotia, after the Pottier Report, Bill 60 came out and got into the hands of the people and the municipal taxes were raised before the election. In the county where I live there was a school inspector who had degrees from universities in Europe and the United States and was well liked by everybody. He was regarded as a splendid candidate and thought to be a future Minister of Education. Well, he went into the election, but he had two strikes against him before he started. The people said, "You are the fellow who put the taxes on us," and he was defeated. Mind you, the people down in that part of the country are not carried away by ephemeral things—they are good solid citizens. But when their taxes were raised by as much as 200 and 250 per cent, it became a serious matter and they would not take it. Hence, this promising man was defeated, and the Government went down too. I have no doubt the main reason for the defeat in most of the counties was the high municipal taxes, and I do not think they will ever be reduced. At the same time, the party had been in power a long time and perhaps it was just as well they were defeated. As we know, all that lives must die. They may revive and live another day.

My honourable friend from Banff made one suggestion that I look on with favour. He said that he thought it was a good thing to put in a quarter system, that is, to divide the school year into four quarters. He pointed out that the school facilities are now used for only seven to nine months in the year, five hours a day, five days a week. I think my friend's suggestion is a splendid one, because it would mean using the plant for production to the highest degree. And I think over-time pay for teachers would not be a bad idea. As you know, when we pay our employees in industry time and a half for over-time we save on the overhead, and it is an advantageous arrangement. I think it would be equally advantageous if the schools paid their teachers for over-time.

My friend from Banff pointed out that the ratio of students attending university per thousand of population in three countries were as follows: In Canada five to 1,000; in the United States 15 to 1,000, and in Russia 20 to 1,000. Well, I think even in poor little Nova Scotia we can beat the percentage for Canada. In that province we have five universities: Dalhousie, King's College, St. Mary's, St. Francis Xavier and Acadia, all splendid institutions.

Dr. Kerr, president of Dalhousie University, has said that the payment of grants to universities on the basis of population is unfair. He suggested that grants should be made on the basis of the number of students attending the universities in the province. He knew what he was talking about, because in Nova Scotia we have about eight students per 1,000 of population attending universities. If Canada as a whole has a ratio of five students to 1,000 of population and it is the wish that the student population be doubled within ten years, Nova Scotia can easily do that. And do not forget that the Right Honourable C. D. Howe is now Chancellor of Dalhousie University.

With respect to the suggestion that no strings should be attached to grants made to the provinces, it seems to me there might be a way by which the provinces could save face and still have a say in how the money is to be spent. If the federal Government paid so much per student attending university in any province, there would be no perceptible strings attached to the grant, and the local government would not likely use the money for anything but education. I throw that suggestion out for what it is worth.

As I mentioned earlier, there is a desire to double university attendance over the next 10 years. It seems to me that such an effort for number has its weaknesses. I do not think it is always wise to surrender quality for

quantity. My friend from Banff, out of his wisdom, suggested that there be graduate schools in three or four provinces: I think he suggested there be one in Toronto, one in Montreal and another somewhere in British Columbia. These graduate schools would be centres for higher learning. I would go along with that idea, provided there were proper aptitude tests, that students were screened and only those were admitted whose achievement was such that they would be expected to go far. In such postgraduate schools we would put the best of our facilities.

There are in Canada some institutions outside of the universities which contribute to the education of our people.

When I was going to the Lunenburg high school a chum of mine left school in the tenth grade. At that time we had only eleven grades, but before I left school there were twelve. I left in the eleventh grade to become an apprentice in pharmacy. My chum went into the employ of the Royal Bank, and eventually he became president of that bank and also Chancellor of McGill University. Evidently he continued his education while in the employ of the bank. Honourable senators, I want to say that our Canadian banks do a splendid job as an educational institution. Years ago the banks did not pay very good salaries, and they used to say, "We cannot educate a man and pay him at the same time", but they are doing better now. I venture to say that as a result of being an educational institution our banking system has developed to be the best in the world. Financial control in Canada is admired and envied in almost every country, and we are considered to have the highest financial standards. I think banking education in this country has had a great deal to do with the ability that our people have shown in finance.

Our Canadian Navy, our Canadian Air Force and our Canadian Army might all be termed educational institutions. The forces are educating large numbers of technicians today. Young people enlist for a five-year period, are paid well while in the service, and receive a splendid technical education. The same thing is done in the United States. The missile venture that failed the other day was developed by the United States Navy. In advanced education the armed forces are right in the forefront. They have to be, because they are struggling against the forces of the world and in order to have a supply of well trained personnel they have to educate them. Here in Canada we are turning out hundreds of thousands of technicians in that way. I think that is something splendid. Occasionally young men come to see me and ask my opinion about going into the army

or the navy. Well, for a boy who wants a whole lot of help, the services provide a way to get it.

Now a word about industry. I am president of an industry that has been established for 50 years. We have 250 men on our payroll, of whom six are labourers, all the rest being technicians, and good ones. We do work all over the Maritimes, in Newfoundland and in the French Islands. Some years ago I sent the man who is now manager of our plant to England for six months, along with the foreman, to study the development of the diesel engine. The honourable senator from Banff referred to the Ryerson Institute of Toronto. Well, the son of the manager of our plant is taking a course there now.

We undertake to send our men to the best places for training. We send them to the Aluminum Company to learn how to fabricate and weld aluminum; and to other places where they learn how to fabricate steel and the latest methods in the welding of steel. We are sending men to some of the great plants in Milwaukee now, in order that they shall become proficient in their various trades. And mind you, honourable senators, these plants co-operate: we pay the men's wages and the plants will pay their board while they are there. We think this is an excellent arrangement. We do not ask our men to sign a contract to remain with us, and some leave us, but most of them come back.

Honourable senators, so far as Nova Scotia is concerned, education is an export. My honourable friend from Shelburne (Hon. Mr. Robertson) a free-trader, who has long advanced free-trade theories and knows more about that sort of business than probably any politician in Nova Scotia, will know what is doing in Nova Scotia in that regard. Large numbers of very able men have left the Maritimes. We educate them and export them to other parts of Canada. There is free trade in education. I am not so sure that they have it in Ontario—I think the Law Society of Upper Canada is a little hard to get into. However, free trade in higher education is international. We have it with the United States and England, and students go back and forth between these countries and Canada. It is a splendid thing that we have free trade in thought and education on this hemisphere.

Now, what about Russia? Well, education in that country is state-controlled. It is said that Russia has a lot of men in the universities, but they are state-controlled and you do not know why they are there. Russia controls all her people. For many years Russia was pretty backward, and perhaps now she

is making a crash effort and trying to catch up. I do not know, but that has been suggested by some people. It may that her classifications are different from ours. It would seem that all technical men in Russia are trained in what they call universities. They have a great many technical degrees, and I think perhaps every steamboat engineer on the Volga would be classed as a university-trained man.

Let us take a look at the railroads of our own country. Many of the engineers employed by the railroads of Canada are not university trained, but let me tell you that they render a valuable service to the railroads and to this country.

What about the engineers in the merchant marine? What about the master mariners in the merchant marine? They do not have university degrees, but they are out in front fighting to make this country great, and I feel that they deserve great credit.

Now I want to refer for a moment to a really big question, the question of money. Where did the professional men say you would get the money? Well, honourable senators, you will find professional men are a little weak on explaining where the money is to come from. They think you ought to find the money. I do not believe you can get it from industry, because industry at present is paying 47 per cent of its profits over \$25,000 to the Government of Canada as income tax. Don't forget that profits are made up of inventory, cash receivable and cash, and when you take 47 per cent of the profits out of the business in cash every year and pay it to the Government there is not much left for venture capital nor for working capital to carry on with, nor for anything else. What is public opinion on that question in Canada now? You know, for we had an election recently. People want reduction of taxes. But it seems to me that the federal Government will need to be careful, because if it grants the provinces all they ask for or need, it may have a deficit. One can see how the surplus can dwindle. Some \$35 million has been allotted to the Colombo Plan. Perhaps my educationist friends would like to take a second look at it. To cover the whole field they asked for an expenditure of \$300 million in ten years. Their present budget amounts to \$150 million, but the honourable senator from Banff (Hon. Mr. Cameron), asks that it be doubled. I may be wrong, but I doubt whether this country can be more heavily taxed at the present time. If national production largely increases and there are bigger revenues, things may be different, but I believe we have just about reached the meridian in this respect.

Now, as to children's allowances. I was surprised at the suggestion of the honourable senator from Churchill (Hon. Mr. Crerar) that they are a bad thing and that the money may be used for purposes of higher education. With the payment of children's allowances goes the obligation that the children shall attend school. In Nova Scotia our primary classrooms are filled to overflowing. Why? Because of the obligation I have mentioned. Let it not be forgotten that the men whose families benefit most by children's allowances are, for the most part, those who do not pay income tax at all.

In order to have motion you must have a bigger intake than outflow. Motion requires force behind it, and you cannot take out more than you put in. Everybody knows that. The intake must be there; any engineer would consider it before he considered the outflow.

I do not hear from our friends any criticism of the colleges and universities. Are they well managed? Why is it that universities take in only \$90 million a year? I think that is a point which should be discussed. I do not suggest that they should be money-making institutions, but their revenue of \$90 million is very small; and any institution which comes to the country for money should be able to demonstrate that it is efficiently managed. I noticed that an extract was quoted from a paper written by the Dean of Columbia University, who stated that he is not satisfied with the universities' state of efficiency or the work that they are doing. It seems to me also a valid criticism that it takes too long to educate the students in our colleges. They are not well grounded when they arrive.

The honourable senator from Churchill stressed the importance of discipline. I believe, as he does, that discipline is a valuable character-builder. My mind goes back to my home, as his does to his when he was a boy. There were nine of us around the table. My mother was a school teacher in Nova Scotia, 80 years ago, before she was married. My father was a sailor, often away at sea. Three meals were prepared for us every day by my mother, and when the evening came we sat around the kitchen table with a lamp, and she saw to it that we knew our lessons. On Sundays the only reading matter we were allowed was the *Presbyterian Witness*; nothing else was permitted. And we had to go to church. That reminds me that right in this city of Ottawa, in the newer sections, there are as many as three Sunday School sessions

every Sunday and two morning services in United churches. That is some indication of our educational needs and how they are being met. My mother lived to be 92 years old; and having in mind the service she did for us, and how we regarded her and her advice, I am prepared to assent to the words of Wallace:

The hand that rocks the cradle  
Is the hand that rules the world.

One or two more remarks, and I shall be through. It was said that ministers are among our mendicants. But I have never heard it suggested that the Government should make payments to the churches. In my view the church courts and the congregations have the responsibility. In Nova Scotia we have had great ministers, such as Bishop Courtney, Robert Norwood, Canon Shatford, Clarence Mackinnon, and our gifted Dr. Kerr, Dean of Dalhousie. Most of these men went to the United States and some filled important churches on Fifth avenue; others went to Montreal. Canon Shatford was in Montreal for years. And let me point out that they did not read their messages, they delivered them direct. It seems to me that one of the things to avoid is the reading of speeches or sermons, because it destroys the effect; the speaker cannot "get across" his personality. There is a parliamentary rule against the reading of speeches in either house, and one can never be sure in the Commons that someone will not rise and announce, "the honourable gentleman is reading his speech", upon which the Speaker compels him either to desist from reading or to take his seat. There is no doubt that in so far as a minister is concerned, if he speaks his message instead of reading it the effect is much better; and I think the same rule applies to all who are called upon to speak in public.

In conclusion: we all have the faith, though in some it is more active than in others. So let us put first things first, and look after our churches. I like to think of the words of James Russell Lowell:

Careless seems the great Avenger;  
history's pages but record  
One death-grapple in the darkness  
'twixt old systems and the Word;  
Truth forever on the scaffold,  
Wrong forever on the throne,—  
But the scaffold sways the future,  
and behind the dim unknown  
Sitteth God within the shadow,  
keeping watch above His own.

On motion of Hon. Mr. Burchill, the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Thursday, December 12, 1957

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

Prayers.

## BUSINESS OF THE SENATE

**Hon. John T. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until Monday next at 8 o'clock in the evening.

I might explain to honourable senators that I am proposing we meet on Monday night because I expect a good deal of legislation to come from the other house by that time. That house is sitting three times daily at present, so it will be meeting ten or more times between now and Monday night.

**Hon. Mr. Macdonald:** That does not necessarily mean it will be sending us legislation.

**Hon. Mr. Haig:** No, but I do expect some new legislation by Monday night.

The motion was agreed to.

## EDUCATION

NECESSITY TO MOBILIZE AND EXPAND  
EDUCATIONAL RESOURCES—  
DEBATE CONTINUED

The Senate resumed from yesterday, the adjourned debate on the inquiry of Hon. Mr. Cameron drawing the attention of the Senate to

the necessity for Canada to mobilize and expand the educational resources of the nation with a view to maintaining and strengthening her position as a member of the world community.

**Hon. Percival G. Burchill:** Honourable senators, I think the honourable senator from Banff (Hon. Mr. Cameron), who I am sorry to say is not here this afternoon, is to be commended for bringing this very useful and important subject to the attention of the Senate. The speeches in the debate which followed have been profitable, for they emphasize the importance of keeping always before us a proper sense of values as our objective in education, as well as underlining the basic essentials of true education. In these days of guided missiles, and in an age in which, as someone has said, "We are more skilful with our hands than in our thinking," fundamentals are apt to be overlooked and there is a danger of getting off the track.

All the speeches in the debate have been excellent, but I want to refer especially to that splendid address which we were privileged to hear from the honourable senator from Churchill (Hon. Mr. Crerar).

Some Hon. Senators: Hear, hear.

**Hon. Mr. Burchill:** Except for two or three political opinions and references with which perhaps some Canadians would not agree, I think the honourable gentleman's speech could be adopted as a charter for the education of our Canadian youth. I should like to see it framed in every schoolhouse for teachers as well as pupils to read. I should also like to feel that it was made available to every home, so that parents also could read it.

Honourable senators, I think there is danger of our becoming lopsided in our thinking on education and failing to distinguish between knowledge and wisdom. I recall some years ago listening to an address delivered by the late Sir Edward Beatty at a convocation at the University of New Brunswick, on an occasion when he was receiving an honorary degree. It was after the First Great War when Germany's mighty power had been shattered at the cost of so many lives, so much suffering, and so much of the world's wealth and treasures. Speaking of the fate of Germany at that time, Sir Edward said:

A civilization to endure must be built on an educational system which puts the emphasis on virtue first, wisdom second, and skill third. We have erred in placing skill before wisdom and wisdom before virtue.

In education there has been too great stress upon the development of technique and not enough on the development of reason.

And then, I want to quote from an article in the November issue of the *Atlantic Monthly* by that great scholar Sir David Livingston, Vice-Chancellor of Oxford University, entitled "The Rainbow Bridge", in which he stresses the great advantages of a classical education. He says:

The chief task of education is to make human beings, to develop the aptitudes and attitudes necessary for successful living.

The criticism of the classics is due to a failure to distinguish between knowledge and wisdom. Knowledge gets out of date often very quickly—especially scientific knowledge—but wisdom does not. Like gold it keeps its value however long ago some human mind dug it up.

An editorial in one of our newspapers the other day had this heading, "Freedom requires Education", and those of us who are in public life know how true that statement is. We in the free world, as we call it—the western democracies—boast of our freedom, but to safeguard that freedom and protect it from the licence requires an electorate who have learned to know the value of our political institutions and the use of the administrative machinery which ensures personal and political liberty. They should be aware of the necessity for the economic stability of the state and have a

reverence for law and order. These are all the attributes of wisdom which flow from a balanced education.

In New Delhi, India, in the centre of the main approach from the Imperial Secretariat buildings to the Viceroy's house, stands the Jaipur Column, which bears this inscription:

In thought Faith  
 In words Wisdom  
 In deeds Courage  
 In life Service  
 So, may India be great.

I am sure that it was with the same sentiments that our forefathers in New Brunswick in 1785 applied to the Governor in Council for a charter for the establishment of an Academy of Liberal Arts and Sciences which later became, and is the University of New Brunswick. In 1950 Dr. A. W. Trueman, then President of that university, used these words:

The University of New Brunswick claims as its purpose to further the aims of true scholarship, to enrich the mind, and fortify the spirit to equip young men and women with the tools for successful living in a world of scientific miracle, and to do all to the Glory of God and in grateful memory of those with faith and vision plotted our course a century and a half ago.

And now, having commended my honourable friend from Banff for introducing this subject and for giving us a very useful topic to discuss, I am going to criticize him. In the course of his speech he placed on *Hansard* a statement—it appears as an appendix to the Debates of December 3, at page 328—a statement entitled “Canadian university student residence situation, December 1957”, and he did not include one university from the province of New Brunswick, although we have several excellent centers of learning in that distinguished province.

And let me say they are not only well known in the province, but they have a truly Canadian-wide reputation.

My honourable friend's list includes seven universities or colleges in Ontario, three in Quebec, six in Manitoba, one in Saskatchewan, one in British Columbia and one in Nova Scotia.

**Hon. Mr. Brunt:** What about Alberta?

**Hon. Mr. Burchill:** I do not know how many in Alberta, but Alberta is mentioned.

**Hon. Mr. Wall:** Will the honourable senator permit an observation? I do know that the honourable senator from Banff (Hon. Mr. Cameron) wrote to all the educational

institutions in Canada and he received answers from not all, and therefore any omissions were not omissions of commission.

**Hon. Mr. Burchill:** I am glad to hear that.

Well, since New Brunswick is not mentioned in that statement it certainly becomes my duty as a representative from that province to let the country know that we are not asleep as far as education is concerned down in our corner of the world.

My honourable friend from Murray Harbour (Hon. Mrs. Inman) points out that Prince Edward Island also is not mentioned in that list. However, I will let her take care of the Island.

Our provincial university is the University of New Brunswick. It was founded in 1785 and I think it is the oldest state university in Canada. For nearly 200 years its graduates have influenced in one way or another the affairs of every province of Canada. It draws students from every province, and from the United States, the United Kingdom, South America, the Occident and the Orient. When I tell you that its student enrolment was 409 in 1944, 13 years ago, and today is approximately 1,400, you can realize how fast the growth has been in these intervening years. I do not believe any university in the country has had a greater proportional growth of student enrolment in that period of time than has the University of New Brunswick.

As regards residences, in 1930 the Lady Beaverbrook Residence for men was built and equipped by the generosity of Lord Beaverbrook, who also gave the Maggie Jean Chestnut House for a women's residence; and now two additional residences for men, each equipped with facilities for 100 students, are in the course of erection. The first unit, construction of which began during the summer, was made possible by public subscription, which amounted to \$435,000, in response to a call from the university to the people of New Brunswick. I believe that the provincial Government put up \$100,000 of that amount. The second unit was made possible by a grant of \$422,000 from the Canada Council. But that is only a beginning. I noticed a press dispatch the other evening in which the president of the University was reported to have stated that his objective is to make the University a completely residential college. He has a projected building program at the present time which calls for \$8,990,000, of which \$3,190,000 will be required by 1959. This includes provision for further residences.

Coming now to the contributions which have been made to this campaign, I want to pay tribute to the generous financial support which Canadian business and industry have

given to our universities. I am sure that, if one had the figures, they would show that many large Canadian firms have donated very large sums to the various campaigns over the past 10 or 12 years—an indication that Canadian businessmen recognize the problems facing our universities and have made and will continue to make a very generous response. I do not intend to refer at any length to the liberal assistance which has been given by the press and by individual donors. But we do not have to go outside this chamber, honourable senators, for an illustration. I look across the chamber at one of our colleagues, the honourable senator from Thunder Bay (Hon. Mr. Paterson), whose great liberality to Carleton University at Ottawa is well known. The very substantial amount of money it has received from him is only one of the many kind and wonderful gifts which the honourable senator has made over the years.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Burchill:** He needs no eulogy from me.

In addition to contributions for capital purposes, a great many business firms have established scholarships. The list at the University of New Brunswick includes the following: General Motors, Price Brothers, Union Carbide (Canada) Ltd., Anglo-Canadian Pulp & Paper Company, Imperial Oil, Shell Oil Company of Canada, Osmore Wood Preserving Company of Canada, and California Standard Oil Company. There are many more. I am sure that these firms, and not a few others, have established scholarships at a number of other universities across the land.

Other industries have established Chairs: for instance, the International Paper Company, Bathurst Power and Paper Company and the Fraser Companies are faithful contributors to our very efficient Department of Forestry, where they have provided for a Chair of Logging. So I take off my hat to Canadian businesses for what they have done for the universities of this country.

In New Brunswick we have also Mount Allison University, as to which the honourable senator from Fredericton (Hon. Mrs. Ferguson) can speak with authority, for she is a member of the Board of Regents. We are very proud of Mount Allison; it has a national reputation. Enrolled there are 1,100 students, the majority of whom live in residence. I would also mention St. Joseph's, at Memramcook, a very active institution doing a big work, and totally residential, and also St. Thomas' University, at Chatham.

In the matter of scholarships, we have been particularly blessed at the University of New Brunswick by that great and generous man Lord Beaverbrook, who has founded three active scholarship plans—the undergraduate, the overseas, and the teachers' overseas scholarships—at a cost of \$1,500,000. During the last 37 years 558 of our students and teachers have benefited from his generosity. In addition he has given the university the two residences I have mentioned, a gymnasium—perhaps one of the finest in Canada—a rink, and the Bonar Law Bennett Library.

Now, honourable senators, I have talked long enough. I have always been and always shall be a believer in the old adage that no souls,—or at any rate very few souls,—are saved after the first twenty minutes. I think that adage can be applied to the Senate too; and also the saying that when a man makes a speech, whether in the Senate or any other place, he should “stand up, speak up, and shut up”. That is what I propose to do now, having delivered myself of these remarks to remedy the omission of the universities in our province of New Brunswick from the list headed “Canadian University student residence situation”. I feel quite sure that what I have said is sufficient to convince this body that in New Brunswick we have a Canadian university, that we are making a contribution to the academic life of this country, and that we have gained a place among the Canadian universities of the land.

**Hon. Mr. Monette:** May I ask the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) if classical education, which he seems to favour, forms part of the curricula of the universities of New Brunswick?

**Hon. Mr. Burchill:** Yes.

**Hon. Mr. Monette:** I may say that in the province of Quebec we have a large number of classical colleges. I have not got the exact figure, but I believe there are 20 of them. They give a classical education, including courses in philosophy, as well as teaching languages and science. These colleges are affiliated with our three universities. It is a kind of decentralization in the field of education and it explains, perhaps, why we may not appear to have as many universities as there are in New Brunswick. Because of this decentralization I think it can be said and accepted that the field of classical education is an important part of the university courses in the provinces of Quebec.

**Hon. Mr. Dupuis:** Honourable senators, I understand that the honourable gentleman

from Toronto-Spadina (Hon. Mr. Croll) wishes to take part in this debate; at any rate, I move the adjournment of the debate either for him or for myself.

On motion of Hon. Mr. Dupuis, the debate was adjourned.

The Senate adjourned until Monday, December 16, at 8 p.m.

## THE SENATE

Monday, December 16, 1957

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

Prayers.

### PRIVATE BILL

#### ALASKA-YUKON PIPELINES LTD.—COMMONS AMENDMENTS CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill X-1, respecting Alaska-Yukon Pipelines Ltd., and acquainting the Senate that they had passed this bill with certain amendments, to which they desired the concurrence of the Senate.

The amendments were read by the Clerk Assistant as follows:

1. On page 1, line 11, delete the words "gas and";
2. On page 1, lines 23 and 24, delete the words "natural and artificial gas and"; and
3. On page 1, line 29, delete the words "natural and artificial gas and".

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

Hon. Stanley S. McKeen: Honourable senators, with leave, I move that these amendments be considered now.

The motion was agreed to.

Hon. Mr. McKeen: With leave, I now move concurrence in the amendments. The purpose of these amendments is to delete all references to gas from the bill. It came out in the Commons committee that the company had no intention of handling gas in its pipe line, that the only purpose of the pipe line was to handle oil and gaseous hydrocarbons, which is not a gas but a light oil. Therefore it was suggested by the committee that the references to gas be deleted, and this was quite acceptable to the company.

The motion was agreed to.

### CANADIAN AND BRITISH INSURANCE COMPANIES BILL

#### FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 169, to amend the Canadian and British Insurance Companies Act.

The bill was read the first time.

#### SECOND READING

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

Hon. William R. Brunt: Honourable senators, I move that this bill be read the second time now.

Before I begin my explanation of this bill, may I, with the indulgence of the house, and in view of the fact that I did not speak in the debate on the Speech from the Throne, address a few remarks to my close and personal friend His Honour the Speaker of the House? I wish to congratulate His Honour most warmly on his appointment as Speaker of the Senate. All honourable senators will agree with me, I am sure, when I say that for a new senator to be named Speaker of the Upper House is indeed a high and very unusual honour.

I feel that I am expressing the sentiments of all honourable senators when I say to you, Mr. Speaker, that you have indeed filled the position with grace and great ability, and you have proved to all of us that you are an excellent Speaker. Personally, I cannot help but admire your terrific sense of humour, a sample of which we heard this evening. My sincerest wish and fondest hope is that you will enjoy the best of health for years to come, and may you long continue in your present position as Speaker.

Now, honourable senators, in speaking on second reading of this bill, first I would like to point out the companies to which the bill applies, next briefly explain the main provisions of the bill, then tell you why the bill is being introduced, and finally go over the bill clause by clause.

In the first place, this bill applies to all Dominion insurance companies incorporated by an Act of the dominion Parliament and writing insurance of any kind. It applies whether the company in question is a stock company or a mutual company, but none of the clauses—and this must be borne in mind or one can become confused as you get into the bill—none of the clauses have anything to do directly or indirectly with any British company. Even though it is a bill to amend the Canadian and British Insurance Companies Act, it does not have anything to do with any British insurance company. Neither does it have anything to do with any foreign insurance company or any company that is incorporated under a provincial statute.

The bill has four main provisions. The first of these provisions relates to all insurance companies and it sets out in detail the qualifications of directors. That I will discuss more fully a little later.

The second provision relates to life insurance companies only. It deals with the transfer of shares of life insurance companies, and places certain permissive restrictions thereon.

The third feature of the bill deals with the mutualization of life insurance companies. This is something new that has been introduced in Canada. Provision for it has never been on the statute books before, but if the clause is adopted it will enable stock life insurance companies to buy in their stock and become mutual insurance companies.

Now, the last division of the bill does not relate to any insurance company but rather to Canadian fraternal benefit societies. It makes a change in the law as to how they may invest their funds and gives them the right to consolidate two different funds which are at present being operated separately by these societies.

Some of you may ask why these changes are being made to the Canadian and British Insurance Companies Act. I think I should point out to honourable senators that since 1930 control of seven Canadian life insurance companies has passed from the hands of Canadians into the hands of non-residents.

The first such change took place in 1930, when an English insurance company acquired control of the Montreal Life Insurance Company.

No further changes took place until 1945, when a Swiss insurance company purchased control of the Continental Life Insurance Company.

Ten years elapsed before the next change took place, when another Swiss company acquired control of the Canadian Premier Life Insurance Company.

Then, in 1956, the Western Insurance Company was purchased by certain United States investors.

Again, in 1956, a Dutch insurance company acquired control of Commercial Life Insurance Company.

Then, in 1957, control of a company changed hands while really shocked a great many Canadians. That was when control of the Dominion Life Insurance Company, whose head office is at Waterloo, Ontario, was acquired by an American insurance company.

Finally, in 1957, British insurance interests purchased the Fidelity Life Insurance Company. I believe it was the sentiment of the previous Government, and is the sentiment of the present Government and of the people of Canada generally that they would prefer that the control of Canadian life insurance companies which have been set up by Canadians, who provided the investment capital in the initial stages, and which companies have been ably managed by Canadians, should remain in Canada. That, I understand, is one of the main reasons for these amendments.

Now to deal in detail with the bill. Clause 1 is a mechanical clause and does not require

any explanation: it repeals subsection 3 of section 3 of the act, which is set out in the explanatory note, and it provides that certain other sections shall apply. By reading the subsection that is repealed with the sections which are to remain in effect, one can easily determine the meaning of clause 1.

Clause 2 is the one clause which relates to all insurance companies that come under the act, that is all companies which are incorporated by an act of the Dominion Parliament. It sets out the qualifications of the directors. Subclause 3 of clause 2 states the monetary qualification required of a person before he can become a director. It will be noted that the amount is rather substantial. I understand that in this respect there is no change. It is the feeling of all concerned that, to be a director of an insurance company, a person should have a substantial interest therein.

The subclauses which are marked 3(a) and 3(b) are those which will bring about a change in the qualification of directors. Under these subclauses it is now provided that a majority of the directors of a company, even where that company has more than one class of directors—for instance, policyholder directors and stockholder directors—must be Canadian citizens ordinarily resident in Canada. I have been advised by the Department of Insurance that at the present time all Canadian companies have complied with this clause, but I think it is only fair to point out that if there is a Canadian company the majority of whose directors are not Canadian citizens ordinarily resident in Canada, upon the passing of this measure it will have to change its board of directors so that this section shall be complied with.

Clause 3 relates to life insurance companies only; it has nothing to do with those companies which write fire and casualty insurance. It relates to the transfer of shares, and enables the directors of a life insurance company to restrict the transfer of shares. Honourable senators will note that it refers to directors of a life insurance company doing business in Canada. This must not be construed in any way to cover all life insurance companies doing business in Canada. It only refers to the companies that are covered by this act, being companies that are incorporated by an act of Parliament.

You will note also that the directors may allow or refuse to allow the transfer of any stock owned by a Canadian ordinarily resident in Canada to any person who is not a Canadian citizen ordinarily resident in Canada and/or a foreign corporation, association or partnership. It is not mandatory legislation at all. It is just permissive legislation, which permits the directors to refuse the

transfer of shares owned by a Canadian citizen ordinarily resident here to a non-resident.

Everyone realizes that a certain number of shares in Canadian life insurance companies are at the present time owned and registered in the names of non-residents. This act does not in any way interfere with the rights of a non-resident shareholder. Under clause 3(2) a non-resident can sell and transfer his stock to another non-resident person. A non-resident corporation can sell and transfer its stock to a non-resident corporation. In other words, the act does not in any way restrict the sale and transfer of shares owned by non-residents.

This clause, while it is new in Canada, is not new in Europe. For instance, I have been advised that Italian, Swiss and Dutch insurance companies all come under a similar provision in their acts of incorporation or the laws of their respective countries. The provision exists for the reason that these foreign companies desire to retain their native characteristics and retain control within the particular country concerned.

**Hon. Mr. Pratt:** May I interrupt the honourable senator to ask a question on that point?

**Hon. Mr. Brunt:** Yes.

**Hon. Mr. Pratt:** While these countries, and possibly others, have that restriction, is the same restriction applicable to insurance companies in England and in the United States?

**Hon. Mr. Brunt:** I am sorry that I cannot answer that question, but when the bill goes to committee I am sure the honourable gentleman can get a satisfactory answer. Mr. MacGregor and his assistants have agreed to appear before the committee. However, I can say that probably one of the best known English companies, the Hudson's Bay Company, has a restriction on the transfer of its shares, which restriction is much more severe and more stringent than this one.

**Hon. Mr. Pratt:** I was thinking of life insurance companies.

**Hon. Mr. Brunt:** I realize that. In connection with the Hudson's Bay Company we find that if at any time the number of foreign-held shares of the company exceeds 25 per cent of the company's total shares, the directors can refuse to register or approve the transfer of any British-held shares in any case where the registration would cause the shares to become foreign-held. Furthermore, directors of the Hudson's Bay Company can refuse to put through any transfer which would result in more than 25 per cent of the company's shares being foreign-held. In addition, if the directors of this company form

the opinion that certain shares have become foreign-held, and if the number of foreign-held shares exceeds 25 per cent of the total shares in the company, they may call upon the holder of such shares to prove to their satisfaction that he is not classed as a foreigner and his shares are not classed as foreign-held shares. If this proof is not forthcoming within three weeks they can serve on the shareholder a written demand to transfer the share in such a manner as to make it a British-held share.

**Hon. Mr. Connolly (Ottawa West):** Is that done by law or under a bylaw of the company?

**Hon. Mr. Brunt:** Under a bylaw of the company.

**Hon. Mr. Hugessen:** Has it got legislative sanction in Great Britain?

**Hon. Mr. Brunt:** Oh, yes. Not so long ago a group endeavoured to acquire control of the Hudson's Bay Company. The members of the group purchased quite a large block of shares, but when they tried to register them they ran into difficulties and they subsequently sold their stock.

**Hon. Mr. Hugessen:** To make clear what I meant, I would ask the honourable gentleman if the registrations by the Hudson's Bay Company, to which he refers, are supported by legislation in Great Britain in the same way it is sought to support similar legislation here?

**Hon. Mr. Brunt:** Subject to correction, I understand that is so. If the transfer of the foreign-held stock of the Hudson's Bay Company is not made within 30 days, the directors can sell the stock at the market price and in such a manner as to make it a British-held share. They can execute a transfer to the purchaser and they can pay to the former owner, that is the foreign owner, the proceeds of the sale only when the foreign owner makes application for payment and surrenders his share certificate.

Finally, the company has this clause in its bylaws:

Shares passing to any person by reason of death or bankruptcy of a shareholder entitle that person to dividends but not to voting rights or the power to transfer the shares except with the consent and approval of the directors.

Now, when one looks at restrictive transfer clauses that exist in other parts of the world, I do not think anyone can say that the restriction proposed in this bill is very severe. It does not say the directors have to impose it. The legislation is purely permissive, but it does allow directors of Canadian life insurance companies to make sure that control of their companies remains in Canada.

**Hon. Mr. McKeen:** Does the honourable senator think that this legislation goes far enough? Apparently the purpose of the bill is to keep the control of Canadian companies from going out of Canadian hands. If it is only permissive is it strong enough?

**Hon. Mr. Brunt:** I can only express my own opinion, and I must say that I do not like restrictions on the transfer of shares. For that reason I think it goes far enough. Mind you, it may not go far enough to bring about the result that everybody would desire, but personally I do feel it goes far enough.

**Hon. Mr. Macdonald:** Do I gather that you think it goes a little too far?

**Hon. Mr. Brunt:** No, no; I think it is just about right. I think this section is notice to everyone of what the feeling of the Government is, and I think it is also the feeling of the people of Canada. It is to be hoped that when non-residents of Canada give consideration to buying shares in Canadian life insurance companies they will look at this section and say, "Oh, we are not very welcome". If the section does that and acts as a hindrance to non-residents trying to acquire control of our companies, I think we shall have accomplished a great deal.

The next is clause 4, which applies to life insurance companies only.

**Hon. Mr. Connolly (Ottawa West):** Before the honourable gentleman proceeds, would he allow some further questions?

**Hon. Mr. Brunt:** Of course.

**Hon. Mr. Connolly:** Perhaps I should tell the honourable gentleman that if he were not doing so well in the explanation of the bill he would not get these questions. His explanation is very comprehensive, and I must compliment him on the way he is proceeding. However, I wondered if he has given this clause full consideration. I must say my own examination of it has been very cursory. Take the case of a person who owns and has a property right in shares in a life insurance company, one of the companies covered by this legislation. If he desires to make a transfer and is prevented from doing so by the board of directors in accordance with this proposed legislation, I wonder if that would be interference with a property right, and whether or not it is competent for Parliament to legislate on that point. Perhaps the honourable gentleman has given consideration to that point and could answer now.

**Hon. Mr. Brunt:** I have that in my notes, but neglected to mention it. I am glad that the question is asked, and I am very pleased

to answer it. When this bill came before the Banking and Commerce Committee of the other place I took the time to go down and listen to the discussion there. Being a senator I could not ask any questions, but I was sitting next to a rather talkative gentleman, so I gave him my questions. One question which he asked was whether or not this particular clause of the bill did not infringe upon property and civil rights, which is something within the jurisdiction of the provinces. I quote from the evidence taken at the Banking and Commerce Committee of the other place on December 5 last:

Mr. Fleming: So far as insurance is concerned, Parliament has power to legislate on the status of companies. But jurisdiction over the insurance contract and incidents flowing from the contract are vested in the legislatures of the provinces.

Then the witness, who was Mr. K. R. MacGregor, Superintendent of Insurance, said:

I might say, Mr. Stewart, that the constitutional aspects of the clause were considered carefully by the Department of Justice and they have assured us that what is proposed is *intra vires*.

Frankly, I have not read enough either of textbook law or casebook law to give a definite opinion which I could call my own, to the effect that the section is *intra vires*, but I am prepared to accept the opinion of the Department of Justice. They have given study and consideration to this particular point, and it is their opinion that the section is *intra vires* of the Dominion Parliament.

**Hon. Mr. Connolly (Ottawa West):** Perhaps the honourable gentleman will allow me just for a moment. The point that I raised is, I think, not a question of insurance law, but has to do with the transfer of shares. It may very well be that the law officers of the Crown considered this point and have come to the conclusion that subsection 13 of section 92 of the British North America Act is not violated. If they have considered that point and are of that opinion, I think it might be very helpful to the committee if one of the law officers of the Crown could be present at our committee to help us on the point.

**Hon. Mr. Brunt:** I have been assured by Mr. MacGregor that—to use his own words—the Department of Justice have ruled on this. However, I will get word to him that he should have someone from the Department of Justice before the committee on this point tomorrow morning.

Honourable senators, clause 4 of the bill is the mutualization clause; it consists of 23 subclauses, and deals solely with the mutualization of life insurance companies. It is under this clause that a stock company can

become a mutual company by buying in its own stock. It is a well-recognized principle of law that no company can deal in its own common shares, and this particular section is the one that gives to Canadian life insurance companies the right and power to deal in their own shares by buying them in.

Briefly, the steps to be taken, as outlined in this particular clause, to bring about the mutualization of a life insurance company, are as follows: The first step, under subclause 1, is that the insurance company, first of all, must obtain the permission of the Minister of Finance in order to establish and implement a plan for converting the company into a mutual company by the purchase of its own shares. After the company has obtained the consent of the Minister of Finance, step 2 can be taken, whereby the directors must pass a bylaw setting out in detail the plan which they propose to follow in mutualizing the company. Under paragraph 2 of the same subclause, the bylaw must be approved at a special general meeting by a majority of not only the shareholders of the company but also of the policyholders; and the meeting, of course, must have been convened for that particular purpose.

After all this is done, the third step requires that the bylaw must be submitted to the Treasury Board for approval. The bylaw is entirely ineffective until it is approved by the Treasury Board. Paragraphs (a) to (f) of subclause 3 set out in detail—and they are listed there at great length—the conditions to be met and complied with before the Treasury Board can approve of the bylaw. This results in the Treasury Board having the final say as to the price that is to be paid by the company when it purchases its own stock.

In other words, if the company has decided what it is going to pay for its shares and the directors have approved of it, and the shareholders have approved of it, the Treasury Board acts as a referee or arbitrator and decides finally whether or not the price is fair not only to the company but to the shareholders. If the price were not fair, the Treasury Board would not give its consent, the bylaw would have no effect, and no shares could be purchased.

Step 4 is set out in subclauses 4, 5 and 6 of this general clause 4. They deal with the length of time during which the offer is good. Provision is made that the original offer must be available for acceptance for at least six months, and no change can be made within that period. Then, if the company finds it wants to make a subsequent change in the price to be paid for its shares the procedure is outlined by which a change in the price can be made. Of course if any

change is made the Treasury Board will once again have to decide and determine whether or not the subsequent price is a fair one.

Step 5 is set out in subclauses 7, 8 and 9, and provide for the manner of payment of shares purchased by a company. I would like to call the attention of honourable senators particularly to subclause 7, under which a company has the right, so to speak, to purchase shares on credit. If cash is not available a company can issue promissory notes which, if the shareholders are willing to accept, can be accepted as settlement for their shares. The notes must be payable within ten years of the date of issue, and the rate of interest in the first instance is fixed by the board of directors of the company. Subsequently the approval of the Minister of Finance must be obtained as to the rate of interest which the company proposes to pay on its promissory notes.

Some honourable senators may ask why this provision is necessary. I understand that subclause 7 was put in this legislation in order to protect an insurance company from a loss which might arise if a company was compelled to sell securities in an unfavourable market—for instance, in the past three months there has been a rather unfavourable market for all sellers of securities—in order to raise money to purchase its shares. In other words, if the market is not favourable the company can retain its securities, have the shareholders accept notes, and when the market becomes favourable, sell its stock and retire its notes.

Subclauses 10 and 11 of clause 4 deal with the amount of company funds which may be expended by any company in the purchase of its shares. These two subclauses are designed and set up to ensure that the financial structure of a company is not in any way impaired or endangered by the purchase of shares. In other words, these two subclauses compel a company to maintain an adequate surplus and adequate reserves, and in no event can a company ever reduce its reserves and surplus by the purchase of its stock below 6 per cent of its capital.

As I read the words of these subclauses they sounded rather complicated. So I had the Superintendent of Insurance set up for me an example to illustrate what was the intention. His example made the intention much plainer to me, and I shall pass it on to the house.

Let us look at the balance sheet of a fictitious company by the name of The Ottawa Life Insurance Company.

The Ottawa Life Insurance Company

ASSETS

Value of Real Property, Bonds, Stocks, Investments, Cash, etc. ....	\$100,000,000
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LIABILITIES	
General liabilities of all kinds .....	91,000,000
Capital (at par value) stock .....	1,000,000
General Reserve .....	4,000,000
Surplus and Contingency Reserves ....	4,000,000
<hr/>	
Total .....	\$100,000,000

From that example, honourable senators, you will see that this fictitious life insurance company has reserves and a surplus of \$8 million, made up of a general reserve \$4 million, and surplus and contingency reserves of \$4 million; you will also note that the total value of the assets of the company is \$100 million, which would entitle the company to spend \$2 million on the purchase of its shares. In other words, you take 6 per cent of the assets of the company, which is \$6 million, and subtract that amount from the surplus and reserves of \$8 million, leaving \$2 million, which is the sum available for the purchase of stock.

On first glance of at my example you would say the company has twice the amount it needs to purchase stock. That is not so, because no life insurance company today can buy its own stock at its par value—such stock is worth much more than its par value.

Subclause 12 of clause 4 is a simple one. It provides for the *pro rata* purchase of shares where the number and value of the shares offered exceed the funds which are available to a company for the purchase of shares.

Subclause 13 is a sort of bookkeeping clause. Under this subclause a company is required to keep proper records with respect to shares purchased, the price paid for the shares, and all other data which in any way relate to the offering of the shares of a company and the purchase of shares by a company.

Subclause 14 is self-explanatory. By it provision is made whereby if a company runs out of money available for the purchase of shares it is compelled to notify all shareholders who have offered their stock to the company that the company is out of money and cannot purchase any further shares at that time.

**Hon. Mr. Savoie:** May I ask a question?

**Hon. Mr. Brunt:** Yes.

**Hon. Mr. Savoie:** I refer to section 14, the explanatory note on which reads:

The purpose of this subsection is to require a company that has temporarily exhausted the funds available for purchase of shares to notify all shareholders who have made offers and whose offers have not been fully taken up.

What funds are really available for purchase of shares by a company? Is it the funds in the legal reserve or general reserve, or in the surplus and contingency reserves? Do I

understand that money available for the purchase of shares must be taken out of surplus and not out of the general reserve or legal reserve?

**Hon. Mr. Brunt:** I understand, subject to correction, that the money can be taken out of the general reserve and surplus and contingency reserves. These are not reserves which are set up for the protection of the policyholders, but are reserves which belong to the shareholders.

**Hon. Mr. Savoie:** Excuse me. The general reserve or legal reserve, and the contingency reserves, belong to the policyholders.

**Hon. Mr. Brunt:** No.

**Hon. Mr. Savoie:** And the surplus belongs to the policyholders?

**Hon. Mr. Brunt:** The company cannot use reserves, as I understand it, that have been set up for the benefit and protection of policyholders. It must use the company's own reserves which have been set up for the benefit of shareholders.

**Hon. Mr. Savoie:** That is, surplus?

**Hon. Mr. Brunt:** Yes.

I turn now to subclause 15, paragraph (a) of which defines the composition of board of directors, and sets out how the division of directors is to be made as between policyholders' directors and stockholders' directors.

Paragraph (b) is an important one: it prevents a life insurance company from offering for sale any shares which it has purchased or bought in. This clause is very, very necessary because if a company had the right to resell the shares which it bought in, and decided to do so, it would never become mutualized since, in order to become mutualized a company must get all its stock in. This provision prevents the company from selling any of the shares which it has purchased. It also prevents the company from issuing any new stock, and from making any further calls on stock that has been issued and is not fully paid up.

Paragraph (c) is, I think, one that would apply to me personally, because I have never liked selling shares once I have acquired them. This provision is put in the bill to protect the stubborn shareholder with respect to dividends, that is, the fellow who says, "I don't care what you pay me for my stock, I am going to keep it." The company cannot penalize him or force him to sell by cutting the dividend. You will note the clause provides that the dividends must equal the average of the dividends for the three prior years unless the company can show good reason why the dividends should be lower.

It is only fair that a man who wants to keep his stock should be protected with respect to dividends.

Paragraph (d) deals with the matter of the payment of dividends on shares which a life insurance company has purchased. For instance, if a company bought in 55 per cent of its issued stock, 45 per cent remaining in the hands of the public, and it pays a \$3 dividend, the question arises: What happens to that dividend? Under this clause the amount of such dividend is to be credited to the insurance funds of the company and for the benefit of the policyholders, which is quite proper; the company having purchased the stock, that dividend belongs to the policyholders and not to the shareholders of the company.

Subclause 16 deals with the writing down of the value of the shares from the purchase price paid by the life insurance company to the par value of the stock. Under paragraph (a), in applying the 6 per cent rule which I referred to a short time ago as set out in subclauses 10 and 11, the par value of the stock is subtracted from the price paid for the stock, and at least 20 per cent a year must be written off the difference after the first year. No write-off is required on the stock the year it is purchased, but by having an annual 20 per cent write-off, in five years' time the difference between the par value and the purchase price value of the stock is entirely written off.

Paragraph (d) provides that the policyholders' directors of the company—and this is important—shall vote all the shares that are bought in by the company, that none of the shares shall be voted by the stockholders' directors.

Now, passing along, we come to subclauses 17, 18 and 19 which enable the company to get rid of the stubborn shareholder, the man who says, "You cannot buy my stock". These subclauses are really the only provisions that give the directors of a life insurance company the right to take from a shareholder his stock whether he wants to sell it or not. But this is not new. Similar provisions are set out in the Dominion Companies Act and are used every day by companies to get in the final 10 per cent of their outstanding stock.

I can recall the case of the British Columbia Pulp and Paper Company, which was purchased by Abitibi. I was a common shareholder, and I finally had to give up my stock. I did not like the price, but I had no option—they had acquired 90 per cent of the stock, I was among the 10 per cent, and by following a certain procedure Abitibi took over my stock. In this way a company finally acquires all of the stock that has been issued and sold. After a company acquires all of

its stock it is then in a position to mutualize. It has no more shareholders. The only members of the company are the policyholders.

Subclause 21 sets out in detail the final steps to be taken by a company after it has acquired all its stock by purchase and converts from an ordinary stock company into a mutual company. But before this step can be taken a company is required to have completed all of the following requirements:

(1) It must have acquired all of its stock. There must be no stock outstanding.

(2) It must have written down on its books the shares so acquired to their par value. This is required by subclause 16.

(3) It must have retired and cancelled all of the stock by resolution of the board of directors.

The company then becomes a mutual company, having as its members all of the policyholders of the company, and the directors shall then pass the necessary bylaws to entirely organize it into a mutual company.

Subclause 22 is a very interesting one. Incidentally, I understand it has been approved by the taxing authorities. The sole purpose of this clause is to place all shareholders in exactly the same position financially and income-taxwise as such shareholders would be if they had sold and disposed of their shares in the open market. There is no doubt that insurance companies, in order to mutualize and purchase their own shares, will have to use reserves on which income tax has not been paid. That may as well be admitted. But I do not suppose that any shareholder would offer his stock to a life insurance company, knowing that he would be taxed on part of the purchase price: he would sell it in the open market, because what he received in the open market would be tax free. All this clause does is to place the shareholder who sells his stock to the company in exactly the same position as the shareholder who sells his stock in the open market. I do not think that that provision can be criticized.

Clause 5 simply repeals clause 98 of the act, which, in the opinion of the Department of Justice, is no longer required. Clause 6 is something which has been added. It repeals subsection 3 of section 99 of the act and substitutes a new subsection. It is the one clause in the bill which does not in any way relate to an insurance company. It has to do with Canadian fraternal benefit societies which have been incorporated by special act of the dominion Parliament. The present act requires such societies to set up and maintain separate funds with respect to insurance written on adult members and with respect to insurance written on dependent

children of members. When benefit societies of this kind were incorporated, years ago, everyone was of the opinion, and justly, that there should be two separate funds, because at that time the mortality rate amongst infant children was rather high. That condition has changed; the mortality rate has dropped; and the department has seen fit to decide that these societies should have to maintain only one fund, that there is no further need for them to operate two funds. The operation of two funds involved needless expense and created certain investment difficulties with respect to the infant funds, because of the fact that at times there was only a small amount in the infant funds available for investment. By putting all the money into one fund, societies will have more money available for investment at any one time, and they will be relieved of a certain amount of bookkeeping. The change will be brought about by a very simple method, namely, by having the boards of directors of the societies concerned pass the necessary bylaw.

I might state, from information gained in discussing this particular section with officers of the Department of Insurance, that, so far as the department has been able to ascertain, all benefit societies are in favour of this amendment.

That is all I have to say with respect to this bill. I want to thank honourable senators for the attention they have given me. If there is anything I have not explained to their satisfaction I shall be very glad to answer any questions, or, if I am unable to answer them, we can, I am sure, have them answered in committee tomorrow morning.

**Hon. W. Ross Macdonald:** Honourable senators, I wish to say only a very few words with respect to this bill. First, may I congratulate the honourable senator from Hanover (Hon. Mr. Brunt) on the splendid explanation he has given. He has gone into the bill very carefully, and if we did not know everything about it when we came to the house this evening, I am sure we are well informed on it at this time.

I rise for two reasons: first to congratulate the honourable senator, and, second, to say that I regret that this bill was not introduced in the first instance in this house. It is a type of legislation which should originate with the Senate. There is no question of its being a money bill; it relates to matters on which honourable senators are well qualified to give the Canadian public the benefit of their advice and experience. We have in this house a number of lawyers who are exceptionally well versed in insurance law. I do not say that

they could have prepared this bill any better than it has been drafted, but I contend that if this bill had been introduced first in this house we would now know, from officers of the Department of Justice, whether it is *intra vires* of the Parliament of Canada. I say we would know now, meaning at this stage of the bill; we would have discussed that question and settled it in this chamber, and then, it having been so settled, we would have sent the bill to the other house. But now, what position are we in? We had before us this very important question of civil rights, and all that is available to us is a statement by a witness—not from the Department of Justice, but from the Department of Insurance—in the committee, and with no supporting documents, that the legislation is *intra vires*. Here is what he said on being questioned in the Banking and Commerce Committee of the other house:

I might say that the constitutional aspects of the clause were considered carefully by the Department of Justice.

How does he know whether or not they were considered carefully by the Department of Justice? He goes on to say:

And they have assured us—

That is they have assured the Department of Insurance, I presume; certainly they have not assured the committee— they have assured us what is proposed is *intra vires*.

Honourable senators, that is not satisfactory; and in my opinion the bill should not receive second reading and be passed by the house upon an opinion such as that, which is certainly not first-hand information. So, I say, it might have been much better if honourable senators who are solicitors and well versed in the law, and other members of the house who are directors of insurance companies, having had wide experience of life insurance matters, had been given an opportunity of considering this bill before it was passed by the other house.

The main principle in this bill is the proposed right of joint stock companies, life insurance companies, to become mutual companies. I might tell honourable senators that this question of mutualization was considered by the former administration, and had that administration been returned to power it would have introduced a bill to authorize the mutualization of these companies. But I will not go further and say that such legislation would have included those other provisions for transferring shares, and so on. The proposal of mutualization is acceptable to me, and for that reason I would vote in support of the bill. However, I reserve my right to question officials of the department when they appear before our committee.

Again I wish to commend the honourable gentleman from Hanover for his explanation of this bill, and I am very pleased that he suggested it should be sent to committee.

**Hon. T. D'Arcy Leonard:** Honourable senators, I rise to speak on the second reading of this bill because I have an association with the life insurance business, and on that account I should pretend at least to have some knowledge of the subject. I should say at the outset that the particular company with which I am connected, the Continental Life Insurance Company, which was mentioned by the honourable gentleman from Hanover (Hon. Mr. Brunt), is not affected by this legislation. It is a provincially incorporated company, and this bill applies only to federally incorporated companies. Therefore, I repeat, this legislation does not apply to my company, nor does it apply to me personally.

Honourable senators, before dealing with the bill itself I should like to join with my honourable leader (Hon. Mr. Macdonald) in complimenting the honourable senator from Hanover upon his very comprehensive and lucid exposition of the bill.

I also wish to join with the honourable senator from Hanover in his felicitations to His Honour the Speaker, which I am sure are shared by all members of this house.

As my honourable leader said, the main principle in this legislation is that of transforming a life insurance company into a mutual insurance company, a process which is appropriately described by the word "mutualization". The scheme and plan for mutualization is set out in section 4 of the bill, which enacts a new section 90A of the act. I am in complete agreement and accord with that principle. I think it is desirable to have on our statute books a general piece of legislation which will enable any Canadian life insurance company that desires to mutualize to follow a plan or scheme for that purpose. The section, as carefully explained by the honourable senator from Hanover, is designed to protect both the policyholders and the shareholders, requiring as it does the consent of the Minister and of the Treasury Board. As I say, I am in agreement with the principle of that section. May I say, however, that I am sorry to see incorporated in the bill the provisions of section 3, enacting a new section 16A to the act, a section which enables the directors of a company to allow or to refuse to allow a transfer to non-residents.

First of all, in my opinion that section has nothing to do with mutualization, and the provisions of the bill dealing with mutualization are quite adequate and cover the whole subject without the enactment of section 3.

That is a section which stands by itself and deals purely with the question of transfer of shares from residents to non-residents. As far as I know, this is a precedent in general company legislation in Canada, and I think it is an undesirable precedent.

The honourable senator from Hanover gave us several instances, one involving the Hudson's Bay Company. He also referred to the fact that there might be legislation granting similar powers in some European countries. I am not familiar with those provisions. I think anyone who has had experience as a lawyer in company organization work in Canada knows that private companies very often do have restrictions on the transfer of shares. As far as I know, in general company legislation this will be a precedent on our statute books. The Hudson's Bay Company, as we all know, is a company whose charter goes back to the days of King Charles II, incorporating "The Governor and Company of Adventurers of England trading into Hudson's Bay". It is a royal charter. I do not think any of the provisions in its charter are covered by general legislation. For all I know, although we might find out differently, the precedents as to European companies might also not be applicable to our companies. I do not know of any Canadian, English or American legislation that is a precedent for this provision in the case of life insurance companies. It seems to me that this section springs from a lack of understanding of the role being played by foreign investment in Canada, and a lack of appreciation of just what is the place of foreign investment in Canada. We would not be having the prosperity that we have today, we would not be having the expansion in employment we are having today, had it not been for the contribution, particularly in the last few years, made by the investment of foreign capital.

The preliminary report of the Gordon Commission dealt with that. A good many submissions were made to the commission on this subject, and if I may I shall read from page 86 dealing with foreign capital investment in Canada. I quote the relevant part:

Canada has always welcomed the investment of foreign capital and has benefited greatly and will continue to benefit from the foreign capital that has been invested here. To date Canada has not been able to generate enough capital herself to take care of all her requirements, including the requirements of the resource and manufacturing industries, during periods of rapid growth. It is obvious that without foreign investment the rate of growth and development in Canada would have been much slower.

To give one example of that, let us take the Canadian national income figures for the year 1956. We had a great expansion in that year,

due in large measure to our capital investment. Our capital investment is the amount of our production that is going into new and permanent assets for Canada, such as mines, factories, roads, schools, housing, hospitals, and all such capital assets of a lasting nature. Out of our total national production of approximately \$30 billion, a very high percentage, 25 per cent, or approximately \$7½ billion, went into production of these capital assets or capital investments. Now, ordinarily, a country can only finance its capital investments out of its own savings or by drawing upon foreign resources. The savings of the Canadian people in 1956 were approximately \$6.1 billion, or \$1.4 billion short of the amount that was put into capital investment, and we financed that deficit by drawing upon our foreign resources. Had we not done so our capital production would have been a great deal less than it was, our employment would have been that much less, with consequently less prosperity, or alternatively, we would have had a far greater measure of inflation than we have had.

**Hon. Mr. Brunt:** Would the honourable gentleman permit a question?

**Hon. Mr. Leonard:** Yes, indeed.

**Hon. Mr. Brunt:** I wonder if the honourable gentleman realizes that the Gordon report made a recommendation with respect to the transfer of shares.

**Hon. Mr. Leonard:** Yes, honourable senator, I do, and I shall deal with it later.

The next point I want to make is that when foreign capital comes into this country, it is of course completely subject to our laws and our jurisdiction, so that if it in any way does not act in the interests of Canada, or if it is in any way detrimental to the interests of Canada, then we have just as effective control over it as over our own businesses or over our own resources. For example, in the case of companies such as International Nickel, General Electric, or Imperial Oil, where the majority shareholding control is outside of Canada, those companies are, in their operations and in their business, subject to our laws and to our jurisdiction. Similarly, in the life insurance business, approximately 30 per cent of Canadian life insurance business is now done by non-resident companies, that is, by companies other than Canadian companies, and yet those companies are subject to the same supervision and inspection by the same department, that is the Department of Insurance, as are our Canadian life insurance companies, so that in the conduct of their business here and for the protection of their policyholders they are subject to the laws and the jurisdiction of Canada.

The honourable senator from Hanover made reference to the fact that some seven Canadian life insurance companies have been taken over by foreign interests in the last few years. Perhaps he would permit me to make a slight correction for the record. I think he said that the Continental Life was taken over in 1945. As I happen to be connected with that company, I can say that the year was 1955 when the controlling interest was acquired by the Zurich Insurance Company, a company doing business in a great many parts of the world, and well and favourably known in Canada for a great many years.

Honourable senators, may I point out three things in connection with companies such as Continental Life and others, of which I have some knowledge? In the first place, notwithstanding the change of control and acquisition by foreign investment interests, those companies are still subject to the same inspection and control as they were previously; there has been no change in that respect whatsoever. In the second place, I think all those seven transactions would have taken place even if this section 3 of the bill had been on the statute books, because this section is purely an enabling one, enabling the prevention of new transfers; and I believe I am correct in saying that in all those cases the change in control was brought about by the directors of Canadian companies, and indeed by the shareholders of such companies. So that obviously when they were in favour of the transfer of control to non-resident investors they would not have prevented the transfer of shares.

Finally, speaking again from my own experience, I think that the result of those transactions is beneficial to Canada, for it not only brings money into the country, but I believe it will strengthen the position of the policy holders of those companies, enabling better service to be given to them, and it will provide greater opportunities for Canadian life insurance agents and Canadian management. Therefore, the result is not in any way detrimental to the interests of the country.

May I add one or two other comments as to this section 3. It is true it is purely enabling. It may be that no Canadian company will take advantage of it—and I hope that will be the case—but nevertheless, it is an invitation and confers rather a blessing on discrimination against non-residents; and one result which I think may flow from it is that it will create two markets for the shares of the company that does act under the section. A non-resident shareholder will be able to transfer his shares to anybody in the world, to a Canadian or anybody else. A Canadian

shareholder will be able to transfer them only to another Canadian. Now, the natural result, one would think, is that shares now held by non-residents would continue to be held by non-residents, and would be transferred among non-residents and probably would command a premium over the shares held by Canadian residents where the ability to transfer is restricted.

May I now come to the Gordon report, about which the senator from Hanover asked me a question. Dealing with this question of foreign investment in Canada, the Gordon Commission made a number of suggestions: one, for example, being that it would be desirable for foreign companies operating subsidiaries in Canada to allow Canadian participation in shareholdings, and to permit, say, 20 or 25 per cent of the shares of the Canadian company to be held by Canadians. I think there would be almost unanimous agreement among Canadians as to the desirability of that. I think it would be in the interests of the foreign companies themselves to permit that participation. But it seems to me inconsistent and rather insincere if at the same time that we are urging non-resident companies to permit Canadian participation in those companies we, on the other hand, say we do not want you to invest in our companies. It might well be that such a provision as section 3 could be pointed to by non-resident companies as indicating a reason why they should not allow participation by us in their enterprises.

Now, after the Gordon Commission report deals with suggested participation by Canadians in non-resident companies, it goes on to refer particularly to Canadian chartered banks and life insurance companies. I shall read from page 93 of the commission's preliminary report on this subject:

Foreign ownership of the stocks of the Canadian chartered banks and of life insurance companies, which are incorporated under Canadian law, is not particularly large at the present time. It is desirable that Canadian control of these institutions be maintained. The Commission suggests, therefore, that appropriate action be taken to prevent any substantial measure of control of the chartered banks and of the life insurance companies from coming into the possession of non-residents. One way in which this might be accomplished would be to provide by statute that any shares in such institutions which were acquired by non-residents of Canada in the future would be ineligible to vote. This restriction should not be applied to existing non-resident holders of such shares.

Personally, I would prefer that there not be even any restriction against voting. Certainly, I think if any such restriction were to be put into legislation, there would have to be more evidence of the situation which the Gordon Commission thought might require some action. As the commission report says, "Foreign ownership . . . is not particularly large at the present time." But even

at that, a restriction against voting is, in my view, very much less objectionable than the provision that is contained in this bill, because I believe that most of the investments in Canadian life companies have not been what we call hot money, but have been long-term investment money, the type of foreign investment which is desirable for us to have. Just as foreigners who invest in debentures, bonds or securities in Canadian companies have no voting rights, so there might not be the same objection to investment in shares where the voting rights did not go with the ownership of the shares. Certainly, in my opinion it is far less objectionable than is the provision in this bill which is intended to prevent investment by non-residents.

To sum up, I may say that with the main purpose of the bill namely, mutualization, I am quite in accord, but I do wish to express my regret at what I think is a rather narrow, protectionist and short-sighted provision in the bill which discriminates against foreign investments in Canada.

(Translation):

**Hon. J. Eugene Lefrançois:** Honourable senators, I do not intend to delay concurrence in the bill.

I would like, first, to congratulate His Honour the Speaker of the Senate upon his appointment, which he well deserves and, even more, to congratulate those who appointed him to preside over this Chamber's discussions with such dignity.

As a director of one of the most important mutual benefit companies not only of Canada but of the whole American continent, I may say that this measure to amalgamate adult and children insurance funds is a most commendable one. This bill is the happy result of the many steps we have taken over the years to that effect.

On behalf of the mutual benefit companies I take pleasure in the fact that such a measure has been introduced and I will surely vote in favour of the bill. In giving it their approval honourable senators will render great service to the mutual benefit companies of Canada.

(Text):

**Hon. Calvert C. Pratt:** Honourable senators, I shall take only a few moments of your time. This is a complex bill, and I for one have not had an opportunity of studying it. We have had a clear explanation of the legislation by the honourable senator from Hanover (Hon. Mr. Brunt) which I followed with a great deal of interest.

During the course of the honourable senator's explanation I raised a question with

regard to his citing the Hudson's Bay Company of England as being restrictive in its transfer of shares to those who are not residents of Great Britain. It is quite true that a company can have in its charter a clause which permits such restrictions as have been referred to; but it would be quite another matter for the Parliament of England to pass a law which would place a company, or a class of companies, in a position to restrict transfer of shares such as is envisaged in this bill.

Personally, I do not agree with the policy of restriction of share transfers to non-residents as proposed by the bill, except under extraordinary circumstances. There may be some justification for it with life insurance companies, but at the moment I cannot see it. Interference with the liberties of non-residents in their investments in Canada, simply because they are non-residents, could be very harmful to Canadian development. If that should become a trend of the times—and there seems to be some indication of it these days—it would lead us into great difficulty.

Whether this particular phase of the bill with reference to shares held by non-residents is representative or not of such a trend, or is merely to provide for special circumstances, I do not know; but I entirely agree with the sentiments expressed by the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard), that it is very dangerous for us to set up legislation which can be construed by persons outside Canada as being discriminatory, and which will dispel the idea that prevails generally as to the fair treatment of investments in Canada.

Some years ago I had a very interesting experience in London, England. While there, I learned, through the officials of Canada House, of a very large company which carried on international operations. That company was looking for a country in which to extend its industry. I was informed that it had investigated several countries: One country mentioned to me offered better natural advantages than Canada for the particular industry, but the company was not sure what kind of reception it would get there; another country offered certain physical advantages, but it was looked upon as being unstable. The company, after investigating four or five countries and spending a great deal of money on surveys, decided to come to Canada. I had two or three conversations with persons interested in that company, and the reason they decided to come to Canada, as it was explained to me, was that they were sure there would be no discrimination against non-resident investments, that our laws were stable and could be relied on, that the Canadian people, unlike the people of some other

countries, did not demand restrictions for one reason or another after an industry became established.

Now, honourable senators, we all know there are many countries which have very great natural resources—some have more natural resources than Canada has—but many of these countries do not get the flow of capital necessary for their development, because there is no confidence in them. While I do not want to overemphasize this particular aspect here as applying to this bill, nevertheless it is something we have to be very careful about, for if we put restrictive laws into effect, measures whereby the flow of capital into the country can be restricted in one way or another, they will certainly count very much to the detriment of Canada in the development of its industries.

I just want to make that point, because it will be regrettable if an impression grows that we are not inviting capital from abroad into our industries; and if there is any lessening of confidence that non-resident investment will be fairly treated, nothing would retard the progress of Canada more than that.

**Hon. A. K. Hugessen:** Honourable senators, I have a few remarks to make about this bill, but before doing so I am going to follow the example of the honourable senator from Hanover (Hon. Mr. Brunt) and propose to start with something that is not in the bill at all, and that is to mention the fact that our dear friend the Leader of the Government (Hon. Mr. Haig) celebrated an anniversary yesterday. Every one of us here, no matter on what side we may sit in this house, has the warmest affection and respect for him and we hope he will live to have many similar anniversaries in the future.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Hugessen:** Perhaps I should say a second thing for the particular benefit of the honourable senator from Blaine Lake (Hon. Mr. Horner), and that is that I am neither a director nor a shareholder of any of the insurance companies which are to be affected by this bill.

I think there is general agreement among the honourable senators who have spoken—and I have nothing to say against their point of view—on two of the three principles which are incorporated in this bill.

As the honourable senator from Hanover so clearly explained, section 2 really contains only a requirement that a majority of the directors of any insurance company falling under this bill shall be residents of Canada. I do not think that any of us object to that and I think it will meet with general approval.

Then of course there is the very long and very complicated section, which was so adequately and exhaustively explained by the honourable senator from Hanover, permitting a stock life insurance company to mutualize itself by following the procedure laid down in the bill; that procedure seems to me to be very complete and to take account in fairness and equity of all the circumstances which might arise in the event of an insurance company that is now a stock company desiring to mutualize itself.

What controversy there has been in this house this evening has related to section 3 which, as the honourable senator from Hanover explained, is a permissive section, permitting the directors of a Canadian life insurance company to refuse to allow the transfer of shares of that company to non-residents of Canada. I listened with a great deal of interest and attention to my honourable friend from Toronto-Rosedale (Hon. Mr. Leonard), and to my honourable friend from St. John's West (Hon. Mr. Pratt), and with a great deal that they had to say on that subject I find myself to be in agreement. But there is another angle to it, in the light of which I do not see so much objection to that section as they appear to see.

After all, honourable senators, let us take the case of one of our really big national life insurance companies such as the Sun Life Assurance Company of Canada or the Canada Life Assurance Company. Would it not be a tremendous shock to public opinion to find that some day control of either of these companies had left Canada and gone to some other country by reason of the purchase of a majority stock interest in the company?

Now, there are two things that I want to say about that. The first is that that is not a hypothetical question that I have asked, because it is well known that that very question arose a few years ago in connection with the Sun Life Assurance Company.

**Hon. Mr. Haig:** May I ask a question? Are you sure the majority of the stock is not owned outside of Canada now?

**Hon. Mr. Hugessen:** Oh, yes. But an attempt was made by New York interests a few years ago to purchase majority stock control of the Sun Life Assurance Company, and it would have been a poor thing for Canada as a whole if the interests which attempted to get control of that company at that time had in fact acquired control.

Now, the reason why attempts of that kind might be made has a bearing upon this question of mutualization. Honourable senators know that the old-established life insurance

companies in Canada started as stockholders' companies, with a very small amount of capital by our present standards—\$1 million or \$2 million—and that as those companies have developed over the years the interests of the policyholders have expanded, in some cases into thousands of millions of dollars, while the stock of these companies has remained at the comparatively small amount at which it stood when the companies were originally incorporated, many years ago. So that it was, and still is, rather a temptation to people who feel that by putting up \$5 million or \$10 million to acquire majority stock control of one of our Canadian life insurance companies they can in fact acquire control of assets worth hundreds and, in some cases, thousands of millions of dollars.

I agree with my honourable friends who have preceded me that, as a general principle, restrictions on foreign investments in Canada should be discouraged; and I do not think that I would support the provision contained in clause 3 of this bill, were it not that, as the honourable senator from Hanover has stated, it is merely permissive. In the particular incident to which I refer, it would have been very helpful if the directors of the Sun Life Assurance Company at that time had been able to say to those interests that were endeavouring to acquire stock control, "No, we will refuse to register your stock." From that point of view I think there is something to be said for inserting a provision of this kind into the proposed legislation; and I direct the attention of the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard) to the fact that it has nothing to do, at least in my opinion, with preventing additional American or other foreign capital from coming into this country. What it may do is to prevent American or foreign capital from substituting itself for Canadian capital which is already invested here. So from that point of view I do not regard his argument on this head as quite as valid as the other arguments he advanced.

I am glad to know that the sponsor of the bill intends to move its reference to committee. It is pre-eminently a bill which should be studied by us in committee. Also I am very glad that my leader (Hon. Mr. Macdonald), made the observation that this is obviously a bill which should have originated in this chamber.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Brunt, seconded by the Honourable Senator Pearson, that this bill be now read the second time. Is it your pleasure, honourable senators, to adopt the motion?

**Some hon. Senators:** Carried.

**Hon. Mr. Leonard:** On division.

**The Hon. the Speaker:** Carried, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, the bill was referred to the Standing Committee on Banking and Commerce.

EXCISE TAX BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill 231, to amend the Excise Tax Act.

The bill was read the first time.

SECOND READING

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

**Hon. John T. Haig:** Honourable senators, I move the second reading now. I shall not take very long in explaining it.

**Hon. Mr. Macdonald:** There is not much to it.

**Hon. Mr. Haig:** As I say, it will not take me long to explain it. The purpose of the bill is to cut the excise tax on automobiles from 10 to 7½ per cent. The net result will be a reduction in revenue of approximately \$20 million a year. I do not propose that the bill shall go to committee unless somebody wants it sent there: I do not think it is worth while.

**Hon. W. Ross Macdonald:** There are not many words to this bill. It was supposed to be a very important measure, and I understand the purpose of it was to ease the condition of unemployment which exists in the country. If my assumption is wrong, I stand to be corrected. The bill reduces the excise tax on automobiles from 10 per cent to 7½ per cent. Why were automobiles singled out? A great many articles carry an excise tax of 10 per cent, but for some reason or other only the tax on automobiles has been reduced from 10 per cent to 7½ per cent. I repeat, the only purpose of making this reduction was to improve the condition of employment in the automobile industry.

**Hon. Mr. Brunt:** And to reduce the price of automobiles.

**Hon. Mr. Macdonald:** To reduce the price of automobiles?

**Hon. Mr. Brunt:** Yes; the reduction is passed on to the purchaser.

**Hon. Mr. Macdonald:** I understand that the result will be that a person who buys

an automobile for \$3,000, and pays cash for it, will have the price reduced by \$50.

**Hon. Mr. Brunt:** Seventy-five dollars.

**Hon. Mr. Macdonald:** I will take my friend's word that it is \$75. Was the purpose of the bill to save someone, who is buying an automobile for the first time, \$75? No, honourable senators, the purpose was to reduce unemployment; and unemployment, since this legislation was first announced, has increased instead of decreased. The lowering of the excise tax from 10 per cent to 7½ per cent has not put one man to work. A year ago—in November 1956—257,000 people were out of work; on November 7 last 327,000 people were out of work. How many are unemployed now, I do not know. It is to be noted that the last monthly figures for unemployment were brought down on November 7; and although, as I understand it, the returns are to be made each month, for some reason or other, although it is now the 16th day of December, no figures on more recent unemployment have yet been issued.

Honourable senators, I am not emphasizing the condition of unemployment in Canada. I am merely saying that this bill has not served the purpose for which it was introduced. If the Government admits that there is a grave condition of unemployment in this country—and they must admit it or they would not introduce this bill—then this bill does nothing to relieve that serious situation. I ask the Leader of the Government (Hon. Mr. Haig), what is to be the next step to relieve unemployment in Canada?

**Hon. R. B. Horner:** Honourable senators, I think the honourable Leader of the Opposition (Hon. Mr. Macdonald) is expecting results too quickly. There is no doubt at all in my mind that this legislation will aid employment in the automobile industry. It was suggested that people were refraining from buying cars because they expected some slight reduction would be made in the excise tax on cars. Well, \$50 to \$100, depending on the price of cars, is a considerable reduction. I think it is entirely wrong to say that this legislation has not relieved the unemployment situation. I noticed in the press just the other day that one of the large automobile manufacturers—I do not know whether it was the Chrysler Corporation or General Motors—had to call a large number of men back to work. It is true that there is a certain percentage of unemployment today, but this has been so down through the years. I read in an article only today that even at the very peak of prosperity there were 1.7 per cent unemployed. During the winter months there is always a certain amount of unemployment in Canada. I think it is entirely wrong to

say that this measure is designed solely to aid the employment situation. It may be said to aid employment in the automobile industry, and I think it has accomplished that.

**Hon. Mr. Brunt:** Hear, hear.

**Hon. Mr. Haig:** Question!

The motion was agreed to, and the bill was read the second time.

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

**Hon. Mr. Haig:** Next sitting.

## INCOME TAX BILL

### FIRST READING

**The Hon. the Speaker:** informed the Senate that a message had been received from the House of Commons with Bill No. 232, to amend the Income Tax Act.

The bill was read the first time.

### SECOND READING

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

**Hon. John T. Haig:** Honourable senators, I move the second reading now.

The purpose of this bill is to provide certain reductions in the field of income tax. The first amendment with which I wish to deal increases the exemption with respect to a child who qualifies for family allowance. At the present time a taxpayer is allowed an exemption of \$150 for such a child, and that amount is to be increased to \$250. Let me give an illustration. A taxpayer with three children, each of whom qualifies for family allowance, is now allowed a tax exemption of \$450 in respect of those dependent children. If this amendment is agreed to he will be allowed an exemption of \$750.

A second amendment provides new graduated rates of tax for individuals. The rate of tax on the first \$1,000 of taxable income, which is at present 13 per cent, is being reduced by two percentage points to 11 per cent; and the rate of tax on the second \$1,000, which is at present 15 per cent, is being reduced by one percentage point to 14 per cent. The rest of the tax rate scale remains the same.

Another amendment provides that a person employed as a construction worker at a construction site away from home may deduct certain expenses for purposes of computing his income tax. For example, a worker who resides in Ottawa and whose company has contracted to do some construction work at North Bay and moves him up there, may, while he is working at North Bay, include

living expenses as a deductible item for income tax purposes, provided he continues to maintain his residence in Ottawa.

Another amendment in the bill increases from \$20,000 to \$25,000 the first level of corporation income which is subject to a tax rate of 18 per cent. In other words, at the present time the rate of taxation paid by a corporation is 18 per cent on earnings up to \$20,000. The amendment would increase the amount from \$20,000 to \$25,000 on which the lower rate of 18 per cent would apply.

Honourable senators, those are the amendments. The bill is clear and it is easily understood. It is largely a matter of reducing the income tax of people in the low income brackets. There is no doubt about that. The legislation will result in some 70,000 taxpayers being taken off the tax roll. I admit that they now are small tax contributors, but at least they will no longer be contributing. I am sure that they are the people we should all be thinking about, especially in these days of high living costs. The bill is aimed at assisting that income class.

**Hon. Mr. Macdonald:** Honourable senators, the honourable Leader of the Government (Hon. Mr. Haig) has given a good explanation of the bill, but I would like to have an opportunity for further consideration of some of its amendments. I therefore move adjournment of the debate.

On motion of Hon. Mr. Macdonald, the debate was adjourned.

## NATURAL GAS PRICES, EXPORT AND DOMESTIC

### INQUIRY

On the notice of inquiry by Hon. Mr. Reid:

1. Will the Government have drawn to the attention of the Royal Commission, set up by the Government to inquire into and make recommendations relating to energy and sources of energy that fall within the jurisdiction of Parliament, the situation in British Columbia whereby natural gas, the product of Canada is being sold at a reduced or lesser price than that being charged for consumption of Canadian natural gas in the United States?

2. Will the Government have inquiries instituted by the said Commission as to the reasons why the Westcoast Transmission Company were not obligated to comply with the regulations governing the exportation of natural gas set out by Order-in-Council P.C. 1957-907, Section 9, which reads:—

“The price charged by a licensee for power or gas exported by him shall not be lower than the price at which power or gas, respectively, is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada.”

**Hon. Mr. Haig:** Honourable senators, I am sorry to have to inform the honourable gentleman from New Westminster (Hon. Mr. Reid)—I do not like to do this to him—that

I have been instructed by the Department of Trade and Commerce that his inquiry cannot be answered at the present time. Power rates and gas rates are currently being examined by what is known as the Borden Commission, and no reports will be given while the matter is under the consideration of this Commission.

**Hon. Mr. Hugessen:** Honourable senators, this seems to me to be a most unreasonable position for the Leader of the Government to take. The honourable senator from New Westminster merely asked whether natural gas produced in Canada is being sold at a reduced or lesser price in Canada than in the United States.

**Hon. Mr. Haig:** Here is the answer from the department.

**Hon. Mr. Macdonald:** I understood there was no answer—that an answer could not be given.

**Hon. Mr. Haig:** I shall hand in the reply I received, but it does not answer the questions; it just says why the questions are not answered.

**Hon. Mr. Hugessen:** That seems perfectly absurd. The first question is whether Canadian gas is being sold at a reduced or lesser price in Canada than that being charged in the United States. The answer is, "We cannot answer that question because the question is being referred to a commission."

**Hon. Mr. Haig:** I am bound by the answer the department has given. I am not making up an answer myself; I would not try to, because I should not do so. I am willing to file the answer the department has given, if it is of any use to anyone. I have no objection to doing that, but the letter simply says that the matter is under consideration by the Borden Commission, and until that commission makes its report the question will not be answered.

The Senate adjourned until tomorrow at 3 p.m.

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## THE SENATE

Tuesday, December 17, 1957

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

Prayers.

### MAYOR OF MONTREAL

#### FELICITATIONS TO HON. MR. FOURNIER

**Hon. W. Ross Macdonald:** Honourable senators, before we proceed with the business of the house, with your approval, and with your consent, Mr. Speaker, I should like to extend a word of welcome to one of our members who has recently been elected to one of the highest offices, I think I can say, in the Dominion of Canada. I refer to the Mayor of Montreal, one of our esteemed senators. We are all very proud to have the mayor of Montreal a member of this house. The position which he holds is a very honourable one, and his holding of that high office reflects very favourably upon this body.

I have known Senator Fournier, His Worship the Mayor, since 1935, when he and I entered the House of Commons. We remained in that house, having been re-elected at each of ensuing three elections, until 1953, when we were both summoned to the Senate.

To His Worship the Mayor of Montreal on behalf of all honourable senators, I extend a hearty welcome back to this chamber, and wish him much happiness in the very arduous duties which he has assumed.

**Hon. Senators:** Hear, hear.

**Hon. John T. Haig:** Honourable senators, I am not going to allow the Leader of the Opposition (Hon. Mr. Macdonald) to have all the glory of the day. On behalf of the party which I lead in this house, I wish to join the Leader of the Opposition in welcoming back Senator Fournier, the Mayor of Montreal, to the chamber today. We are glad to have him with us again. We hope he will have as much pleasure in being the Mayor of Montreal as he has had as a senator in this chamber. That is the best I can hope for him.

Like the honourable Leader of the Opposition and the Honourable Senator Fournier, I have been kicking around the Parliament Buildings since 1935. I am glad that they are both now in the Senate and that there is a chance for some other people, maybe Conservatives, to get their seats in another place.

**Hon. Sarto Fournier:** Honourable senators, I feel that I owe you all a word of grateful

thanks for the kind words that have been addressed to me by the honourable Leader of the Government (Hon. Mr. Haig) and the honourable Leader of the Opposition (Hon. Mr. Macdonald).

I feel deeply moved by your congratulations. Of all the congratulations that I have received during the past couple of months I think these move me most deeply. Of course, I accept part of them for myself, but I think your desire and your intention is as well to pay a tribute to the good people of the city of Montreal, to Montrealers, who can be ranked among the best people of the world.

**Some Hon. Senators:** Hear, hear.

**Hon. Mr. Fournier:** They have been so kind to me, so faithful to their country in the past.

Montreal is a great city, a fine city. It is the metropolis of Canada, and we will try to make it a finer city and a more beautiful one.

Again, honourable senators, I do thank you very much for your kind and warm reception.

### CANADIAN AND BRITISH INSURANCE COMPANIES BILL

#### REPORT OF COMMITTEE

**Hon. A. K. Hugessen,** Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 169.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (169) intituled: "An Act to amend the Canadian and British Insurance Companies Act", have in obedience to the order of reference of December 16, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

#### THIRD READING

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

**Hon. Mr. Brunt:** I move the third reading now.

The motion was agreed to, and the bill was read the third time, and passed.

### NATURAL RESOURCES COMMITTEE

#### MEETING ADJOURNED

**Hon. W. Ross Macdonald:** Honourable senators, may I address a question to the honourable Leader of the Government (Hon. Mr. Haig)? Before doing so I should inform the house that I have just received a telegram from the honourable senator from Kennebec (Hon. Mr. Vaillancourt) to the effect that on account of illness he will not be able to be in Ottawa this week. Honourable senators

will recall that he is Chairman of the Standing Committee on Natural Resources, which was called to meet tomorrow. I have also heard that the minister who presides over the department concerned, and who, I observe by reference to the notes of the committee's proceedings last week, was to have given evidence at the next meeting, cannot attend tomorrow. Furthermore, I notice that a number of honourable senators who are very interested in the subject matter are not here this week. My question to the honourable Leader of the Government is: In view of what I have stated, is it his intention to proceed with the meeting of the Natural Resources Committee tomorrow?

**Hon. John T. Haig:** I thank the honourable Leader of the Opposition (Hon. Mr. Macdonald) for the information he has just given us. I should not like the committee to meet in the absence of its chairman; first, because the bill which it has under consideration is quite a contentious one; and second, because the chairman has had the handling of the bill since it was referred to the committee. I know that one honourable senator on this side of the house cannot attend tomorrow, and for the same reason which detains the honourable senator from Kennebec. I suggest that I be permitted to advise the Chief Clerk of Committees to notify the parties concerned that the discussion in committee will be adjourned for three weeks. The matter cannot be suspended for any lesser time because of the holidays. The Senate will reassemble on the first Tuesday of January, so the committee could be held on Wednesday, the day following. With the consent of honourable senators I shall give the necessary notice.

**Hon. Senators:** Agreed.

**Hon. Mr. Haig:** I have never had to deal with a similar situation in this house before, but I will take it for granted that, unless there is objection from the floor, I have authority to speak to the Chief Clerk of Committees and ask him to postpone this meeting and give the necessary notice that it will be held three weeks from tomorrow.

**Hon. Senators:** Agreed.

#### EXCISE TAX BILL THIRD READING

**Hon. John T. Haig** moved the third reading of Bill 231, to amend the Excise Tax Act.

The motion was agreed to, and the bill was read the third time, and passed.

#### INCOME TAX BILL SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr.

Haig for the second reading of Bill 232, to amend the Income Tax Act.

**Hon. W. Ross Macdonald:** Honourable senators will recall that last night the honourable Leader of the Government (Hon. Mr. Haig) explained this bill, entitled an Act to amend the Income Tax Act, which was passed by the other house.

As the honourable leader explained, the bill contains three or four features. I will go over them briefly but not necessarily in the order in which they appear. The first provision with which I wish to deal is one whereby employees in construction companies will be given an allowance under the Income Tax Act for expenses incurred by them when working away from home. In certain construction work the actual employment takes place away from the worker's place of residence, and as a result he is required, while maintaining his residence in his own community, to pay board and lodging at the point where he is working. For a number of years these employees were allowed the expenses of board and lodging as a deductible item when computing their income tax. Then the law was changed, I believe for one year. As I understand it, the purpose of the amendment under discussion is to make it clear that expenses incurred by a worker under these circumstances can be deducted from his earnings for income tax purpose.

**Hon. Mr. Haig:** Correct.

**Hon. Mr. Macdonald:** Another amendment to which I would refer is the one which increases from \$20,000 to \$25,000 the first level of income which is subject to a tax rate of 18 per cent in the case of incorporated companies. The present provision is that an incorporated company having taxable profits of \$20,000 or more pays taxes at the rate of 20 per cent—that is, 18 per cent, plus the 2 per cent old age security tax—on the \$20,000, plus 47 per cent on the profits in excess of that amount. This bill provides that the 20 per cent rate shall apply to profits up to \$25,000.

I wish to refer to one other provision, namely, with respect to personal income tax. At the present time, on the first \$1,000 of taxable income the rate is 13 per cent, and this is to be reduced to 11 per cent. On the second \$1,000 of taxable income the present rate is 15 per cent, which will be reduced to 14 per cent. Of course, these reductions will make some difference in the amount of tax paid right up the scale, even in the case of a person whose taxes amount to \$50,000 or more.

Another provision deals with deductions for taxation purposes with respect to children. At the present time a taxpayer who is a parent is

allowed a taxable deduction of \$150 for each child receiving the family allowance. Under this bill such a taxpayer will be allowed to deduct \$250 for each child.

Another provision applies to the taxpayer who is supporting dependents. At present such a taxpayer can deduct from his income, in order to arrive at the base on which he pays taxation, \$400 for each dependent person, and this amount is being increased to \$500.

Honourable senators, from what I recall was said last evening by the Leader of the Government, I think those are the main provisions of the bill.

At the outset, I must say that so far as I am concerned this bill is very disappointing—first, because of the manner in which it was introduced into the other house. I am fully aware that I cannot refer to debates that took place in that house, but I can refer to documents that were tabled there. As honourable senators know, when a budget is introduced into Parliament the resolutions are tabled in the other house and then referred to the committee of ways and means, and in this way a balance sheet is produced to the country. When that is done we all know just where the country stands financially, and we can then decide whether there should be reductions or increases in taxation. But at present, honourable senators, we are flying blind; we do not know whether our finances are sound enough to warrant these deductions; we do not know whether they are sound enough to permit of even greater reductions. We are not told anything. I think this is the first time that such a condition has prevailed in this country, namely that taxes are being reduced without Parliament's knowing what the effect is going to be on the financial structure of the nation. As a general principle it can be stated that each and every one of us is in favour of lower taxation—we all would like to have our taxes reduced—but we do want to know just what the financial standing of our country is.

Honourable senators, I repeat that never before in the history of this country has there been a reduction in taxation without a financial statement being presented to the people. In this case, we know nothing about it, and I think that is regrettable. The people of Canada were entitled to have a budget presented, so that it could be examined in Parliament, and so that they would know on what basis changes were being made. We have not got that, and we are voting for this bill—I think each and every one of us will vote for it. I intend to do so. However, I say to the Leader of the Government that he should insist on his Government bringing down the financial statement in the House of

Commons at the earliest possible date, so that we shall know where the country stands.

Now, honourable senators, just a few more words with respect to some of these reductions. At the opening of my remarks I referred to the fact that this bill provides that incorporated companies having taxable profits up to \$25,000 a year will now be taxed at the rate of 20 per cent, which rate previously applied only to companies whose taxable profits did not exceed \$20,000. That is all right for companies making between \$20,000 and \$25,000; they will get some benefit from this bill. But throughout the last election, and prior to it, this Government said that we were forgetting the little man. Well, what about the little man? We are ignoring him. I say that the little man is forgotten entirely in this proposed legislation. What about the little man who runs the corner grocery store and has incorporated and makes \$10,000 a year? He will get no benefit from this. What about the man who sets up what we will call a family company, and which makes \$5,000, \$10,000, \$15,000 or \$20,000? Such a company will receive no benefit from the provisions of this bill. The only ones who will get any benefit are companies making over \$20,000. And the amount of profits taxable at reduced rates doesn't stop at \$25,000; even companies that make \$1 million or more will benefit. The big companies will benefit, while the little companies remain the forgotten companies of Canada.

Honourable senators, this bill is a disappointment to me in respect of the benefits it gives to the families of Canada. I am sure all honourable senators recollect how during the last election campaign we were told that every family in Canada was being overtaxed to the extent of \$120 a year, and that that situation would be righted if there was a change of Government. We thought that a budget would be brought down which would right this situation. But, no, that has not happened. Comparatively speaking, very few families are getting any benefit whatsoever from the provisions of this bill; especially is that true with respect to families with small incomes.

Honourable senators, the provisions of this bill are such that a married man with two dependants and an income of \$3,000 saves in taxes exactly \$13. I remind you again that we were told every family in Canada was being overtaxed by \$10 a month. This bill means that the taxpayer finds he is being overtaxed by only \$1.08½ a month. That is what this bill comes down to. In order for a man to receive a tax reduction of \$120, he would have to qualify as a married man with two dependants and have an income of

\$30,000 a year. But, as I say, if he makes \$3,000 his reduction in tax is only \$13.

Honourable senators, I will not go on at greater length. I repeat that the provisions of this bill with respect to reductions in personal income tax benefit those who have large incomes; and the reductions in corporation income tax benefit only those whose incomes are over \$20,000. In both instances, may I say, the little people of Canada are being forgotten.

**Hon. Mr. Hawkins:** Honourable senators, I would like to ask a question of the honourable Leader of the Government (Hon. Mr. Haig). Why is it that construction workers are singled out for this most generous treatment, with no consideration being given to other citizens of Canada who find themselves in a like position? Would you answer that, please?

**The Hon. the Speaker:** I must warn honourable senators that if the honourable Leader of the Government speaks again he will close the debate.

**Hon. Mr. Hawkins:** Mr. Speaker, may I not have my question answered?

**The Hon. the Speaker:** The Leader of the Government may answer the question.

**Hon. Mr. Haig:** I shall answer the question.

The bill provides that those engaged in the building trade will be allowed to deduct certain expenses for the cost of food and so on while away from home, provided they still maintain their regular establishment as well. That benefit does not apply to people who work in the woods or in other occupations. The idea behind the provision, as I was told, was that of getting contractors to build houses where people live, and this was one way of inducing builders to accept employment in another area than that where they regularly work. That is the answer.

**Hon. Mr. Hawkins:** There are a great many people who all their lives have had to bear such extra expenses as those that the construction workers are to be allowed tax exemption on. I do not know whether the Leader of the Government regards the answer as satisfactory, but from my point of view it is not.

**Hon. John T. Haig:** Honourable senators, if no one else wishes to speak on the bill, I shall close the debate.

I do not intend to indulge in any lengthy reply to my honourable friend the Leader of the Opposition (Hon. Mr. Macdonald). He has cited the case of a married man with two children, earning \$3,000. That man at the present time gets a basic exemption of \$2,000 because he is married, and an exemption of

\$100 for each child, making a total of \$2,200. Therefore, he pays a tax on \$800 at 13 per cent, which amounts to about \$104.

**Hon. Mr. Macdonald:** He pays \$13.

**Hon. Mr. Haig:** No, he pays 13 per cent on the first \$1,000 of taxable income. I am giving you the law as it now stands.

**Hon. Mr. Macdonald:** In the example I gave he was earning \$3,000.

**Hon. Mr. Haig:** I am taking the exemptions off.

**Hon. Mr. Macdonald:** Then he pays \$13.

**Hon. Mr. Haig:** No, he pays 13 per cent on the taxable income, which is \$800.

**Hon. Mr. Macdonald:** I do not like to have to interrupt my honourable friend, but I am referring to a table that the Minister of Finance produced in the other house on December 6, which statement I am prepared to accept, wherein he said that a married man with two dependents and earning \$3,000 pays a tax of \$13.

**Hon. Mr. Haig:** It is 13 per cent, not \$13.

Under the new proposal that taxpayer is allowed an extra \$100 for each child to start with. That means he will pay taxes on \$600, at the rate of 11 per cent, which is \$66.

**Hon. Mr. Macdonald:** I still accept the statement made by the Minister of Finance.

**Hon. Mr. Haig:** Whether this is a tax for the rich or the poor, it is interesting to note that by its enactment 70,000 persons will be taken off the tax roll. That is to say, 70,000 taxpayers in Canada will go off the tax roll; and they are not rich men who are going off, they are little fellows.

**Hon. Mr. Macdonald:** At \$13 a year.

**Hon. Mr. Haig:** It makes no difference about the \$13. To one man \$13 may be worth as much as \$1,000 is to another man. To the millionaire \$1,000 is not very much, but to the man with a wife and family, on an income of \$3,000, a reduction of any amount means a good deal.

Let us take the question of the private company. The campaign has always been: Why did the Government stop at \$20,000? Why not go on? The answer is that the Government was trying to give protection to the little man, which it has now done. It has made the little man's crowd a little bigger. That is to say, the fellow whose company used to earn \$20,000 a year came in for the reduction and now the fellow whose company earns \$25,000 is included in that class. Surely that cannot be said to be a reduction for the capitalists. If I own a

company that earns \$100,000 a year, the Government is not trying to protect me, but if I have a company that earns \$25,000, under this proposed legislation I will not pay any more than I formerly paid on \$20,000—I get the reduction.

**Hon. Mr. Macdonald:** The big company gets the reduction.

**Hon. Mr. Haig:** Now, my friend, I left you alone; you have had your talk.

**Hon. Mr. Macdonald:** My facts were correct.

**Hon. Mr. Haig:** This is the situation: this bill is framed to give the little fellow a better chance; that is its whole purpose right from start to finish. If you read the bill you cannot point to a single item where the benefit has not been directed to the little man. He is the man we want to protect.

As far as I am concerned—and I am speaking on behalf of the Government—I say quite candidly to you that the theory of the present Government is that it wants to give the little man more protection. Any one who practises law and who has clients come to his office in the latter days of April to prepare their income tax returns, often wonders why Mr. Smith or Mr. Jones has to pay income tax. It may be only \$25, it may be only \$30, but I want to tell you fellow members that that represents a lot of money to a lot of people. Those are real facts of life.

This bill cannot be criticized on the ground that it is a capitalistic bill, for it provides not one iota of assistance for the large taxpayer. You cannot find a capitalist in Canada who will praise this legislation, not one.

**Hon. Mr. Croll:** Nor anybody else.

**Hon. Mr. Haig:** There is not a capitalist in Canada today, outside of those who may be anxious to help one political party or the other, who will say that he likes this legislation purely from his own standpoint. No, he will not praise this bill. But the little fellow will praise it. The little fellow who is one of the 70,000 people who will not have to pay income tax will praise the Government, of course he will.

I can name several members in this chamber who have to pay considerable in the way of income tax. Do you think there is any benefit in this legislation for them? No, there is not, and there is not supposed to be.

Some members have been calling for a speech on the budget. Well, honourable senators, we had one budget speech this year; the former Government brought down a budget and it estimated that there would be a surplus of about \$150 million. That is what was forecast. That budget was brought

down, and the year in which it was brought down is still with us; we are working in that year right now. Nobody on the Government side, and I do not know how many on the Opposition side, expected the former Government to be defeated. At least the Government itself did not expect to be defeated, that's a sure thing, and I am not sure that the Opposition expected to win, but the fact is that it did win and now forms the Government. However, there was no provision in the budget for a situation such as now exists, in which the Government has only 113 seats. The Government side is still gaining a little, I see. In any event, nobody thought that the new Government would have only that number of seats. There were people who said that if the Conservatives got 90 seats in the next Parliament they would be doing well. Anyone who had said they would get 100 would have been laughed at and described as "an old Tory who doesn't know any better". I admit that I myself did not think we would get over 100 seats. I could not see it. But when I returned home in the month of April, and certainly by the month of May, I knew the storm was on. I saw the storm signals, I saw them coming. I have run a lot of elections and I recognized the storm signals that were flying at that time, but I did not know who would be affected by them. However, it was not very long before I could see that the Government was going to have pretty tough going.

But coming back to the budget: when the budget was drawn up in the spring of 1957, which is still this year, everything was provided for, and all that the present Government is doing or trying to do is to take care of what was provided for then. For example, the former Government agreed to pay the Civil Service more money, and the present Government implemented that promise. There was a promise to pay the members of the armed forces more money, and the present Government accepted that promise. There were other things of that nature, promises which the Government accepted.

Then there were other matters of some importance that came up from time to time, and the Honourable the Minister of Finance estimated on the floor of the other chamber we would have about \$80 million surplus instead of \$150 million.

Bringing down a new budget now would not make any difference. What the Government has done is bring down a poor man's budget. Honestly, I cannot understand why men will rise and say that this bill is a rich man's budget. I can find no evidence of it any place within the covers of this legislation.

Nobody has given me one illustration where a rich man will save any money through the provisions of this bill.

True, if my income is of the order of \$20,000 a year, I will pay only 11 per cent on the first \$1,000 instead of 13 per cent, and on the next \$1,000 I will pay 14 per cent instead of 15 per cent. But, when you are paying an income tax on \$20,000, that saving does not mean very much. Yet, some think that this legislation is rotten.

If a person is paying tax on only \$1,000 of income, and gets 2 per cent off that tax, and for every child or other dependent he is allowed an additional reduction of \$100 in taxable income, I must say that the saving in tax would mean a lot to him.

Those are the things I see in this bill, and I am delighted, outside of politics altogether, that our new Minister of Finance has shown such a human heart in preparing this legislation on income tax matters that he deliberately went out to try to help the little fellow. The Lord knows we need to help the little fellow in this world of ours today; the little fellow needs help very badly, not only in our country but in practically every country in the world. So I congratulate the Minister of Finance in drafting a bill that will remove so many people from the tax roll. The number may not be as large as he would like to have made it, and I know it is not as large as I would like to have seen it, but that is the selfishness in me bulging out. However, when I set aside the selfishness and think of the other fellow I must say that this a pretty good bill, for it takes a lot of little people off the tax rolls. Last spring a woman came to my office. She had four children; her husband was working and she went out cleaning offices at night. She had to make out an income tax return, although the total revenue of the both of them was not \$3,000. They had separate incomes, so her husband had to pay some tax and she had to pay some. It just made me wonder when in the world the parliamentarians of Canada would relieve the situation in which a family of two working people, with four children, had to pay income tax. I wondered when that would end. I have now seen it ended, and I see some relief for those little people in the future.

I hope the new Minister of Finance, if he is spared and is still the Minister of Finance when the next budget comes down, will continue to give reductions to the little fellow, because the little man needs it and we need him, and we need to have him prosperous.

The motion was agreed to, and the bill was read the second time.

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

**Hon. Mr. Haig:** Next sitting.

### EDUCATION

#### NECESSITY TO MOBILIZE AND EXPAND EDUCATIONAL RESOURCES— DEBATE CONTINUED

The Senate resumed from Thursday, December 12, the adjourned debate on the inquiry of Hon. Mr. Cameron drawing the attention of the Senate to

the necessity for Canada to mobilize and expand the educational resources of the nation with a view to maintaining and strengthening her position as a member of the world community.

**Hon. Vincent Dupuis:** Honourable senators, I moved the adjournment of this debate on behalf of the honourable senator from Toronto-Spadina (Hon. Mr. Croll).

**Hon. David A. Croll:** Honourable senators, I am prepared to go on at this time, but the honourable senator from St. Albert (Hon. Mr. Blais), who does not often address the house, would like to speak now, and with your indulgence I will follow him.

**Hon. Senators:** Agreed.

(Translation):

**Hon. Aristide Blais:** Honourable senators, may I first be allowed to extend a most cordial greeting to our Speaker and to congratulate him upon the great honour which has been conferred on him. Mr. Speaker, you must have had a fairy godmother, or perhaps it was your qualities which attracted the magic wand. I hope you will enjoy for as long as you please this great distinction which reflects upon the whole Senate.

I hope honourable senators will excuse this bantering which was suggested to me the other day by the honourable member for Churchill (Hon. Mr. Crerar), when he advised us to use humour a little more freely in our discussions, in order to break the monotony and the austereness of this Chamber.

Honourable senators, I had no intention of taking part in this debate, even though the subject holds tremendous appeal for me, because I suffer from a paralysing fear when it comes to expressing myself in public. But, with the example of others, the tender grass, and the temptings of some devil, I too shall venture to graze a little in the ever green pastures of education. Frankly speaking, I am not qualified to do so. I hope that no one who hears me at this time will be tempted, like the animals of the fable to raise a hue and cry over me. But, honourable senators, in view of your kindness there is no limit to the liberties one can take. I shall therefore proceed according to established custom.

Honourable senators, on this question of education which is still the order of the day, we have had a most interesting debate, from the point of view of the value of the speeches as well as of the personality of some senators who have the gift of lending grace and colour to everything they say, and I fear that at this time, when the subject is well nigh exhausted my feeble contribution may act as a damper after such an uninterrupted series of beautiful speeches.

In listening the other day to the excellent speech of the honourable senator for Banff (Hon. Mr. Cameron), who opened the debate with what one might really consider as a treatise on education, so thoroughly had the subject been investigated, my memory went back over the years to that same University of Alberta, where my honourable friend is a highly esteemed professor. I have known the University of Alberta since its foundation, and had several friends there who were shrewdly hand-picked by the unique and lamented Dean, Dr. Marshall Tory who, later, became one of the most authoritative representatives of education in Canada. One of these professors, who became an intimate friend of mine, was Dr. Edouard Sonet, professor of French language and literature. Dr. Sonet impressed one at first sight by his military bearing and his liveliness. He was a self-made man in the art of teaching, a real disciplinarian in his line: you had to learn, or else! One could very well see him, as a Cyrano de Bergerac, pursuing fiercely whoever was guilty of misplacing a dot on an "i" and distributing, right and left, fillips or compliments to the cadets of Gascogne. His students worshipped him for his ability and his vim and he was most successful in his teaching. He was a great friend of Dr. Edmund Kemper Broadus who taught English literature. Dr. Broadus had a most attractive personality and hid his great erudition under an equally great modesty. He was the author of a widely read and highly quoted book, *The Story of English Literature*, which served as the pupils' manual in this subject.

One night, my friend Sonet who was suffering from the grippe and felt congested asked me to go up to his apartment on the campus to examine him. I had the good fortune to meet there the charming and modest Dr. Broadus who, according to his habit, had dropped in to see his friend. When I entered, they were discussing Francis Bacon, whose teaching they still considered timely. Feeling that the subject was beyond my depth I started to take leave. But Sonet explained his symptoms and after listening to him carefully Dr. Broadus and I both prescribed a soothing draught, just as Bacon had done in order to reform education.

From the day of that consultation, I never ceased admiring this scholarly and very simple man. What remained with me from our conversation that night was that Dr. Broadus had the greatest admiration for Francis Bacon whom he considered as a giant among scholars and whom he called before his pupils "the great ancestor of the reform and systematization of the teaching of arts and sciences", and even, of "the philosophy of his time".

I mention Bacon's name in this discussion not, believe me, through snobbishness or literary pedantry, but because he became one of the masters of his century through his eloquence and his writings, the form and substance of which dazzled his contemporaries.

Great men, moreover, are universal. They are the heritage of the whole human race. Ben Jonson, one of the keenest critics of his time, considered Bacon as a genius and praised his eloquence, his elocution, his chastened, clear, precise and serious style.

(Text):

In his book entitled the *Story of English Literature*, Professor Broadus gives a brief survey of the life of Francis Bacon, and I would like to quote from this work as follows:

Bacon's chief object in his writing was to reorganize the various fields of knowledge and to work out better methods of study and investigation in these fields. In every branch of learning, said Bacon, people were inclined to take too much for granted. They assumed that every notion or idea or principle or theory that had been handed down from the ancients must be true, and that it would be irreverent to question it . . .

If, Bacon contended, they would keep their eyes open, and accept nothing that was not proved, and develop their theories to fit the facts, then and only then would they begin to get at the truth.

For the greater part of his life Bacon was pondering this problem of the systematization and advancement of learning. "I confess," he wrote to his uncle, Elizabeth's chief minister, Lord Burghley, in 1592, "that I have as vast contemplative ends, as I have moderate civil ends; for I have taken all knowledge to be my province." It was his hope, he continued in this letter, to purge learning of its faults of method and "bring in industrious observations, grounded conclusions, and profitable inventions and discoveries".

Thirteen years later he published the *Advancement of Learning*, in which, after a defence of the high dignity of knowledge, he reviews the different branches of human learning, history, poetry, philosophy, and science, notes what the mind of man has accomplished in each department, points out what tasks yet remain unperformed, and analyses the faults of method which stand in the way. The *Advancement of Learning* was intended merely as an introduction to a greater work, *Instauratio Magna* . . .

Well, honourable senators, this was the problem of education in the days of Elizabeth I

when Bacon made that survey of the human knowledge, in proceeding by elimination or *table rase* as did Descartes, or Montaigne (1533-1592), before sailing toward new horizons.

When one compares these modest beginnings with the magnitude of the educational problems of today, one is bewildered and wonders if in the haste of producing so many new teachers there will not be a tendency to manufacture them in series, as so many things are produced in the great republic to the south. Teachers may be very learned but colourless and lacking in character and individuality. There will lie the danger—replacement by robots whose flame is gone.

We may not have sufficiently considered the selection of professors and the qualifications required of a good professor. No matter how many fellowships are created to help the applicants improve their education and skill, there is one essential quality which is not sufficiently recognized and that is self-sacrifice. Teaching is not really a profession but a vocation. The teacher must have a perfect knowledge of the pupil's psychology, his behaviour, his habits, he must be able to make his course interesting so as to retain the student's attention and he should constantly check whether his explanation has been understood and not hesitate to repeat it, even for the sake of one pupil. And above all the teacher must gain the confidence of the pupil; he must become his friend and consider him as the most important element of the classroom.

Honourable senators, before closing I would, after other senators, pay tribute to a most sympathetic and respected figure in the Senate, the honourable member for Churchill (Hon. Mr. Crerar), for his excellent speech of December 5, which moved us all so deeply. We all had the impression of hearing a sage from ancient Greece, such were the grace and nobility with which he spoke. It is always a pleasant surprise to find that, although they lived so far apart and belonged to different racial groups, our old parents led the same kind of life, austere, religious and honest, where discipline took first place in education after the fear of the Lord. In those days, there was little time for effusiveness, which was considered a weakness of character.

Honourable senators, I beg your forgiveness for having trespassed upon a field in which I have neither ability nor authority. My doing so was prompted by the extra-

ordinary circumstances surrounding my meeting with Dr. Broadus and Dr. Sonet and I hope I shall be forgiven.

(Text):

**Hon. David A. Croll:** Honourable senators, first of all I would like to thank the honourable senator from Rigaud (Hon. Mr. Dupuis) for his courtesy in adjourning the debate and then allowing me to go ahead. The honourable senator from Banff (Hon. Mr. Cameron), in whose name this motion stands, had intended to close the debate but he was called West on a matter of considerable educational importance. He thought he might be back today, but in view of the possibility of adjournment on Friday he could not return. He asked me to make a few comments on matters arising out of the debate.

We as senators ask ourselves what we can do about present educational problems. Well, we know we cannot build schools or universities, but we can contribute to an understanding of the problems and thus we can create a climate of public opinion. That is what the honourable senator from Banff has done, and it was a delight to sit in the house and listen to his speech that was so well and thoroughly prepared.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Croll:** Whether we agree with it or not does not really matter. He did a considerable amount of research, and what has been said here on the matter of education will be read in our universities, high schools and other places of learning by people who are interested in the problem. That is a contribution that we in the Senate must not overlook.

I am not going to add to the multiplicity of arguments. I adopt and I accept what the honourable senator from Banff said, and the contribution made by the honourable junior senator from Winnipeg (Hon. Mr. Wall), which was also a very good one. I am not minimizing the other contributions that were made. In any event, I think the debate has served its purpose because it has helped it to focus attention on a very important problem.

The honourable senator from Banff asked me to reply to a few of the questions that were raised during the debate. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) inquired how our high schools compare with the Russian high schools. The answer to that is that the Russian high schools are much tougher than ours. "Technicons", as the Russian high schools are called, provide a four-year course for students, half of whom are required to have ten years of schooling. The other half are admitted at the age of 14, after only seven years of schooling. The official aim is to limit entry to boys and girls who have had ten years of schooling.

One other question was: Why do so many of our trained personnel leave Canada? The answer is, because of higher salaries, more job opportunities, greater scope, better opportunities for promotion. And something else: there is the thought abroad that a Canadian can join a large American organization in the United States, work his way through that organization, reach fairly high office, and then find his way to the top of a Canadian subsidiary much more easily than if he had started in that subsidiary. Yet, in Canada in the spring of 1957 there were three jobs open for trained people for every one such person that was available.

I have a special word for the Leader of the Government (Hon. Mr. Haig), who made a great to-do about \$3,200 being paid to a university professor in 1901. He thought that was pretty good money in those days, and that the professor did not have much room to complain. My good friend the senator from Banff asked me to translate that to you in today's currency. I agree with his calculations. The wholesale price index has increased three and a half times since 1901, from 63.7 in 1901 to 226 in 1947. The consumer price index—there was no consumer price index in 1901—in 1913 was 49.2; in 1947 it was 123.3, or two and a half times higher. I have the figures for 1947, but not for 1957. Now, don't forget that in 1901 there was no sales tax and no income tax. You can easily see that in today's currency that same professor should be paid \$17,650. Well, he doesn't get it. Thus, it can be seen that salaries in the educational field have not been maintained.

Honourable senators, there was a suggestion that the amount of money that we pay on education is much too large. The figures that were presented by the honourable senator from Banff were not federal grants alone, but for federal and provincial aid as a supplement over and above special grants.

The total contributions to all forms of education in Canada during 1956-57 was \$42½ million, and over the last five years it was \$143 million, or \$28½ million per year. If to that is added \$100 million for the Canada Council, it makes a total of \$243 million in five years, or an average of \$48½ million a year for the next five years. That is not an outrageous figure. I hope that if there is one lesson that has been brought home in this session it is that we shall not hear too much talk about, "We can't afford this, and we haven't got the money for that". I heard that for a great many years in the House of Commons and here. Suddenly money was found available for old age security, for the disabled and for veterans, and for better superannuation for civil servants, and further money to reduce taxes. It is not a shortage of

money we are suffering from, but rather the will to do what can be done with money and what should be done.

Honourable senators, I am not going to discuss the British North America Act or the constitutional question. I am not a constitutional lawyer, and I am not an expert. I have discussed the subject in the House of Commons, where there are fewer experts than in this house. I prefer to stay in my own class. Every generation has its problems. I know something of political history, and I faintly remember the problem we had in the last generation when dealing with the humanities and there came the cry from this country, "You cannot do this, the Constitution will not permit it"; or, "This is contrary to the British North America Act." I remember particularly, and I think all of you will remember, that the old age pension act was passed in this house in 1927. One of the provinces, the good old province of Quebec, for nine years refused to make available to its people, or to accept, the old age pension. That was its right and privilege, yet Quebec was paying toward the old age pension for other Canadians. However, that was the viewpoint of Quebec, and there was no argument about it.

I am an old municipal hand, and along with a great many others I pressed the Minister of Finance very hard to pay taxes on Government property in the municipalities and the provinces, to stop this business of being a freeloader. I recall the Minister of Finance, now Mr. Justice Abbott, saying to me—and it is a matter of record in the other house—"You can't do that in Quebec; Duplessis won't let them accept." Well, did he or did he not let them? I said at the time it did not sound unreasonable to me, and I suggested we try it. Well, we did try it: they took it and no harm has come of it. As a matter of fact, the university grants were accepted by that province for one year—under some subterfuge or other; nevertheless, the money was paid out just the same. In time Quebec will accept the grants. Our job is to make them available.

I enumerate these things merely to indicate that each generation has its own problem to solve in the best way it can. No one is trying to impose solutions on any one: we are trying to work out a solution that is satisfactory to every one.

Our disregard for education and educators is becoming somewhat of a national scandal; and because we do not know where to begin, we do not begin at all. We merely allow the problem to increase and to intensify. What we need more than anything else in this country is to raise the prestige of learning. The teaching profession is held in

low repute by the public, and education is not as highly regarded as it should be. In that respect nowhere is a higher premium put on education than in the province of Quebec, particularly with respect to the humanities. Of course we need more money for education, but it cannot come from increased taxation on homes. We are told from all across the country that property is now taxed highly enough.

**Hon. Mr. Dupuis:** May I ask the honourable gentleman if he is still speaking on behalf of the mover of this resolution?

**Hon. Mr. Croll:** I appreciate my friend's calling that to my attention. Of course, I am not now speaking on his behalf. What I am saying now is my own. I was asked to answer some of the questions raised, and I take the responsibility for the answers I have given. What I have been saying is obviously my own.

**Hon. Mr. Macdonald:** You do not expect that the senator from Banff (Hon. Mr. Cameron) will disown it, do you?

**Hon. Mr. Croll:** I do not think he will disown it.

**Hon. Mr. Hugessen:** But he may not be willing to take responsibility for it.

**Hon. Mr. Croll:** Quite right.

Our teaching standards need to be improved. I believe teachers ought to be paid according to their ability, and not so much according to their paper qualifications. There is no denial that universities are overcrowded. But we can handle even more students than we are handling today if we build more facilities. One thing we have to keep in mind is that we do not have room for students who go on to higher learning because of social or athletic considerations, or because the university is the right place to go. Such students have to make way for those who are seriously interested in education. In some of our schools we may have to get along with less chrome, and some of us may have to get along with fewer country clubs, in order that we may have more classrooms and better paid teachers.

I do not say this, honourable senators, because the electors cannot get at me in this house. What I am about to say, I said when I was a member of the other house, and I repeat it now. In order to attain that which we need in the interests of our country by way of education, we shall have to pay more taxes and not less taxes. It will become necessary for us to pay more taxes. This talk about our having reached the zenith of taxation is balderdash. None of us are so

taxed that, in the interests of our country and in the interests of education particularly, we cannot pay what is required.

The youth of our country need greater opportunity, greater incentive and greater direction toward becoming educated men and women. Certainly we have to aim at more scholarships and bursaries; we have to inspire the quality of education, from the elementary grades to the university, and in order to do so, we have to revise our attitude toward teaching and teachers.

We have to respect the educators. One way to show our respect for them is to pay them a decent wage so that they can maintain their own self respect. That we are not doing. We have to build new schools and colleges; we have to assess students' abilities and opportunities; we have to view higher education for what it is and what it is not. These are the challenges that have been thrown to us; these are challenges to the North American continent.

There is no use in suddenly becoming panicky and deciding upon a crash program—that we must do something tomorrow or the very next day in order to emulate someone else. Education will not respond to a crash program. Unless education is intelligently and carefully developed and understood, it is not likely to be of much value.

I said, honourable senators, I did not intend to multiply the arguments; I merely wanted to answer a few of the questions my friend asked me to answer, and to indicate that this is a problem, like other problems, that we have to solve.

Once upon a time many Canadian people were opposed to the Unemployment Insurance scheme. They said that such a program was an infringement of provincial rights. Nevertheless, the details were worked out, the problem was solved, and now our workers are under Unemployment Insurance benefits and are making their contributions. No one's rights have been impinged. We are not here, honourable senators, to deprive people of inherent rights which they hold sacred to themselves. We are here to solve our problems. One of the ways of doing so is to have an intelligent electorate. In this respect education is important. We have ignored it. We have neglected it because there is a lack of understanding of and respect for education in this country. In some instances the wrong people are taking advantage of educational facilities. We have to take the long view. I remember well when we started talking about a national health insurance plan. It was said that as soon as we reduced the cost of our national defence we would use that saving in order to make contributions to a national health insurance plan. It looks as

though the cost of national defence, instead of reducing, might increase appreciably and yet we will find money for national health insurance, whether it is \$100 million or \$300 million.

Education is a form of national defence in its primary sense, far more important than anything else. We must maintain national defence as our outward shield, but it is essential also that we have that inward strength which can come only from an educated electorate. We owe that to our people. If we give our children nothing else—and many of us give them nothing else—we can give them an education. That is something which cannot be taken away from them by taxing officers or a depression, by a boom or a bust. That, they have got. They can use it in this country, because it is a new country, which has just started to grow. Skilled people, semi-skilled people, people who are willing to prepare themselves for a lifetime of work, have a great future ahead of them here. We, their elders, must see to it that we leave to these people opportunities at least a little better than were left to us.

Now, my honourable friend from Banff did not ask me to say all this. I said this on my own. I do feel that education in Canada will benefit from the contributions that have been made to this debate. I hope that on another occasion we shall have an opportunity to discuss this problem at even greater length and with more benefit to the country at large.

**Hon. Vincent Dupuis:** Honourable senators, if no other honourable member intends to participate in this debate at this time I would now move, with the consent of the house, adjournment of the debate until after the New Year's recess.

On motion of Hon. Mr. Dupuis, the debate was adjourned.

#### POINT OF ORDER

**Hon. W. Ross Macdonald:** Honourable senators, on a point of order: I think I should rise at this time in view of the fact that on December 3, when this debate opened, I stated as will be found on page 320 of *Hansard*:

I was going to say in the first instance that the honourable senator from Banff (Hon. Mr. Cameron) will be entitled to close the debate when all other honourable senators who wish to take part in it have spoken.

At that time I was under the impression that this was a substantive motion, and that therefore the honourable gentlemen would, under the rules of this house, be entitled to close the debate.

In the Minutes of Proceedings of December 2 notice of this discussion appears as Inquiry No. 3. The notice reads:

No. 3.

By the Honourable Senator Cameron:—

27th November—That he will draw the attention of the Senate to the necessity for Canada to mobilize and expand the educational resources of the nation with a view to maintaining and strengthening her position as a member of the world community.

Now, honourable senators, it is evident that that is not an inquiry, nor is it a motion. There is, however, a provision for bringing a subject of this kind to the attention of the house. Rule 40 reads:

40. When it is intended to make a statement or raise a discussion on asking a question, the senator having such intention, as part of the notice under Rule 21, gives notice that he will call attention to the matter inquired into.

Rule No. 35 provides:

35. No senator may speak twice to a question before the Senate, except in explanation of a material part of his speech, in which he may have been misconceived, and then he is not to introduce new matter.

Rule 36 reads:

36. A reply is allowed to a senator who has moved the second reading of a bill, or made a substantive motion, but not to one who has moved an amendment, the previous question, an adjournment during a debate, a motion on the consideration of Commons' amendments, or an instruction to a committee.

Honourable senators will thus see that under Rule 36 there is no provision for a reply on a matter such as has been raised by the Honourable Senator Cameron.

I thought I should bring this to the attention of the Senate, lest in future some other senator might think he had a right of reply in a debate such as this and Mr. Speaker would have to inform him he had no such right. I did not want to get into trouble with any honourable senator, and more especially with Mr. Speaker.

**The Hon. the Speaker:** The honourable senator from Toronto-Spadina (Hon. Mr. Croll) was speaking more or less on behalf of the honourable senator from Banff (Hon. Mr. Cameron). But this discussion is not on a motion, so I did not warn the house that the honourable senator from Toronto-Spadina would close the debate.

#### EXPORT CREDITS INSURANCE BILL

##### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill 199, to amend the Export Credits Insurance Act.

The bill was read the first time.

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

**Hon. Mr. Haig:** Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Wednesday, December 18, 1957

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

Prayers.

### HER MAJESTY'S BROADCAST OF OCTOBER 13

#### SUGGESTED PUBLICATION FOR DISTRIBUTION TO SCHOOLS

**Hon. Jean-François Pouliot:** Honourable senators, with Mr. Speaker's permission I will make another suggestion to the Government, and I presume that it will be considered favourably by all of us.

If we refer to pages 20a and 20b of the *Minutes of the Senate* of October 14, and to the appendix to Senate *Hansard* of that date we will find there the only two publications of Her Majesty's Broadcast of October 13. It can be found nowhere else except in newspaper files. I wondered if the honourable Leader of the Government (Hon. Mr. Haig) would convey to the Government the wish of the Senate to have two million copies of that broadcast printed in English and French in order that it should be distributed to all the schools in the country through the provincial Departments of Education. It is one of the finest speeches that have been delivered, and it will be important for the youth of our country to keep it in scrap books, or otherwise retain it for further reference.

**Hon. Mr. Haig:** I will convey the request to the Honourable the Acting Prime Minister.

**Hon. Mr. Pouliot:** Thank you.

### INCOME TAX BILL

#### THIRD READING

**Hon. John T. Haig** moved the third reading of Bill 231, to amend the Income Tax Act.

**Hon. Wishart McL. Robertson:** Honourable senators, I would like to ask the honourable Leader of the Government in the Senate (Hon. Mr. Haig) a question with respect to this matter, and perhaps, depending on the answer he gives, make a few brief observations.

In order to assist the honourable leader to refresh his memory I might say that the question I shall ask him has to do with his speech yesterday, in which he estimated what the surplus this year would be as compared with the original estimate of the former Minister of Finance. Pertinent information on that point is found on page 2003 of

*Hansard* the House of Commons of December 6. Yesterday, in the Senate, my honourable friend, as reported at page 411 of the Senate *Hansard*, in discussing the question of the finances of the country and changes which had taken place since the original estimate was brought down, said as follows:

Then there were other matters of some importance that came up from time to time, and the Honourable the Minister of Finance estimated on the floor of the other chamber we would have about \$80 million surplus instead of \$150 million.

I noticed the remark of my honourable friend at the time, and have since refreshed my memory in respect of it; and I have very great difficulty in reconciling his figures with the table which was brought down in the other place.

As I understand, the circumstances are these. The former minister of finance estimated that the revenue for the fiscal year to end on March 31, 1958 would be \$5,170 million, that the expenditures would be \$5,018 million, and the estimated surplus \$152 million. Subsequently, I understand, the present Minister of Finance said that while there had been some variation up and down in respect of the revenue, he was prepared to accept that figure of \$5,170 million; but material changes took place in regard to the expenditures. As my honourable friend pointed out yesterday, among the increases set forth in the statement were: pay and allowances, about \$100 million; old age security deficit, \$50 million; C.N.R. deficit, \$28 million; increased interest charges, \$25 million, and three or four miscellaneous items having to do with increased expenditures on social security, \$7 million; or a total increased expenditure of \$210 million. The minister further pointed out that, resulting from savings of one type and another, as compared with the original estimates, there was a reduction of \$64 million, which leaves an estimated net increase of \$146 million instead of \$210 million. Since the minister's original estimate was \$152 million, and since the net increased expenditures were \$146 million, I cannot for the life of me understand why the estimated surplus has not been reduced to \$6 million instead of the \$80 million which my honourable friend mentioned yesterday.

**Hon. Mr. Haig:** The statement made by the Minister of Finance was that he expected a reduction of \$80 million, so the report must have omitted some of the items on which he figured there would be a curtailment of expenses.

**Hon. Mr. Robertson:** What are the items?

**Hon. Mr. Haig:** Well, I do not know. He did not give them to me.

**Hon. Mr. Robertson:** I did not expect my honourable friend to depend too much on his memory in things of this kind, and that is why I have referred him to the particular page of the Commons *Hansard* where the estimate is set forth. Nowhere there do I see anything as to an estimated \$80 million. I note that at another place the Minister of Finance estimated, I think it is, \$106 million; but, as I say, nowhere can I find any estimate of \$80 million.

**Hon. Mr. Haig:** My honourable friend can go on and make his statement. Suppose the amount is only \$6 million; for all I care, he may make his discussion on that basis. I do not think that in the result it makes any difference.

**Hon. Mr. Hugessen:** What is \$80 million!

**Hon. Mr. Haig:** I am basing myself on the figure the Minister of Finance mentioned when I was present. I heard him speak of \$80 million.

**Hon. Mr. Robertson:** With all due deference to my honourable friend, I am dealing with the report in the Commons *Hansard*, and I purposely suggested to him that he, or someone on his behalf, refer to the record to refresh his memory. That was the only purpose of my suggestion, because I cannot find that in any place the sum of \$80 million is mentioned.

**Hon. Mr. Haig:** To satisfy my honourable friend's curiosity—I accept the statement of my confrère of the House of Commons: make your debate on it. My friend's figure is not the figure I got; and I know it.

**Hon. Mr. Robertson:** I will go on to say what I have to say in this regard, but the point I made is a very pertinent one, and it was in order to avoid being unfair to the honourable leader that I preceded my remarks by suggesting to him that he refer to the record on this point. The fact of the matter is that the Minister of Finance's estimated surplus is \$106 million, and that is what appears in *Hansard*, not \$80 million. I take exception to the way that the \$106 million was arrived at, and if my honourable friend cannot throw any more light on it himself, I shall proceed to do so.

Now, in the items in which the Minister of Finance arrives at the figure of \$106 million as being the estimated surplus, I will again refer to the fact that in suggesting the increased expenditures, that amount included among other things two items, namely: Increases in old age security fund deficit, \$50 million—mark the word "deficit"—also, expected deficit on the C.N.R., \$28 million.

The difference between the \$106 million and the \$6 million, which I contend it should be, was arrived at by a most curious form of bookkeeping which was resorted to. A general asset reserve of \$50 million is provided for, which the previous Minister of Finance had set up, and provision for reduction in the amortized portion of the deficit in the superannuation account of \$50 million; and by this bookkeeping sleight-of-hand he shows a decreased expenditure, as far as this Government is concerned, as compared with the previous Government, of no less than \$100 million. I suggest to my honourable friend opposite that unless there is some reason whereby the liability which has accrued under those two items, or at least the liability under the item of superannuation deficit, has not in some way or another ceased to exist, then this is an entirely unfair and unreasonable method of bookkeeping and presentation of the finances of this country.

My recollection is—and if I am wrong my honourable friend opposite can point it out—that the deficit which occurred in the superannuation account resulted from salary raises to members of the civil service—and perhaps the armed forces as well, but I am not sure about that—which increased the future liability against that account because there were no corresponding payments at the same time into that fund to bring it into a solvent position; and that from time to time certain amounts were transferred to that account in the hope that in due course it would be put on a solvent basis.

The previous Minister of Finance had apportioned and paid into this account, or earmarked for this account, a sum of \$50 million, which my honourable friends opposite now take out of that account in order to make the position appear that much better. I suggest that is poor bookkeeping, and a poor basis upon which to put the statements of this country. The same applies, perhaps in a lesser degree, to the amount set up as a general asset reserve of \$50 million which, however, is not of as specific a nature as the other item, because there is a liability under the superannuation account which must be paid. The withdrawal by my honourable friends from the superannuation account in this particular year in order to make a better showing in the finances is, in my opinion, the worst kind of bookkeeping.

I said in this house on another occasion, honourable senators, that sound and careful governmental financing is one of the most vital factors in our whole economy. I now repeat that I have no doubt that the degree of prosperity which Canada has enjoyed over recent years has without exception shown that the finances of our country were kept on a sound basis.

**Hon. Mr. Macdonald:** Hear, hear.

**Hon. Mr. Robertson:** I think it is a matter of greatest regret that one of the first actions on the part of my honourable friend's party after it came to power was to revise that policy. It is a serious matter, and strikes me as a very bad foundation for public finances.

The details of the finances of this country are multitudinous and cumbersome; indeed, it would take one hours and even days to go through them in any detail. Like other honourable senators, I have been used to depending upon the accuracy, shall I say the intellectual honesty, of accounts as they stand, assuming always that they have been properly prepared, adequate reserves have been set up, and that they are on a basis acceptable by the business world today. It is therefore a matter of deep regret that one of the first actions of the present Government should have been to borrow from those reserves in order to dress up a financial statement.

**Hon. John T. Haig:** Perhaps I should say a word or two, honourable senators.

My honourable friend (Hon. Mr. Robertson) forgets that during all the time his Government was in power the annuities were going behind every year.

**Hon. Mr. Hugessen:** No.

**Hon. Mr. Haig:** Yes, they were, and the Government was trying to bolster them up. There was always a deficit there, which was not taken care of. True, they put in about \$186 million, which paid part of it, but it did not settle all the arrears of the account. It did not have a surplus last year or the year before.

My honourable friend seems to think that a paper statement of the finances of this country has something to do with its prosperity. Let me say, I do not know what caused the price of nickel at the coast to go down to 20 cents a pound, but it went to that price just a month ago. Anybody who had stock in nickel companies knows that it has gone down in value, and I do not know of anything on earth that can stop it. I noticed by the news recently that other countries are cutting down on their production of nickel. Well, if you have any money in nickel, you are out on the road.

But that has nothing to do with our country's finances. The budget that came down earlier this year was brought down by the Government which my friend supported. Now, we have a supplementary budget, or a statement of what happened in between that time and now. Between now and April 1 next the Government will have to have a new budget to cover the current year; and all the finances, whatever they may be, will

have to be shown on that statement. The world will not come to an end because between now and then no budget is brought down. There is no question about that.

The opposition parties in the other house, especially the party of my honourable friend, has shown no inclination to go to the people now, not the slightest inclination. It is a most ridiculous thing to watch what goes on over there.

On a matter on which they should take a stand, they run out into the corridors so as not to have to poll their vote. That indicates to me—

**Hon. Mr. Macdonald:** Mr. Speaker, I rise on a point of order.

**Hon. Mr. Haig:** I want to tell you why they don't vote.

**The Hon. the Speaker:** On a point of order.

**Hon. Mr. Macdonald:** My friend is referring to what has taken place in the House of Commons. It is irregular for him to refer to it in any event, but there is no record to which he can refer. What he says is, I think, a reflection on that house, which should not be made in this house.

**Hon. Mr. Howard:** Hear, hear.

**Hon. Mr. Macdonald:** It is entirely improper.

**Hon. Mr. Haig:** I am simply telling you what anybody can see any time there is a vote. All you have to do is go to the other house at voting time, and see the peculiar situation there.

**Hon. Mr. Macdonald:** Mr. Speaker, are we to allow insults from this house to be made against the other house?

**The Hon. the Speaker:** Order! I rule that the honourable Leader of the Government should not refer to the debates of the other house, and should not qualify them as being "ridiculous". I rule that the word "ridiculous" be withdrawn, and that the honourable leader desist from mentioning any debate that has taken place in the other place.

**Hon. Mr. Haig:** If you would look up the records of the other place, to which I have a right to refer, you will find there was no division on this question over there.

**Hon. Mr. Macdonald:** My point of order was that the honourable leader referred to certain actions and words in the other place as being ridiculous, and he has insulted that house in other respects.

**The Hon. the Speaker:** I do not think he mentioned any other words. He mentioned the attitude of the Opposition parties in the other place. He did not quote any debates that have taken place in the other house. My ruling is that no reference should be made to the debates of the other place, and the word "ridiculous" should be withdrawn.

**Hon. Mr. Haig:** I have a right to say that no vote was taken in the other place. That has nothing to do with what happened over there. The fact is that no vote was taken.

**Hon. Mr. Macdonald:** That is all you should have said.

**Hon. Mr. Haig:** They did not take a vote.

**Hon. Mr. Robertson:** My honourable friend is just as much out of order in that remark as in his earlier remarks.

**Hon. Mr. Vien:** On a point of Order, Mr. Speaker. Once a ruling has been made there should be no further reference to the subject. A good deal could be said on this subject, if we were allowed to pursue it.

**The Hon. the Speaker:** The ruling has been given, and the matter should not be further discussed. If the honourable Leader of the Government has anything further to say on this debate he should proceed; otherwise, I shall put the question.

**Hon. Mr. Haig:** I will not say anything further on it. My honourable friend does not want me to talk, so that is all right.

**Hon. Mr. Macdonald:** That is not a fair comment. We want the leader to be in order.

**Hon. Mr. Haig:** I won't disturb my friends in the Opposition any further.

**Hon. Mr. Macdonald:** We enjoy listening to you.

**Hon. Mr. Haig:** I will let them sleep for the rest of the afternoon in peace and quietness. My honourable friend can enjoy himself for another afternoon.

**Hon. W. Ross Macdonald:** Honourable senators, I do not intend to reply to the remarks of the Leader of the Government, except to say that I am very disappointed in them. I do, however, rise to say that I support entirely what was said by the honourable senator from Shelburne (Hon. Mr. Robertson).

I should like to repeat what I said yesterday, honourable senators, that it is most unfortunate that a budget was not brought down so that the country as a whole would know where we stand financially.

**Hon. Mr. Howard:** Hear, hear.

**Hon. Mr. Macdonald:** We are flying completely in the dark. As my honourable friend

said, a budget was brought down last spring, and the present Government has said that it is adhering to the financial proposals which were made at that time. Now it is making changes in those financial proposals, which means that there is a new financial statement somewhere. As my honourable friend from Shelburne said, the Finance Minister in the other house, just out of thin air, said that there is going to be a surplus of \$80 million. At one place he said it would be \$106 million.

**Hon. Mr. Robertson:** The Leader of the Government said it would be \$80 million.

**Hon. Mr. Macdonald:** The Leader of the Government said it would be \$106 million.

**Hon. Mr. Haig:** I never said that.

**Hon. Mr. Macdonald:** The Leader of the Government here said there was going to be a surplus of \$106 million. I find that the Finance Minister—

**Hon. Mr. Robertson:** The Minister of Finance said \$106 million and the leader here said \$80 million.

**Hon. Mr. Macdonald:** I must say, honourable senators, that the figures are very confusing. From the meagre statements before us I defy anyone to tell us whether we are going to have a surplus or a deficit.

**Hon. Mr. Haig:** It does not make any difference.

**Hon. Mr. Macdonald:** What I have been trying to find out from the leader of the Government in this house is whether the Government is financing for a deficit. If it is financing for a deficit we should know.

**An Hon. Senator:** That is right.

**Hon. Mr. Macdonald:** Yesterday when the Leader of the Government was speaking he said we were working under the same financial proposals that were made last spring. We have the main estimates, we have the supplementary estimates, we have further supplementary estimates No. 1, proposed by the former Government, and further supplementary estimates No. 2, proposed by the present Government. We are working on all those estimates. We all agree with that. But until December 6 we were also supposed to have been working on the budget, the financial statement which was proposed at the time the budget was brought down. But now, honourable senators, there is a new financial set-up somewhere. I don't know where it is, I don't know what it is, and no honourable senator in this house knows where or what it is. The honourable senator from Shelburne (Hon. Mr. Robertson) tried to analyse this—I won't say, statement of accounts, for it does

not take up half a column in *Hansard*—this new financial statement of \$5 billion, and the Government is asking us to approve all these reductions in taxation. Why, of course we approve of reductions in taxation, but when we ask for a statement of how they are to be brought about there is no statement forthcoming.

I am going to repeat the request that I made yesterday to the Leader of the Government. I know he has great influence with the Government of the day, that he is listened to in the cabinet. I am going to ask him to make an effort in future never to allow the Government to bring down a new budget—he called it a budget—without bringing down a financial statement. Let the country in on this, let us know where the money is coming from, whether we are financing for a surplus or for a deficit. I hope my honourable friend will follow my suggestion.

The motion was agreed to, the bill was read the third time, and passed.

### EXPORT CREDITS INSURANCE BILL

#### SECOND READING

**Hon. Gustave Monette** moved the second reading of Bill 199, to amend the Export Credits Insurance Act.

He said: Honourable senators, I intend first of all to make some remarks of a general character on this bill.

First I am going to try to show that the bill does not contain any new principle, nor any change of principle, that it is only in the amount of money that is going to be disposed of or approved under the bill that there is a change.

The legislation which we are now discussing, and to which we propose an amendment, is known as the Export Credits Insurance Act, which created the Export Credits Insurance Corporation. The purpose and powers of the corporation are set out in section 13 of Chapter 105, R.S.C. 1952 as amended earlier this year by chapter 8 of the statutes of 1957.

As amended, the purposes and powers of the corporation may be summarized as follows: The corporation may enter into a contract of insurance with a person carrying on business in Canada to insure him against any risk of loss by reason of his failure, for any cause not avoidable by him, to recover any amount payable to the exporter under or in respect of a transaction entered into between him and a person carrying on business or other activities outside Canada and involving the export, manufacture, treatment or distribution of goods, or the rendering of engineering, construction, technical or similar services . . . and so forth.

The liability of the corporation under such contracts of insurance is to pay to the exporter losses incurred by him through loss or failure to be paid. I might mention a few examples of situations that could be the cause of non-payment: insolvency of the foreign buyer; cancellation of import licence in the foreign country; adverse changes in foreign exchange regulations; blockage of funds; transfer difficulties, etc.

The corporation was created for the purpose of issuing policies to cover those risks. This legislation is in the public interest. It is in Canada's interest to export goods, and it was felt by the previous administration—and this law was introduced by the previous administration—that there should be a sort of guarantee of payment to the exporters. That is why the corporation was created and given power to issue insurance policies to cover exporters against such risks as I have mentioned.

The extent of the corporation's power to issue policies of insurance is, in practice, divided into two categories. Policies within the first category may be issued by the corporation itself, and without soliciting any additional authority from the Governor in Council or from Parliament. The corporation can issue policies within the monetary limit set by the law; and if at any time it should be in its judgment advantageous or necessary to issue other policies exceeding the limits set forth in the corporation's ordinary powers, it would need for that additional coverage the authority of the Governor in Council.

To summarize: the routine or ordinary power of the corporation is to issue policies, the aggregate sum of which shall be within the limit set forth in the act, namely, ten times the capital subscribed into the company—which, by the way, is subscribed by the Governor in Council—plus the then outstanding surplus of the company. The subscribed capital being \$15 million, ten times that sum would make \$150 million, and ten times the statutory surplus of the company, set at \$5 million, would make another \$50 million, the whole constituting the total limit of \$200 million within which the corporation could issue policies. The maximum amount, therefore, for which the corporation could issue policies without obtaining other approval is \$200 million. But there may be particular cases wherein the corporation would be faced with a demand to cover a great risk, amounting to such a sum that the board might not be prepared to issue a policy under their ordinary powers. In these circumstances the corporation, as provided in section 21, would have to make a report and the Governor in Council would have to approve the issuance of the policy, even though the

amount did not exceed the limit within which the corporation ordinarily could proceed.

Therefore two sections are of especial importance, the first being section 14, under which the corporation cannot issue policies for an aggregate amount over \$200 million, and the second being section 21, which provides for special cases whereby the corporation, with the approval of the Governor in Council, can provide insurance for additional amounts over the ordinary \$200 million. The total of such additional amounts, as set forth in the law at present, is limited to \$100 million. We have, therefore, the two sections, one embodying the ordinary power of the corporation to issue insurance policies covering export risks to the extent of \$200 million; and the second providing that the corporation, with the approval of the Governor in Council, may issue additional policies to the limit of \$100 million, which is additional to the ordinary \$200 million.

This bill proposes not to amend the principle already embodied in the law, but simply to extend from \$100 million to \$200 million the limit within which the corporation may, with the approval of the Governor in Council, issue policies covering export risks. That is the gist of the bill. The bill merely amends subsection 3 of section 21 of the act by extending policies from \$100 million to \$200 million; there is no new principle involved, but only a change in amount, as will be seen from the new section which reads as follows:

The liability of the Corporation under the contracts of insurance entered into under this section and outstanding shall not at any time exceed two hundred million dollars and shall not be included in the liability of the Corporation for the purposes of section 14.

The bill simply proposes to double the amount by which the corporation may go beyond its ordinary powers and issue special policies, with the approval of the Governor in Council.

**Hon. Mr. Vien:** Can the honourable senator tell us how many policies were issued under this law last year? The Government wants the amount to be raised from \$100 million to \$200 million. We are entitled to know what was expended in the past twelve months, and what are the demands which justify the Government to raise the amount as provided for in this bill.

**Hon. Mr. Monette:** Well, this question was put in a somewhat similar way when the honourable minister explained the bill before the House of Commons. Under the existing subsection 3 of section 21, which permits the issuance of additional policies, subject to approval by the Governor in Council, to the limit of \$100 million, insur-

ance has actually been issued to a total amount of \$98 million, and is now outstanding, so it would not be possible to issue important additional policies under these extraordinary powers unless the limit were extended. What the actual reasons or needs for the increase are I cannot explain in detail. However, to give an example: I am sure every honourable senator is familiar with the policy of selling more of our wheat on export markets. Maybe it could be sold to different countries. However, serious difficulties may be encountered through foreign exchange or otherwise, and in order to give effect to the desire of the Government to increase our exports, it is necessary to provide ample protection for exporters against non-payment of their accounts. Therefore it is generally felt that the limit provided for in the existing law should be doubled.

**Hon. Mr. Vien:** Is the honourable senator in a position to tell us whether the amount of \$98 million that he has mentioned has been covered by one policy or by several policies? Has such a list been published or tabled?

**Hon. Mr. Monette:** I have not got that information. I have only the declaration that was made before the other house to the effect that this extra \$100 million for coverage has been utilized to the extent of \$98 million.

**Hon. Mr. Vien:** Does the honourable senator know to what particular line or lines of trade the amount has been applied?

**Hon. Mr. Monette:** No, I have no information on those details.

**Hon. Mr. Vien:** Those details would be very useful in determining to what extent the additional amount is required.

**Hon. Mr. Monette:** The honourable senator is right: it is important, and if further details are needed the bill could be sent to a committee. I thought that, at this time my duty was to explain the purpose of the bill, and that it was sufficient to show that the bill does not introduce any new principle at all. It is only a question of doubling the amount of the existing extraordinary limit. If the honourable senator feels it is necessary, he may ask that the bill be sent to a committee.

My understanding from the answer given by the Minister was that insurance to the amount of \$98 million has been issued under the additional powers. That is to say, \$100 million is the present limit to the amount of insurance that may be issued under that additional power, and these provisions have already been utilized to the extent of \$98 million.

**Hon. Mr. Power:** But no statement has been made as to the extent to which the \$200 million provided for has been exhausted or otherwise.

**Hon. Mr. Monette:** I understand a declaration was made that the extra power was actually utilized for issuance of policies now outstanding to the extent of \$98 million.

**Hon. Mr. Power:** The question I am asking is, how can we know whether or not the \$200 million provided for has been covered?

**Hon. Mr. Monette:** I do not know that. It is supposed to be covered to a considerable extent. Let me say there is a distinction between the two categories of policy limits. It does not appear to me that it was necessary first to exhaust the \$200 million under the ordinary powers of the corporation, before the corporation would be entitled to ask the Governor in Council to authorize one or more special policies to provide insurance within the additional limit.

**Hon. Mr. Power:** These might be called special purpose policies?

**Hon. Mr. Monette:** Yes. May I read for the satisfaction of the honourable senator from Gulf (Hon. Mr. Power) the text of section 21 of the bill. It reads:

(1) Where the Minister reports to the Governor in Council that

(a) the Board, having regard to the limitations imposed by section 14—

That is the general powers.

—is of opinion that a proposed contract of insurance will impose upon the Corporation a liability for a term or in an amount in excess of that which the Corporation would normally undertake in relation to any one contract . . .

With respect to the word "normally" I have been given to understand that the general powers with respect to the \$200 million might be utilized for a number of smaller insurance policies. That is to say, normally it is not the common practice of the Corporation to issue one or two big policies that would exhaust the whole amount available to the ordinary small exporters; while under section 21 there might be circumstances where a bigger contract would have to be executed. In such a case the corporation would seek the advice of the Governor in Council with respect to getting money under the special additional powers, so as not to affect the original amount of \$200 million which would remain available generally to a greater number of citizens. Does that answer your question?

**Hon. Mr. Power:** Yes, perfectly. Thank you.

**Hon. Mr. Vien:** Honourable senators, I shall not press my question if we have an

undertaking that the bill will be referred to a committee, where officials of the department will answer my questions.

**Hon. Mr. Monette:** Honourable senators, I cannot give that undertaking, for it is up to the house to decide whether or not the bill should be referred to committee. I am doing what I honestly can in saying that the minister said, in front of members of Parliament who were scrutinizing the bill very closely, just what I said a few minutes ago. I cannot give details as to the amounts of the divers policies that have been issued and are still outstanding under either the general or the special power.

**Hon. Mr. Vien:** I think it fair and reasonable, when asked to vote \$100 million in excess of what the present act calls for, to ask that we should be told how the \$98 million was expended, and how the additional \$100 million will be spent.

If that information is to be given to us in committee, I shall be satisfied. I understand that the honourable senator from Mille Isles (Hon. Mr. Monette) is not in possession of this information, but I would expect that such information will be given to us in committee.

**Hon. Mr. Monette:** I am not in possession of precise information as to figures, or the names of importers, or the countries of destination, but I do have some information of a general nature. For instance, a sale of wheat outside the country might entail a huge sum of money. This example might enable the honourable senator to understand that new circumstances may arise which we think actually justify the amendment. Moreover, it remains in the hands of the Governor in Council to decide whether in a particular case a demand for big coverage of insurance should be justified and therefore acted upon.

**Hon. A. K. Hugessen:** Honourable senators, I think we can all support the general principle of this legislation, particularly inasmuch as it is legislation which was introduced originally by the Government of which my honourable leader (Hon. Mr. Macdonald) was a member.

We are very much obliged to the honourable senator from Mille Isles for the clear explanation he has given of the bill. As he explained it, the general purpose of the bill is to facilitate trade by Canadian exporters, by insuring them against loss on sales to foreign countries.

As the honourable senator stated, the maximum amount of insurance policies which the corporation is allowed to issue under section 14 of the act is "ten times the aggregate of the amount of the paid-up capital and the

surplus of the corporation". As I understand my friend's explanation, this is now \$200 million.

**Hon. Mr. Monette:** Exactly; it is ten times the paid-up capital and surplus both together.

**Hon. Mr. Hugessen:** Yes.

**Hon. Mr. Monette:** The surplus and paid-up capital is \$20 million, and ten times that amount is \$200 million.

**Hon. Mr. Hugessen:** That is what I said. Under section 14, it amounts to \$200 million.

**Hon. Mr. Monette:** I am sorry to have interrupted you.

**Hon. Mr. Hugessen:** Then there is special provision for exceptional policies which may be issued under section 21, only with the consent of the Governor in Council, upon a report of the minister. And it is in respect of the limits upon the amount of policies that can be issued especially under section 21 that it is now sought to increase the total limit of such policies from \$100 million to \$200 million.

I should like to refer for a moment to what my friend from De Lorimier (Hon. Mr. Vien) said. If he will look at section 21 he will see that the details of all these policies have to be furnished in orders in council passed by the Governor in Council, and that they must be laid before Parliament during the session or, if Parliament is not in session, at the next ensuing session. So, the details with respect to these special policies that have been issued under section 21 are available now in the public records of the country.

**Hon. Mr. Vien:** But are they available here?

**Hon. Mr. Hugessen:** One would assume that this Government, like the former Government, has complied with the provisions of the statutes—that I do not intend to comment upon—and that the orders in council have been published.

**Hon. Mr. Vien:** I thought that the honourable senator would file them or refer to them. The act calls upon the Government to file a statement of all the policies that have been issued. Has this list of Orders in Council and policies issued under the act been filed? I had expected that the honourable senator would make some reference to it, but so far he has not done so.

**Hon. Mr. Hugessen:** As I say, I can only assume that the Government has complied with the requirements of the act.

**Hon. Mr. Vien:** Has it or has it not?

**Hon. Mr. Hugessen:** That I will leave for the Government side to answer. But I certainly am able to say that on this side of the

house there will be no objection to this proposed increase in the maximum amount of insurance that may be contracted for from \$100 million to \$200 million, particularly in view of the statement made by the sponsor of the bill that the total amount of the policies issued up to the present under section 1 has reached \$98 million.

**Hon. Mr. Macdonald:** That is, outstanding?

**Hon. Mr. Hugessen:** Outstanding, yes.

I would appreciate it if the Leader of the Government or somebody could give us any indication of any particular additional exports which may be in view, which the Government may have in mind, which will require the issue of policies with respect to the additional \$100 million. Of course, it may not be in the power of the leader to give the information. My honourable friend referred to the possibility of additional sales of wheat to other countries. Is the Government in any position to tell us whether negotiations are now under way with any other countries with respect to possible sales of important amounts of our wheat? As honourable senators realize, that is a very important factor at the moment, in the present economic situation of the country.

**Hon. Mr. Monette:** The last question is rather directed to the Government, and I am not representing the Government here. My answer was rather by way of an appeal to the intelligence of honourable senators. Everybody knows that today, more than in the past, there may be chances of selling our wheat as well as other commodities, and therefore it is felt that we should have this limit increased by \$100 million. If honourable senators wish to know what the present Government has in mind about future policies and future approvals by the Governor in Council, well, it may not be permissible to disclose that information at present. I do not know that, but in any event the answer is not in my hands.

I did not mention to the honourable senator from De Lorimier (Hon. Mr. Vien) that under section 21 an order in council had to be passed to authorize the issuance of special policies under the additional powers. I did not want to tell the honourable senator that he could obtain that information for himself—I did not think that would be polite, coming from my side, though it might be more acceptable coming from the other side. Really, the question asked by the honourable senator from De Lorimier was correct, in my view, but under the actual circumstances it seems quite reasonable to expect that this Government has in mind not to miss any chance to sell more and export more to other countries, in which it

would be following the example of the previous Government; and if the present Government has a chance to advance that policy a little more, that would be no matter for reproach. So for the moment I simply say that I took it upon myself to accept the declaration made by the minister to the committee in the other house, and I submit that the principle of the bill should be approved.

The motion was agreed to, and the bill was read the second time.

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

**Hon. Mr. Vien:** Honourable senators, I suggest that this bill be referred to one of the Standing Committees of the Senate in order that we may be informed by officers of the department.

**Hon. Mr. Haig:** Would the honourable gentleman from De Lorimier (Hon. Mr. Vien) be satisfied if the honourable gentleman from Mille Isles (Hon. Mr. Monette) who so eloquently and ably explained this bill obtained and furnished him with a list of all the policies that were issued up to date? The reason I make that suggestion is this. I was for many years, as you all know, sitting on the opposite side of the house, and once or twice during that period we had to deal with amendments to this act. The impression I then received was such that I did not want to make too many inquiries into the transactions. The then Leader of the Government gave me some particulars of transactions that had been carried out, and ultimately I could have had all that I wanted. I wonder if my honourable friend would be satisfied if the list of policies were obtained and passed on to him by the honourable senator from Mille Isles?

This is a very confidential matter, not as between us, but as between buyers and sellers whenever we are carrying on negotiations. There are on hand large stocks of potatoes and milk, including skimmed milk, which we are trying to sell. There are guaranteed prices on a number of commodities at this time and no doubt the Government will do the best it can to dispose of these surpluses. But one cannot make deals of this kind if the public knows about them. I do not believe the Government is trying to hide anything; in fact this is information which, by law, it must provide, and I think we can disclose at once particulars of contracts already made. But I hope we shall not be asked, "With whom are you negotiating now?" Because—quite frankly—there are negotiations going on.

**Hon. Mr. Macdonald:** I do not want to embarrass my honourable friend in any way. If he is free to give some information, obviously we should like to have it.

**Hon. Mr. Haig:** I would rather not have the bill go to committee, where questions could be publicly asked which might be embarrassing to the negotiating parties. It would not make any difference to the Government; it would just lose a deal. If we supply the lists up to date within fifteen days after Parliament opens, would that satisfy my honourable friend? It would remove any possibility of information getting out as to deals which may now be in course of negotiation.

**Hon. Mr. Vien:** I am prompted to accept the suggestion of the honourable Leader of the Government (Hon. Mr. Haig), on the assurance given by the honourable senator who moved the second reading (Hon. Mr. Monette) that the present Government would follow the policies of the former Government. If it keeps going along these lines it will be on safe ground.

**Hon. Mr. Haig:** That is the very thing it is trying to do. But—if I may be pardoned for speaking a second time on this matter—difficulties have arisen in relation to several of our commodities which have involved some pretty hard struggles with certain other nations. We do not want to risk losing business through somebody else coming in when we are negotiating a deal. The committee which is in charge of this policy of insurance consists of the same persons who served under the last Government. I do not believe there has been any change; the same crowd is in control. If you could trust them, surely we can.

**Hon. Mr. Vien:** Could the honourable Leader of the Government tell us when the list which he has mentioned will be made available?

**Hon. Mr. Haig:** I think we can get at once the information about the contracts already made.

**Hon. Mr. Macdonald:** Probably all of them are tabled now.

**Hon. Mr. Haig:** In the other house. I assure honourable senators that the statement will be ready before the house opens again.

On motion of Hon. Mr. Haig, it was ordered that the bill be placed on the Order Paper for third reading tomorrow.

#### BUSINESS OF THE SENATE

On the motion to adjourn:

**Hon. Mr. Macdonald:** Before we adjourn, could the Leader of the Government give us any information as to what business, other than the third reading of Bill 199, will be before the house tomorrow?

**Hon. Mr. Haig:** I expect that there will be third reading of the bill tomorrow afternoon. The Governor's deputy will not be here until Friday afternoon at one o'clock.

**Hon. Mr. Macdonald:** Does the honourable Leader of the Government expect to have any further business?

**Hon. Mr. Haig:** Yes. I anticipate there will be a short bill regarding the extension of the railway line from Le Pas to Churchill. The branch line runs now as far as Snow Lake, which is where the International Nickel Company is building a big plant. I believe that 50 or 60 miles of road are to be built, and authority to build is required.

Also there is a bill relating to the bridge at Hamilton and a highway into the city in connection with the new harbour improvements. Authority is required for this construction work. Those are the only two bills which almost certainly will be before us. As to one or two others, I am doubtful whether they will be ready tomorrow. The House of Commons will be sitting tonight and tomorrow morning.

**Hon. Mr. Macdonald:** Can the honourable Leader of the Government tell the house whether honourable senators who live at a distance will be allowed their expenses to

go home over Christmas and the New Year and to return, travelling by air?

**Hon. Mr. Haig:** I cannot answer that question, because I have not made inquiries. All I know is what I saw in the press. It may have been a wag story. Expenses home and back will be paid as usual; the only question remaining is, as somebody has said, will the honourable senator from Blaine Lake, or honourable senators from Vancouver, or myself, be provided with transportation by air.

**Hon. Mr. Macdonald:** It is your interests and their interests that I have so much at heart!

**Hon. Mr. Haig:** I suppose that expenses by air will be paid. However, I will inquire and give an answer tomorrow.

**Hon. Mr. Baird:** I understand it was arranged that members living at great distances will travel by air.

**Hon. Mr. Robertson:** Senators, too?

**Hon. Mr. Howard:** Sherbrooke hasn't an airport!

**Hon. Mr. Haig:** I presume the Senate will not be discriminated against.

I will find out, and bring an answer tomorrow.

The Senate adjourned until tomorrow at 3 p.m.

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## THE SENATE

Thursday, December 19, 1957

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

Prayers.

### NATIONAL HOUSING BILL

#### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill 238, to amend the National Housing Act, 1954.

The bill was read the first time.

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

#### SECOND READING

**Hon. John T. Haig:** Honourable senators, I move that this bill be read the second time now.

I trust I shall not take too long in discussing this legislation. The National Housing Act, which was passed by the former Government in 1954, has worked, one may say, reasonably well—much better, in fact, than a good many people anticipated, even though they favoured it. Under the act, the Parliament of Canada has power to grant to the National Housing Commission \$250 million, and practically all this money has been loaned out. In addition, a great many loans have been made for housing purposes through financial institutions such as life insurance companies, banks, and trust companies, as well as by private individuals. The question now arises whether certain improvements can be made in the act. It is the opinion of the housing corporation that, by so doing, the security of existing investments would not be affected and the act would be made more useful to a certain class in our community.

Loans through the Central Mortgage and Housing Corporation are based on the loaning value of a building of the maximum value of \$12,800. No change of that figure is intended. The first change relates to loans by the Government. To date, these have amounted to about \$250 million, and this legislation seeks to make another \$150 million available to the corporation for loaning purposes. That of course will not cover the money that is being loaned, but it will help to induce other moneylenders to lend money under the act. Originally the rate of interest was 5 per cent, but a little over a year ago it was raised to 6 per cent, and that rate of interest remains as it was before this bill was amended.

The question that first arises is how much money can be loaned on a house. Let us say that the house costs \$12,800. Under the existing law a loan of 90 per cent of the value can be obtained on the first \$8,000, and 70 per cent on the balance. The remainder has to be put up in cash. That gives rise to a problem. Many people to whom such a loan would be of great value in getting housing accommodation have been unable to raise the cash payment required, because there is a proviso in the act that all a borrower can pay by way of rent or principal on the mortgage by way of interest and taxes *in toto* is 23 per cent of his total income, and he must be able to show that he qualifies under that provision before he can make a deal. A great many people of a deserving class have not sufficient capital to do this, and various ways to overcome that problem have been attempted. For instance, the contractors have taken a second mortgage back, and there have been all kinds of trouble. Finally, that had to be prohibited, because it imposed a risk on the loan. The bill provides that 90 per cent of the first \$12,000 can be borrowed. A 70 per cent loan will continue to be available on the balance of the lending value.

The effect of these changes will be to increase loans by as much as \$800 in many cases. For example, on a house with a lending value of \$12,000 the maximum loan at present is \$10,000. In future it will be \$10,800.

As I have said, at present it is required that the amount a borrower pays in principal, interest and taxes shall not exceed 23 per cent of his income, unless he can obtain special approval of a larger percentage. It is proposed to raise the ratio to 27 per cent. That is to say, the borrower must show that his total income is such that 27 per cent of it will be sufficient to pay at the same percentage rates as those required under the present law.

It is the belief of the housing corporation that this arrangement will meet the needs of a large class of people whose needs have not in the past been met. Indeed, the response for this type of loan has been very good. It indicates that a number of people who could not take advantage of the previous arrangement can take advantage of this arrangement.

There is no change in principle proposed under the present law. A man who lends money on a property up to 90 per cent of \$12,000 will be able to get insurance covering that loan from the Government just as he can under the present law. So, anybody who wishes to help the building cause in this respect can do so as well under the proposed amendment as under the present legislation.

For instance, if a building organization wants to lend money at a certain rate of interest, anything over 4 per cent goes to the housing corporation, and the Government guarantees the 4 per cent. That arrangement would continue. The money required by old people and by organizations would come under the same regulations as have existed heretofore.

The only real change which this bill proposes is that the total amount of housing loans be increased from \$250 million to \$400 million. The bill would not vary the present law, except in the respect to which I have referred. There will be the same inducements for people to make loans, and for builders to carry out housing projects. I understand that since this legislation has been publicized builders have indicated there is a greater demand than they had expected for loans under this arrangement.

The proposed legislation goes a little further, in that it gives the borrower the right to refinance his housing loan, if he should require money for any purpose. All those arrangements are made through the Central Mortgage and Housing Corporation, and it would like to be able to deal with matters as they arise.

Let me say quite candidly, honourable senators, I think this feature of the change in percentage is a real advance in the progression of this legislation. I believe you will find there is a bigger demand forthcoming for loans on houses by people who really need the help than has been the case heretofore.

There is still a demand for housing right across Canada. This is especially true among lower-income families. They require houses that can be financed over a longer term than the housing corporation is now offering.

Honourable senators, I have prepared a statement which gives in a little fuller detail what I have attempted to say to you this afternoon. If it is the wish of the house, I shall place the text on *Hansard* so that anyone here or outside the house can read the full explanation; on the other hand, if honourable senators object to my filing it, I will not do so.

**Hon. Mr. Macdonald:** Honourable senators, the honourable leader has given a clear exposition of this bill, and it seems unnecessary to place a statement on *Hansard*.

**Hon. Mr. Haig:** Very well.

When the national housing scheme was started, some years ago, I was afraid we would get into difficulties, but I guess I was wrong, because during the last three or four years there has been a great development along these lines.

I will say a word or two on the reason for the proposed changes in the legislation. The

slowing-up in building did not begin just two or three months ago. A little over a year ago the number of new starts on housing commenced to fall off and they continued to fall off until around August, and the only thing that stopped them from falling off further was this scheme which was brought forward then.

There is now general agreement among builders all over Canada with this legislation. They say it is a good idea, and they feel that housing loans will be even better security than they have been before.

For all these reasons, honourable senators, I move the second reading of the bill.

**Hon. W. Ross Macdonald:** Honourable senators, I am very glad that the Leader of the Government (Hon. Mr. Haig) has given such a clear explanation of this bill. Of course, he is very familiar with the legislation, but I would not want honourable senators to think that he has obtained his knowledge of it during the last few hours. If I remember correctly, he was one of the severest critics of this legislation when it was first brought before this house, some years ago, so he should understand all about it. I am glad that he has been converted to—

**Hon. Mr. Howard:**—good Liberal policies.

**Hon. Mr. Macdonald:**—good Liberal policies and belief in Liberal principles. Originally this was Liberal legislation.

While I am on that subject, I might say that practically all the bills brought down in the Senate this year have been amendments to legislation which was introduced in the first place by the former Government—good Liberal legislation.

**Hon. Mr. Monette:** But a more liberal policy has been added.

**Hon. Mr. Macdonald:** Well, the government could not do better than try to improve some of the legislation which the former administration introduced.

While the Leader of the Government was explaining this bill so fully I picked up off my desk the file containing the bills that have been passed this session. I find that every bill that has come over from the other house this session has been a bill amending legislation which was introduced by the former Government—every bill with the possible exception of the one to provide for advance payments for prairie grain prior to delivery thereof. I stand to be corrected if I am wrong. Has the Government introduced any new legislation this session, apart from the bill to provide for advance payments for prairie grain?

**Hon. Mr. Roebuck:** That is an amendment to Liberal legislation.

**Hon. Mr. Macdonald:** It is in accordance with Liberal thought, but I think we must admit it is a new bill which the former administration had been working up but which had not quite reached that stage.

Honourable senators, I will read a list of these bills. The first was the finance bill, for interim supply. As we know, that was based on the former administration's budget, which we think has been changed.

Now, the next bill—

**The Hon. the Speaker:** I think the honourable senator should refrain from discussing other bills.

**Hon. Mr. Macdonald:** Mr. Speaker, may I make my point clear? Today we have been presented with this very important bill which did not meet with approval of the Opposition a few months ago. Oh, I remember the speech made by my honourable friend from Blaine Lake (Hon. Mr. Horner). He was not at all enthusiastic about this legislation at that time. I do not know whether he is enthusiastic about it now or not—he might tell us before the day is over. But my point is, Mr. Speaker and honourable senators, that we are presented with this very important bill today, on the 19th day of December, and it is proposed, I understand, that this house should meet tomorrow morning. If we do meet then it will be absolutely impossible to send this very important bill to committee. True, this is legislation which was passed last year and has now been improved upon, but we should be able to inquire into it. We have had a general statement from the Leader of the Government, but we do not know the details about loans that have been made, how many of them are outstanding, if there have been defaults, and so forth. This important measure comes to this Senate on almost the very last day of our sitting prior to the Christmas vacation and we are asked to pass it, though knowing little about it. Now, I ask you as good businessmen and good businesswomen, is that the way to conduct the business of this country?

My honourable friends opposite may say, well, we could not bring the legislation along any faster. Honourable senators, the election was held on June 10. I remember it all too well. The writs were returned, if I remember correctly, about the 20th or 25th of August. Why could we not have had a session of Parliament opening in the latter part of August? Oh, you say to me, we wanted Parliament to be opened by Her Majesty. True, we wanted Parliament to be opened by Her Majesty, but why couldn't

we have had a session of Parliament opening in August, continuing throughout September, going into October, and then proroguing about the 10th of October? We could then have had a new session.

**Hon. Mr. Roebuck:** The Government would have had to bring in a budget if that was done.

**Hon. Mr. Macdonald:** My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) says the Government would have had to bring in a budget if that was done. Well, that is not a good reason for not having a session of Parliament during the two months before October 14<sup>th</sup>, and then starting a new session on October 14. I ask honourable senators, is there any reason why that could not have been done?

**Hon. Mr. Brunt:** What about the Postal Congress that was occupying this building?

**Hon. Mr. Macdonald:** Oh, you wanted the Postal Congress to put the Parliament of Canada in second place?

**Hon. Mr. Brunt:** I did not say that at all. Arrangements were made for the Postal Congress to occupy quarters in the Parliament Building before this Government was elected.

**Hon. Mr. Macdonald:** Honourable senators, is this the only building in Ottawa where the Postal Congress could have met? My honourable friend from Hanover (Hon. Mr. Brunt) has been in Ottawa only a few months, so he does not know the city very well, but I can assure him there are many other places where the Congress could have met. The arrangements for it to use the Parliament Building were no excuse for not calling a session of Parliament in August. The business of the country was more important than the Postal Congress and if Parliament had met in August we would have been able to consider this bill and other measures as they should be considered.

Honourable senators, I say to you that in the few hours we have at our disposal this afternoon it is absolutely impossible for this house to give this bill the consideration to which it is entitled. If the Senate is not to sit tomorrow morning we ought to have a committee meeting at that time to consider the bill; but of course, if it is intended that the Senate shall sit, the bill cannot then be considered in committee.

As far as I am concerned I will not be a party to holding up the legislation. Let the Government take the responsibility for rushing it through this house. I shall vote in favour of it, but I reserve my right at a future date, when the opportunity will arise,

to discuss this legislation as it should be discussed. I am voting for it at this time only because I feel it would not be right to have it held up during the two or three weeks when we shall not be in session and thereby delay people from obtaining during that period the benefits which the bill provides. So I reiterate that I shall vote for the bill, but under the strongest protest against the manner in which it is being presented.

**Hon. R. B. Horner:** Honourable senators, I must say that I have been somewhat amused by the speech of the honourable Leader of the Opposition (Hon. Mr. Macdonald). For 22 years, when we who are now on this side of the house were sitting on the other side. I listened to the same complaint when important legislation came before us,—

**Hon. Mr. Macdonald:** Never so important as this.

**Hon. Mr. Horner:**—and the reply we received was: "Take it or leave it. It is going through, anyway."

**Hon. Mr. Macdonald:** Name the legislation.

**Hon. Mr. Horner:** That was the attitude of the then Government when the honourable leader on the other side sat on this side.

**Hon. Mr. Macdonald:** Never.

**Hon. Mr. Horner:** As to the time when Parliament was called, let me remind honourable senators that the former Government promised to provide accommodation for the 14th Universal Postal Union Congress. The honourable senator from Hanover (Hon. Mr. Brunt) has not been with us very long, but I have been a member of this chamber for 22 years, and I know that there is no other place in Ottawa which equals the Parliament buildings as an attractive setting for such a conference. It was an inspiring experience to walk down the main thoroughfare and see the world's flags in so fine a setting, and to identify them with their respective countries. As I have said, the use of the buildings, including the Senate chamber, was arranged for by the last Government. In view of this fact, how can any honourable senator say that the present Government should have notified the postal authorities, "We are going to cancel this arrangement; get out; Parliament is about to meet"? It would also have detracted from the success of Her Majesty's visit if, as was suggested, one session had been opened and quickly followed by another.

So far as this legislation is concerned, I give all honourable senators credit for a thorough understanding of the bill. They have debated this subject. They must

thoroughly understand what it is. They are accustomed to the workings of the organization created by this bill; the changes have been explained; and no interest, so far as I can see, will suffer any injury if this bill should receive royal assent tomorrow.

I admire the honourable Leader of the Opposition (Hon. Mr. Macdonald) for his speech: that is, I think he did the best he could for a bad cause.

**Hon. Norman P. Lambert:** Honourable senators, I should like to add a word or two to what has been said apropos of this bill, which was presented to us a few minutes ago and comes directly from the other chamber.

We have heard a good deal in other sessions about the importance of having the Senate's Finance Committee meet for the purpose of inquiring into the extent of Government expenditures in all fields,—federal, provincial and municipal. It was generally understood that such an inquiry made by the committee which sat year by year under the chairmanship of the honourable senator from Churchill (Hon. Mr. Crerar) would have a moral effect on public opinion generally, and possibly would be useful in an indirect way in suggesting that Government expenditures were reaching a pretty high level, not unrelated to an inflationary trend which was becoming very definitely evident in many ways.

I feel that in respect of this bill there are two very important points, relating to the financial welfare of Canada, which should be made clear—much clearer than we in this house can make them. It was my responsibility in previous sessions to present amendments to the National Housing Act; and I clearly remember that in nearly every case my good friend the honourable Leader of the Government (Hon. Mr. Haig) took very strong exception to some of those measures, largely on the ground that they exceeded the bounds of business expediency and sound business practice. One feature of this bill which I notice is that the limit of advances is to be increased to \$400 million from \$250 million. I recall that, upon the presentation of amendments of this act which were referred to our standing committee, some of us, including myself, held very definitely that the operations of the C.M.H.C. should not run to unlimited mortgage commitments. Ten years after this act came into effect in 1944-45 something like one billion dollars of public money had been invested in the housing field, secured by mortgages which amounted to as much as 85 to 95 per cent of the principal carried by the Government through the mortgage corporation; and we felt that we

were reaching a state where we should be very careful in promoting future developments.

For the same reason, I think at this time that this bill should be the subject of examination by a committee of this house. I do not see that there is any great need to rush it through at one sitting. I am quite willing to admit that the principle involved in the bill is not new, and therefore we cannot consistently oppose it. But certainly, when we come to the details, I for one should like to have a lot more explanation of the present position of the Central Mortgage and Housing Corporation in this connection.

I do not want at this time to digress upon inflation. We know that has been an overhanging threat. In fact, it was emphasized in the last annual report of the Committee on Finance which was set up in this house to inquire into the subject. With that overhanging threat, I think it is the responsibility of the Senate to function as it was intended to, and make a closer examination into the details of this bill. We should have officials from the Central Mortgage and Housing Corporation appear before us to give a complete statement of the amount of public funds represented in housing mortgages today, so that we can at least judge the effects of this measure. I do not mind preparing for unemployment relief, but let us deal with it as such, not under the guise of its being a necessary amendment to the National Housing Act. It is a question whether or not the corporation be urged to extend further facilities in the way of mortgages to a people who, if I am any judge of present conditions, are carrying just about as much in the way of 95 per cent liability on mortgages as they are able to handle.

**Hon. Gustave Monette:** Honourable senators, may I add a word or two? As I understood the Leader of the Opposition (Hon. Mr. Macdonald), he approved of this bill because its principle as well as its details seem to be fairly acceptable. The honourable gentlemen complained, however, about the delay in bringing the bill before this house. Another honourable senator said that we were not in a hurry and could delay consideration of the bill until we resume in the new year. Perhaps I can reconcile the two views.

This bill provides something good for the ordinary man, and certain facilities and advantages of which he can avail himself. That being so, to pass it now would be to give a welcome Christmas gift to people in the lower-income group—a large part of the community. As far as I am concerned, I am willing to be a little inconvenienced by

shortening my own holidays, if thereby we can hasten passage of this bill. I do not think there is much in it that requires discussion. I am glad that the Leader of the Opposition has approved of the bill, and I am ready to vote for it.

**Hon. Thomas Vien:** Honourable senators, I rise on this occasion to do something to which I am not accustomed, that is, to congratulate the Leader of the Government (Hon. Mr. Haig) on the very clear and complete explanation he has given of the purport of this bill. I have the greatest possible respect for the honourable Leader of the Government, on account of his years. The honourable gentleman lived in the full shade of the Opposition for so many years that the office he now occupies with great dignity in this house is still somewhat new to him, and during this session we have sometimes had difficulty in getting the purport and the full details of certain legislation. However, the honourable leader has given us a very clear exposition of the purport of this bill, and he added, which I am sure was gratifying to all honourable senators, that it changes nothing in the fundamental principles of the legislation which was introduced year after year by the previous Government. The bill merely extends the principles already laid down.

The honourable senator from Blaine Lake (Hon. Mr. Horner) said that when he and his fellow senators were sitting on this side of the house they complained that they were sometimes pressed to adopt legislation too quickly. I recall very clearly, when sitting on the other side of His Honour the Speaker, that we also complained that legislation of great import was brought down to this house at too late an hour. Honourable senators, this legislation does not call for immediate action, and I shall be quite satisfied if it is allowed to stand over until the house reconvenes on January 7. I agree with my desk-mate, the honourable senator from Ottawa (Hon. Mr. Lambert), that we should give this bill a little closer attention. When a question of hundreds of millions of dollars is involved, as in this legislation, I think the Senate owes it to itself to examine the figures closely and to go into the whys and wherefores of the legislation, which is urged upon us. The question involved is only one of quantum, for, as the honourable leader has said, the principles of the act are unchanged. However, at this juncture unemployment obtains in Canada on a scale unknown prior to June 10 last. I am not accusing honourable senators opposite of being responsible, but I recall that in 1930 Mr. Bennett often accused the Government in office of being the cause of the worldwide depression. I do not intend to fall into the same pitfall. I am not going

to accuse the Government which has been in office since June 10 last of having caused the recession which has resulted in increased unemployment in Canada on a scale which is now recognized. There is no doubt that the development of the construction industry, as it relates to the building of dwellings, will favour most effectively the relief of unemployment. If we can develop a house-building program which will give employment to labour in all the trades, we will be providing some relief to an immediate and pressing problem facing the Government of Canada.

No doubt on the 10th of June last a cloud of gloom and uncertainty fell over the country; that condition has developed from day to day and month to month, and unemployment has increased by leaps and bounds. But we have to face that condition. If the Government will express the opinion that the principle involved in this legislation, which over the years has been placed on our statute books, is a good thing and should be extended to meet the conditions we are facing today, I am in favour of it. But we have to consider the methods by which the Government now proposes to extend that legislation. Because this legislation involves increasing the commitments of the country for housing from \$250 million to \$400 million, I do not believe that the Government is justified in pressing this bill through the Senate in 24 hours, or even in 48 hours. We are quite willing and prepared to consider the principle of the bill today. But my feeling is that it should then be referred to a committee, to be convened and sit after the Christmas recess. If that is agreed to, I have no objection to the bill being given second reading now.

**Hon. John T. Haig:** Honourable senators,—

**The Hon. the Speaker:** Honourable senators, if the honourable Leader of the Government speaks again on this debate, it will have the effect of closing the debate.

**Hon. Mr. Haig:** Honourable senators, I think I should give a few facts which might help my honourable friends, particularly the two gentlemen who have just spoken, to better understand the situation.

The honourable Chairman of the Committee on Finance (Hon. Mr. Hawkins) said some time ago that he was quite prepared to call the Finance Committee together and have it make certain examinations. Now, I must bear my share of the responsibility for the decision not to convene that committee. I pointed out to my honourable friend that the session would likely be short, perhaps not lasting more than two months, and that it might end before the committee could start to work. As I reminded him, the Finance Committee

usually goes into these matters in great detail; it calls before it officials and accountants to give all available facts. I presume its treatment of the housing account would not be different from that of others. I further pointed out to the Chairman that I would not be able to promise him any support by way of time from our group, but that he was free to call the committee together if he wished to.

Honourable senators, I give you that background in order that you may know the true picture, and I take my share of the blame for not having the Finance Committee convened. As you can see, it would have been absolutely impossible to have the accounts gone into in the same way as the House of Commons does it; indeed, that is a job of great magnitude in that house.

Let me point out that this housing account was going up all the time under the old Government. It was going up a year ago, and it has been going up ever since. However, at the same time, the number of houses being built was falling off, not through any action by the Government, but rather because not as many houses were being sold as formerly. Purchasers were unable to put up the cash payment necessary to buy them.

Now, Mr. Speaker, I do not suppose you will allow me to refer to what went on in the other house in this respect?

**Hon. Mr. Macdonald:** No.

**Hon. Mr. Haig:** I would like to say a few words about it, but I am not allowed to.

**Hon. Mr. Macdonald:** No.

**Hon. Mr. Haig:** It was not the Liberal party that held up the bill in the other place.

**Hon. Mr. Macdonald:** That should not be said, but it is of course true.

**Hon. Mr. Brunt:** "We love ourselves".

**Hon. Mr. Haig:** We all know what party it was. Anyway, that is the situation we are faced with in this country. We have done our best to fight it through over there under certain opposition. We have been trying desperately hard to get the bill over here, and I must now ask the house to support my motion for second reading this afternoon. I do not think I am being arbitrary in asking honourable senators to do that. I honestly think that this bill is for the assistance of the little fellow, as my honourable friend from Mille Isles (Hon. Mr. Monette) mentioned. And this is one time in the year when we ought to think of the little fellow, and realize that he likes to have a home as well as anybody.

Let me tell you a story: I may have told it before, but, if so, let me tell it again. In 1914

I canvassed in Weston, that portion of Winnipeg where there lived a lot of English, Irish and Scottish people who worked for the Canadian Pacific Railway. I was a young man then, and I had the idea that my own children were the only ones who met their father at the door when he returned home from work and who thought he was the best father in the world. But I soon found out, when I went to this area at 5 o'clock in the afternoon, that the children of those working men met their fathers at the door, just as mine did, and each of them thought their father was the best one in the world.

It was then I realized for the first time that the men and women who lived in that area, on relatively small incomes, had as much right to a home for their children as the rest of us had. Now my boys and girls are married and are able to look after themselves. But many young people come to my office trying to get loans to enable them to make a down payment on a home. I have seen them borrow on a second mortgage at as high a rate of interest as 24 per cent a year, which is allowed under the law.

Let me say quite candidly, honourable senators, the Government is unanimous in its desire to have this bill passed at this time. My honourable friend from De Lorimier (Hon. Mr. Vien) may be right in his insinuation that it is to help the unemployment situation. Whether that is true or not, this legislation is for the purpose of helping the little fellow, who has as much right to a home as anybody else.

The Leader of the Opposition (Hon. Mr. Macdonald) was very fair in his remarks. He feels that we are rushing him a little too fast. I understand his position. I was Leader of the Opposition for 12 years, and I thought my term in that office would never end.

**Hon. Mr. Macdonald:** I do not think that.

**Hon. Mr. Haig:** You never can tell. As I say, I sat in the seat my friend occupies for 12 years, and I know what it means—it goes on and on, and seems never to end. But then the worm turns, and it ends.

As I say, we want this bill, and we want it very badly. The contractors are pressing us for this legislation; they tell us they can sell houses as soon as they are able to build them, and they can only build them under this new arrangement with respect to the cash payment. That is the real crux of the argument. I am not afraid of the expenditure of \$400 million. That may be all gone, and if it goes, it goes. What concerns me is our ability to provide accommodation for people who are unable to get it under the present act. So, I appeal to my colleagues in this house, for goodness' sake, to put the

bill through and let the Government carry it out. You will know between now and whenever the next election takes place, be it one, two or three years from now, whether or not the thing is a success. If it is not a success, the Government will pay the penalty. The people will remember, and they will make us pay the penalty if we were wrong. So you do not need to worry about that.

I cannot see how a study of housing can be made without an exhaustive examination. In order to make such an investigation we would have to go into the valuation of buildings all over Canada. I know something about the mortgage business. There is no way you can get the whole picture other than by close examination. Suppose, for instance, 500 houses were built in Winnipeg. You cannot tell whether loans against those houses are good investments or not. The answer to that depends on the valuation of the house and the condition of the districts in which they were built.

For those reasons, I would press the house very kindly to give us consideration and pass the bill on second reading now.

The motion was agreed to, and the bill was read the second time.

#### THIRD READING

**The Hon. the Speaker:** Honourable gentlemen, when shall this bill be read the third time?

**Hon. Mr. Haig:** I move third reading now.

**Hon. Thomas Vien:** Honourable senators, this bill is too important to be read a third time at this sitting. I suggest that it be referred to one of our standing committees.

**The Hon. the Speaker:** Honourable senators, the question is on the motion for third reading of this bill. Is it your pleasure to adopt the motion?

**Hon. Mr. Macdonald:** Is the honourable senator from De Lorimier (Hon. Mr. Vien) through with his remarks?

**Hon. Mr. Vien:** Yes.

**Hon. Mr. Macdonald:** Honourable senators, I agree with what has been said by the two honourable senators who spoke from this side as to the importance of this bill and the inadvisability of passing it without a thorough examination. I say without hesitancy that if this were not the second last day of the sitting before the Christmas holidays I would vote against the motion for third reading of the bill today. I cannot see any point in passing the bill today. Am I right that royal assent will be given to bills tomorrow?

**Hon. Mr. Haig:** Royal assent will be given tomorrow to all the bills that have been passed by that time.

**Hon. Mr. Macdonald:** Why can we not give this bill third reading tomorrow?

**Hon. Mr. Haig:** Tomorrow I may be held up in the same way as I am today. I might as well take a licking now as later.

**Hon. Mr. Macdonald:** I am not going to quibble about that, but I do say that if the bill is held up it will delay construction of buildings under its provisions until January 8 or 9, or probably the 10th. I think we should try to avoid that if at all possible.

**Hon. Mr. Lambert:** May I ask the honourable senator a question? I did not hear the earlier remarks of the Leader of the Government (Hon. Mr. Haig), and I am unaware whether or not the operations of the Central Mortgage and Housing Corporation will be brought to a dead stop if this bill does not go through now. Are there no funds at all available for its operations? Two previous payments of \$150 million were made to enable it to go on with additional housing. Am I to understand that all that is used up and that no further operations can take place until this bill becomes law?

**Hon. Mr. Haig:** It is not all used up, but it is all contracted for. The corporation can say, "Go ahead with those ten or twenty houses", but it has not got the money to pay the contractors when the payments become due. I think there is quite a bit of money left, but it is all contracted for except for a small amount. What I mean to say is the corporation has already promised to finance so many houses and there is money available for that construction work, but it has not the money available for the financing of additional houses.

**Hon. Mr. Bouffard:** In other words, it cannot make new commitments?

**Hon. Mr. Haig:** That is right.

**Hon. Mr. Macdonald:** Honourable senators, I think I can answer the question. My understanding of the position of the fund at the present time is that, as the Leader of the Government has said, practically all of the money has either been used and disposed of or else contracted for.

Besides that, honourable senators, I understand that the trust companies and banks have also advanced as much money as they deem it advisable to advance at the present time for house building. In other words, I think the funds from these institutions have dried up.

**Hon. Mr. Bouffard:** That is right.

**Hon. Mr. Macdonald:** Some honourable senators are better informed on this question than I am. The honourable senator from Grandville (Hon. Mr. Bouffard), who is extremely well informed on that subject, agrees with what I said. So the position we now find ourselves in, so far as housing is concerned, is that the funds that were provided by the act as it stands at present have been used, or provision has been made for distribution of them, and the funds that the banks and trust companies have set aside for house building have been disposed of, and at the moment there are no funds on hand for future building under the National Housing Act.

**Hon. Mr. Haig:** Honourable senators, I may say that I have no information as to the loaning companies, but I doubt very much that they have money available. However, the Government is terribly anxious to get the low-income people into the house-buying business.

**Hon. Mr. Macdonald:** Well, that is the position of mortgage money in Canada today. I think it would be most regrettable if the people who need houses, and the builders who can give employment, should be deprived of the privilege of getting houses and of giving employment by reason of our holding up this bill until January 7 or 10.

I do not like the conditions under which this bill has been brought here. I think the Finance Committee could probably go into this question after the New Year. The urgency which has been impressed on us for the passage of this bill prompts me to say that I hope we will never have to face another situation like it. But in spite of that, I am going to vote for the third reading of the bill.

**Hon. Jean-François Pouliot:** Honourable senators, before this bill is read the third time I wish to draw your attention and that of His Honour the Speaker to Rule 63, which is to the effect that no bill shall be read twice the same day except by unanimous consent.

**Hon. Mr. Macdonald:** I do not like to interrupt, but I would point out that a few weeks ago rule 63 and certain other rules relating to public bills were suspended for the balance of the session.

**Hon. Mr. Pouliot:** As the honourable senator says, this is one of the rules that were suspended some time ago for the balance of the session.

Now, I find it unfortunate that the Government waited such a long time before introducing this bill in the House of Commons that it reaches us in the Senate at almost the last minute before the holiday season. While

most honourable senators are willing to be broadminded with regard to observance of the rules of the house, I for one never thought that housing legislation would spring up at the last moment and in such an atmosphere that it is very difficult to have any more information before voting on it. My idea of the fulfilment of our parliamentary duty is that any honourable senator is entitled to all the information for which he asks, pertinent to legislation which is before this house. I will make no more criticism of the action of which I have complained, but I hope that in future the Government will see to it that the Senate enjoys better consideration with regard to legislation.

I join with the honourable senator from De Lorimier (Hon. Mr. Vien) in complimenting the honourable Leader of the Government on his approach to his colleagues with regard to this legislation. We know that it is now impossible to discuss every angle of it, but on the other hand we expect that in future the Government will correct this situation, otherwise its legislation will be opposed, and there will no longer be any unanimity. When I say that there will be no unanimity, I speak of myself alone, and, perhaps, for others who share my views, with regard to rushing legislation through this house. It brings discredit to the Senate. In the House of Commons they say, "We will pass legislation, the Senate will swallow it; we will pass legislation, the Senate will vote for it with closed eyes. No use to give them information." Many times have I stressed the importance of the Finance Committee, which is composed of colleagues of high standing, men who have done very well in the past, in considering the estimates which were submitted to their attention. They have done their work very well. Now, there are the contractors, who are in a sad case; there are the banks, which do not supply any more money; there are the insurance companies, which have gone the limit; but the Senate must go right along and say, "Amen, amen; it is very good, we will agree to that."

The honourable the Leader of the Government in the Senate (Hon. Mr. Haig) and all other honourable senators must realize that this is pure nonsense. I do not want to cause any handicap to the building trade nor to those who are constructing houses for themselves; but now my Christmas spirit is nearly exhausted and I hope the Government will heed my very strong protest, and that the honourable Leader of the Government will tell his colleagues of the cabinet at its next sitting that one senator and perhaps more senators do not like their manner of dealing with the Senate.

I have done my best since I have been here to boost the Senate, to show what it can accomplish for Parliament. In many ways the Senate is ahead of the House of Commons: it is an institution of progress. But we shall not serve the cause of progress too well by dealing hastily with legislation; we must take our time, study it with care, give thought to it, in order to improve it by a common study of each problem which is confronting us. Therefore, I serve warning to the Government that after Christmas I shall be no longer, perhaps, in a Christmas spirit to deal with legislation.

**Hon. Mr. Vien:** In amendment, I move, seconded by the Honourable Senator Lambert:

That this bill be not now read the third time, but that it be referred to the Standing Committee on Banking and Commerce for further study.

**Hon. Charles B. Howard:** Honourable senators, if this were new legislation I would agree with what has been said on this side of the house. But, as my leader (Hon. Mr. Macdonald) has said, this is not new legislation; that is, it relates to an act which has been amended several times. The present amendment goes part of the way to satisfy my wishes in this respect, but I hope that it will be still further improved either by this Government or by a new Government in the future.

Some years ago, when I was much younger than I am now, I thought that in order to prevent communism, which at that time was in its infancy, from getting a hold on this country, the best step a Government or anyone else could take would be to provide homes for Canadians who did not have sufficient money to build homes of their own. At that time, long before legislation of this type was introduced, I made a speech for which I was severely criticized by certain private interests who did not accept my ideas. However, I have watched the steady progress of legislation of this order, and I think the best thing we can do today is to pass the bill. I object to the amendment and intend to vote against it.

There are certain conditions which attach to the provision of housing. When I built 50 houses in my home town, at my own expense, with money from a trust company which operated at that time in Sherbrooke, certain rules and qualifications had to be observed. These rules have been developed by the National Housing authority and brought up to a very fine point. I am sure that everyone in this house compliments Central Mortgage and Housing Corporation for the job it has done in providing or making available the necessary funds for the purchase of homes by people who otherwise could

not afford them. Let us not forget that these people have as much right in this country as we have. Possibly some of them are more interested in this country than we are, for they have no vested interest, which sometimes makes one's judgment biased.

In my earlier days the first question asked of a man who wanted to build his own home was how long he had been in his present employment. If he had been in his employment for five years he was then eligible to be granted a loan. He put up no portion of the money required; he merely picked from a magazine the design of a house he wanted to build, let the contract to a contractor, and through a trust company the money was furnished to enable him to own a home. Every one of the homes in that project have been paid for, and people are living in them. I think this development has not only benefited Sherbrooke and the community in general, but also that the whole moral situation of our time has been benefited. As time progressed the Government then in office moved forward and amended the housing legislation, and I am happy that it is going to be amended again.

Honourable senators, the one thing I find fault with today is the architecture or exterior design of some homes which, although the interiors provide the necessary accommodation for the occupants, often detracts very much from the beauty of our cities and countryside.

**Hon. Mr. Macdonald:** Hear, hear.

**Hon. Mr. Howard:** I hope that some day we shall be able to get legislation to improve the appearance of homes in order that our cities and suburbs will take on the pleasant aspect they once had.

Honourable senators, I can see no reason for even attempting to delay legislation which is in the interest of not only the common people but of every person in Canada. Eventually, we shall have a larger population in Canada, and we shall have to reduce the amount required to buy homes in order to provide more and better housing at a lower price for certain income classes.

Honourable senators, I could say a good deal more, but I am not going to do so at this time. I hope this bill will be passed immediately.

**Hon. Vincent Dupuis:** Honourable senators, I just want to add a few words about this important question. First, let me say I do not want honourable senators to be mistaken in thinking that because I am seated on the Government side of the chamber I always share the views of the present Government. I just happen to be on this side, no doubt

owing to the fact that our good friends were too long on the other side. Anyway, I am satisfied to be in good company.

In principle, honourable members of this house should be above questions of petty partisanship, and we should be regarded as the elders, as were the wise men of the nation in the times of the ancient Hebrews. We should prove that we deserve to be so called by our wisdom and by our better judgment.

Having said that, honourable senators, may I tell you that I share the views of the honourable senator from Sherbrooke (Hon. Mr. Howard). I understand that those honourable senators who wish to give further study to the bill do so on the principle of responsible government; they want to know more about it—as the saying is, they want to know how and why. They cannot be blamed for that, for that is in accordance with the principle of responsible Government as I see it. On the other hand, we have dealt with quite a number of bills without being able to study them fully, and therefore the principle I have referred to has been infringed upon many times by the present Government during the present session. After all, the distinguished Leader of the Senate (Hon. Mr. Haig) is a member of the present Government, and it will have to render an account of its attitude so far as the principles of responsible government are concerned. Since we have already swallowed—if I may use that expression—other legislation without being able to obtain complete details to justify our attitude in passing it, I cannot see why the bill now before us should not be allowed to pass.

As was pointed out by the honourable Leader of the Senate and also my good friend and compatriot from Mille Isles (Hon. Mr. Monette), many citizens who availed themselves of this legislation began to build houses and did not have enough money to finish them; they had to borrow money at a very high rate of interest. In one instance, of which I know personally, a friend of mine was unable to finish his little home because he did not have enough money. In principle I think the law is good which enables such people to build or purchase new homes for themselves with less difficulty than they have encountered in the past. As my good friend from De la Durantaye (Hon. Mr. Pouliot) said in the other house some years ago, "Let our friends who intend to build now have a little gift from Santa Claus"—who is now represented by the present Government in cooperation with Her Majesty's loyal Opposition in this house.

**Hon. Arthur W. Roebuck:** Honourable senators, I would like to join with my friend from De Lorimier (Hon. Mr. Vien) in the very generous remarks he has made about the present Government. He said he did not accuse the present Government of being responsible for the unemployment, the business slump, the stagnation, the recession in which we find ourselves.

I would like to be as generous as the senator from De Lorimier, but I find myself unable to do so. At the present moment we are talking about a matter of money for the carrying on of the house-building industry in this country. I very well recollect the statements made by the then Opposition members prior to the last election, about the money that was coming from the United States to Canada, a situation which seemed to be highly regretted by these gentlemen. They were afraid the United States was going to buy Canada and carry it off in its vest pocket. Responsible representatives of the party now in power made many statements highly discouraging to people across the line who proposed to invest money in Canada.

As we know, honourable senators, money is a very shy commodity. It takes fright very easily. People do not invest where they are not wanted, and they do not enter into business where they are not welcome. It is the easiest thing in the world to stop money coming into this country by just expressing disagreement with the fact that it is coming in and allowing those who are responsible for its coming in to imagine that the action is detrimental to their interests. Not only were funds from across the line deliberately dried up by the oratory of our friends across the aisle, but in addition to that, and supplementary to it, those gentlemen who addressed audiences from one end of Canada to the other talked about destroying trade with the United States and carrying it to Great Britain—

**Hon. Mr. Horner:** Mr. Speaker, I rise on a point of order. What have these remarks to do with the motion before the house? I fail to see wherein they have anything to do with this legislation.

**Hon. Mr. Roebuck:** If my friend would just listen,—

**The Hon. the Speaker:** I would ask the honourable senator from Toronto-Trinity to refrain from debating any other subject than the motion before the house, which is to refer this bill to the Banking Committee.

**Hon. Mr. Roebuck:** Or to pass it today. I submit, Mr. Speaker, that my remarks are directly applicable to the question before the

house. I have said that the statements made by these gentlemen, to carry trade from the United States to Great Britain,—

**The Hon. the Speaker:** I have ruled against any statement being made that has not strictly to do with the motion before the house.

**Hon. Mr. Roebuck:** But it has strictly to do with it.

**The Hon. the Speaker:** I have ruled against the honourable gentleman on that point.

**Hon. Mr. Roebuck:** Very well, I will not say anything more. If I cannot discuss the question before the house, I shall not trouble the house further. But I do say, honourable senators, that I do not discharge the Government from responsibility for the drying up of money from the United States, which I was proposing to elaborate on, but on which I have been ruled out of order by His Honour the Speaker.

That being so, I would like to join with my two friends in their suggestion that there should be further examination of this bill. It strikes me, however, that whatever criticism I may direct to the Government along the line I was proposing to follow, or on the manner in which it has brought this bill before the house, the persons who might benefit by the legislation have had nothing to do with the things we would criticize. For my part, I am more concerned about getting this bill passed than I am even with getting information to which we are entitled.

I know enough about the nature of this legislation to approve of it, so I intend to vote for its passage. I thoroughly appreciate the reasons for it; I also appreciate the desirability of gaining further information, and of taking the time and effort that is necessary with respect to bills which involve the expenditures of millions of dollars. I thoroughly appreciate all that. But particularly do I appreciate what was said by the honourable senator from Sherbrooke (Hon. Mr. Howard) about the benefit that can be conferred upon what the Leader of the Government has called the little man, in giving him a home for himself and his family. So, honourable senators, I am going to vote for the immediate passage of this bill.

**Hon. Mr. Vien:** Honourable senators,—

**The Hon. the Speaker:** Honourable senators, if the Honourable Senator Vien speaks again it will have the effect of closing the debate on the motion before the house.

**Hon. Mr. Vien:** I must say that my motion now before the house is not on the merits of the bill, but only on the procedure to be followed. I suggest that instead of the bill

being given third reading today, it be referred to the Standing Committee on Banking and Commerce, so that we might be able to study thoroughly a proposal which involves the expenditure of \$400 million of the Canadian taxpayers' money.

I believe that the dignity and function of the Senate require us to go into these matters involving huge expenditures a little more carefully than might be necessary in other matters. I therefore say to those honourable gentlemen who have spoken of the urgency of passage of the bill that the Christmas recess will not affect the situation which this legislation proposes to remedy. This bill involves a principle that was adopted by Canada some years ago. I am entirely in favour of the underlying principle; and therefore, I am also in favour of the principle behind the amendment which would extend the facilities of the act along the line suggested. At the same time, I think we are entitled to have further information. As I say, I feel the dignity of the Senate calls for it. I do not think the apprehension of my honourable friend who would, in effect, have the bill steam-rolled through the Senate before Christmas, is altogether justified.

Our duty as senators and as members of Parliament is to examine and study details of legislation of this type. We should not commit the taxpayers of Canada to pay \$400 million without adequate study, even though the principle behind the legislation may already be on our statute books. We should at least study the details before us and call upon the officers who are going to administer the act to give us some assurance that the taxpayers of Canada will be protected. I do not believe that to refer the bill to committee would prevent the contractors or home-builders of Canada from getting the relief we are all in favour of granting them by this bill.

**Hon. Mr. Haig:** Honourable senators—

**The Hon. the Speaker:** Order! The debate is closed.

Honourable senators, in amendment to the original motion for third reading of this bill it is moved by the Honourable Senator Vien, seconded by the Honourable Senator Lambert, that this bill be referred to the Standing Committee on Banking and Commerce. Is it your pleasure to adopt the motion?

**Hon. Mr. Horner:** No.

**The Hon. the Speaker:** Those against the motion will stand and say, "Non-content". Those in favour will stand and say, "Content".

**Hon. Mr. Macdonald:** The members are not all here.

**The Hon. the Speaker:** Those in favour will stand.

**Hon. Mr. Macdonald:** On a point of order, Mr. Speaker. It is my understanding that always before votes are taken the members are called in.

**Hon. Mr. Roebuck:** Nobody has asked that the members be called in in this instance.

**The Hon. the Speaker:** I understand the members are called in when two members stand up and request it.

**Hon. Mr. Macdonald:** This is not a vote then.

**An Hon. Senator:** A vote by voice.

**The Hon. the Speaker:** Those in favour of the amendment will say "Content".

**Some Hon. Senators:** Content.

**The Hon. the Speaker:** Those opposed will say "Non-content".

**Some Hon. Senators:** Non-content.

**The Hon. the Speaker:** I declare the amendment rejected.

—And more than two senators having stood, the senators were called in.

**The Hon. the Speaker:** It is moved by the Honourable Senator Haig, seconded by the Honourable Senator Horner, that this bill be now read the third time.

In amendment it is moved by the Honourable Senator Vien, seconded by the Honourable Senator Lambert, that the bill be now read the third time, but that it be referred to the Standing Committee on Banking and Commerce.

The amendment of Hon. Mr. Vien was negatived on the following division:

CONTENTS

Honourable Senators

Connolly (Ottawa West),	Power,
Lambert,	Stambaugh,
Pouliot,	Vien,
	Wilson—7.

NON-CONTENTS

Honourable Senators

Blais,	Macdonald,
Bouffard,	MacKinnon,
Bradette,	Méthot,
Brunt,	Monette,
Dupuis,	Pearson,
Farquhar,	Robertson,
Fergusson,	Roebuck,
Golding,	Taylor (Norfolk),
Haig,	Tremblay,
Horner,	White—21.
Lefrançois,	

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Haig, seconded by the Honourable Senator Horner, that this bill be now read the third time. Is it your pleasure to adopt the motion?

**Hon. Mr. Vien:** On division.

The motion was agreed to, and the bill was read the third time, and passed, on division.

### CANADIAN NATIONAL RAILWAY COMPANY BILL

#### CONSTRUCTION AND PURCHASE OF LINES IN MANITOBA—FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill 196, respecting the construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and the purchase by Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba.

The bill was read the first time.

#### SECOND READING

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

**Hon. Arthur M. Pearson:** Honourable senators I move, seconded by the Honourable Senator Brunt, that the bill be read the second time now.

**Hon. Mr. Roebuck:** Has the bill been distributed?

**Hon. Mr. Pearson:** Honourable senators, this is the first time I have spoken in this chamber. I should like first to congratulate the Honourable the Speaker upon his appointment to his high office, and especially upon his appointment in this historic year, in which we saw the opening of Parliament in Ottawa by Her Majesty the Queen. The hour is late, and I do not want to delay the Senate too long.

**Hon. Mr. Macdonald:** Before the honourable senator from Lumsden (Hon. Mr. Pearson) proceeds, may I ask the honourable Leader of the Government (Hon. Mr. Haig) if copies of the bill have been distributed? I do not happen to have a copy.

**Hon. Mr. Pearson:** The purpose of this bill is to authorize the Canadian National Railway Company to construct and to purchase lines of railway in the province of Manitoba, and to authorize the guarantee by Her Majesty in right of Canada of the principal and interest on securities issued by the railway company to finance the construction and purchase.

Branch Line Number 1 is a line to be constructed by the Canadian National Railway Company, which runs west from Chisel Lake 52 miles to Optic Lake, on the Lynn Lake

line. The reason that this line is to go west, instead of south to the Hudson Bay, which is only about 30 miles away, is that freight rates by the Hudson Bay railway would have been higher. To build the line to the Hudson Bay railway would have meant a longer way around to get to Flin Flon. The cost of the construction of the railroad is estimated at \$8,840,000, which is roughly about \$180,000 a mile.

**Hon. Mr. Pouliot:** Honourable senators, I do not want to interrupt the honourable gentleman, but this bill is not on my file. This is the limit—to sponsor a bill which we have not seen. In the House of Commons there is a regulation to the effect that the bill in both languages shall be tabled before the house may proceed with second reading. Often I have succeeded in having consideration of a bill postponed because it has not been tabled in the French language; but here we have nothing at all. I submit that we cannot proceed to consider this bill until each senator has had a copy of it. The least that can be done is to provide copies. That is not the fault of the honourable gentleman who is introducing the bill, but I suggest that he suspend his argument and that the debate be adjourned until we have had an opportunity to read the bill.

**The Hon. the Speaker:** The point is well taken. We will postpone the discussion on this bill until copies have been distributed to honourable members.

**Hon. Mr. Roebuck:** Perhaps the discussion could be adjourned until later this day, when other items on the Order Paper have been dealt with. We could then revert to it if copies were available.

**Hon. Mr. Macdonald:** The bill has now been distributed. This is the first time I have seen it, and apparently, from what honourable senators have said, the first time they have seen it. I suggest that the honourable senator from Lumsden could, if he wished to, make his explanations now, and then, if the debate were adjourned until tomorrow, there would be time for us to study the bill.

**Hon. Mr. Haig:** You suggest that we proceed tomorrow morning?

**Hon. Mr. Macdonald:** My suggestion is that the honourable member who has introduced the bill should adjourn the debate until tomorrow. I would certainly not be a party to giving this bill second reading today without having seen it.

**Hon. Mr. Pearson:** I will accept that suggestion, honourable senator.

**Hon. Mr. Pouliot:** Honourable senators, I rise on a question of privilege on the second

reading of this bill. I protest. It seems to me I should have time to read it before discussing it. By looking at the title of the bill I do not know what is inside. I want to read it before expressing an opinion on it.

**The Hon. the Speaker:** Honourable senators, it has been suggested that the introduction of the bill be proceeded with, but that further debate be adjourned until tomorrow.

**Hon. Mr. Haig:** Is that agreeable to my honourable friend?

**Hon. Mr. Pouliot:** Yes, surely.

**Hon. Mr. Haig:** All right.

**Hon. Mr. Pouliot:** I am in a conciliatory mood today.

**Hon. Mr. Pearson:** Honourable senators, I must have been one of the privileged ones to receive a copy of this bill. I have figures marked on it which I made a week ago. I cannot understand, therefore, why the bill was not distributed. If I may, I will proceed with the explanation of the bill.

This bill authorizes the Canadian National Railway Company to construct a line from Optic Lake on the Lynn lake line to Chisel Lake, both in the province of Manitoba, a distance of approximately 52 miles, at an estimated cost of \$8,840,000. It is estimated that there are 3,500,000 tons of ore to be mined in that area. The company which would benefit from this line is the Hudson Bay Mining and Smelting Company, which undertakes to carry over this line 350,000 tons of ore per year for a period of ten years. On the other hand, if they put in proper machinery, or a mill, at Chisel lake, they will carry 70,000 tons of concentrate at a higher freight rate, which will work out at approximately the same revenue for the railway company.

A shorter line of approximately 30 miles is also proposed to be purchased by the Canadian National Railway Company from the International Nickel Company of Canada, Limited, running north from Sipiwesk to a point near Mystery Lake, at an estimated cost of \$5,400,000, or \$180,000 a mile. The reason for the high cost of that particular line is that owing to the development which the International Nickel Company wanted to make this year, it could not wait for the railway company to build the line, so they built it themselves; and because they were in a hurry it cost them a great deal more per mile than it would if the line had been built in the ordinary time.

Of course, there is a certain amount of other building along the line that the railway company acquired. The Mystery Lake branch will serve a large nickel deposit in that area

which the International Nickel Company are in the process of mining. They are putting in a processing plant at Thompson consisting of a mill, a smelter and a refinery. In addition, they are building a townsite for a population of 8,000 people. There will be considerable freight in and out over this line. Apparently concentrate is being shipped out at this time.

The other line running west to be built by the railway company will largely be for ore that is being shipped out. There will be very little in freight. Section 4 of the bill states that the railway company is authorized to purchase from the International Nickel Company, at a price not exceeding \$5,400,000, the railway branch line Number 2.

Section 6 of the bill reads as follows:

When ownership of Branch Line Number 2 is transferred to the Railway Company by the Nickel Company, the Railway Company may, subject to the approval of the Board of Transport Commissioners for Canada, operate the railway line as a part of the Railway Company's lines of railway in Canada.

Honourable senators, I think that is a sufficient explanation of this bill.

**Hon. Mr. Roebuck:** Has the honourable senator a map of the district showing the railway?

**Hon. Mr. Pearson:** Yes.

**Hon. Mr. Roebuck:** Perhaps it could be laid on the table so that it can be examined.

**Hon. Mr. Pearson:** Certainly.

**Hon. Mr. Power:** Does any rolling stock go with this railway?

**Hon. Mr. Pearson:** No, I do not think so.

**Hon. Mr. Power:** It is purely for a right of way, then?

**Hon. Mr. Pearson:** To take over the right of way, and I believe the railway company is running the rolling stock on it now.

**Hon. Mr. Power:** Is that part of the purchase?

**Hon. Mr. Pearson:** No, that is not part of the purchase.

**Hon. Mr. Power:** Then may I ask whose rolling stock is on the line?

**Hon. Mr. Pearson:** That will be the railway company's.

**Hon. Mr. Power:** The Canadian National?

**Hon. Mr. Pearson:** Yes.

**Hon. Mr. Connolly (Ottawa West):** Any railway, probably.

**Hon. Mr. Haig:** May I speak as a private member for the province of Manitoba?

**Hon. Mr. Macdonald:** No.

**Hon. Mr. Power:** You are too important for that.

**Hon. Mr. Macdonald:** Before the honourable gentleman speaks, may I ask him if there is any objection to sending this bill to a committee?

**Hon. Mr. Haig:** It is not really necessary—there is nothing to it. As a private member for Manitoba, I would like to say something, for once in my life, for my own province.

This road runs into the Hudson Bay railroad about half way between Churchill and The Pas, and it runs down to the Nelson River, where one of the largest power sites in Canada is being developed by the provincial Government of Manitoba. About half of the electricity will be sold to the International Nickel Company, and the balance will be sold to other industries going in there. For instance, a pulpwood industry is establishing itself there, and ultimately the power site will be developed further to bring the power into Winnipeg. It is about 400 miles straight north of Winnipeg. The benefit to Canada is that this Hudson Bay railroad, which is operated by the provincial Government, will get all the business that comes out of the area. We expect a population in the area of some 8,000, and with the power development—perhaps we are a bit optimistic—the number will grow much larger. There will be considerable business for the Government-owned railroad, which will be operated by the Canadian National system, although there is plenty of room for other railroads to come in if they want to.

We feel this is one of the best developments Manitoba has had for many years. We are very proud and happy that the International Nickel Company took over this undertaking in Manitoba. The railway part of the venture is of course not being carried out for our benefit. The Government of the day got the nickel company to promise that it would help them try to sell the idea for the building of the railroad, which could be operated only by the Canadian National Railways. I may say that the Canadian Pacific Railway has a line about 300 miles from this point, and that is the closest line.

We in Manitoba are very anxious that this development proceed. You will pardon the interruption, but this is the voice of Manitoba speaking.

**Hon. Mr. Macdonald:** Honourable senators, I thought when the Leader of the Government rose to speak he was going to move that this bill be sent to a committee. There does not seem to be any urgency about it.

**Hon. Mr. Haig:** I do not think there is.

**Hon. Mr. Macdonald:** It occurs to me that we could give the bill second reading today, and refer it to a committee to meet tomorrow morning at 10 o'clock.

**Hon. Mr. Haig:** Agreed.

**Hon. Norman P. Lambert:** Honourable senators, my understanding was that the bill would be presented this afternoon, and the debate on it would be adjourned until tomorrow. However, it would, I am sure, be to the advantage of all of us if the bill could be given the second reading now and be referred to a committee to meet tomorrow morning.

I agree heartily with everything the honourable Leader of the Government has said about the very promising prospects of this mining area which will offer not only to Manitoba, but to the western country and to Canada as a whole, a great opportunity for development.

I was fortunate in knowing quite intimately the member from Churchill (Mr. Weaver) who sat in the last Parliament. He was directly connected with the Hudson Bay Mining Corporation for many years, and was an expert mining chemist and engineer; he outlined to me this wonderful prospect of the development of a nickel deposit in that area. Such was his enthusiasm that he said he believed it would outrival the old Froid mine which was the base of such long term operation at Sudbury.

So, honourable senators, there is no disposition on anybody's part to prevent the extension of facilities for the development of this area as quickly as possible. I am sure it would be very enlightening to honourable senators if the committee room could be supplied with a good-sized map of the area concerned, in order that everyone might get a clear picture of the location of this new mining project.

I favour the bill being given second reading at this time and being referred to the Standing Committee on Transport and Communications for consideration tomorrow.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

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

**Hon. Mr. Pearson:** Honourable senators, I move that the bill be referred to the Standing Committee on Transport and Communications.

**Hon. Mr. Haig:** May I just point out that it is doubtful that the bill can be reported back from committee tomorrow. The

officials of the Canadian National Railways would have to be there and give their views. I do not object to this, but I think it should be known that the bill might not pass tomorrow. I am only worried about one thing. In that respect may I suggest to honourable senators that if the officials come tomorrow and tell us the situation is as we have presented it, it would not be unfair for me to ask that the bill be passed tomorrow? I will leave it in your hands, subject to what is said by the officials of the Canadian National Railways.

**Hon. Mr. Power:** We certainly cannot enter into that kind of bargain in advance. I am quite willing to meet my honourable friend at any reasonable point, but I do not want to bind myself in advance on any such deal. If the railway officials confirm the information as we have it, and I accept that, I shall be quite willing to vote for the bill; in fact, I think now that the bill should be passed, but I am not going to guarantee its passage in advance.

On motion of Hon. Mr. Pearson, the bill was referred to the Standing Committee on Transport and Communications.

## HAMILTON HARBOUR COMMISSIONERS BILL

### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill 197, respecting the Hamilton Harbour Commissioners.

The bill was read the first time.

### SECOND READING

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

**Hon. William R. Brunt:** Honourable senators, I move the second reading of the bill.

In presenting this bill I shall take a few minutes to make a brief statement about it, and then go over it clause by clause.

Under this bill the Government seeks the right to make a loan of \$4 million to the Hamilton Harbour Commissioners in order to permit the Commissioners to participate in an \$8 million development program in connection with their harbour and shipping facilities, with the hope that this program will be completed by 1960.

I may state that the shipping to and from the Hamilton harbour, both foreign and domestic, has steadily increased over recent years. We now find that industries which are established in Hamilton have definite plans to expand. We also find that other

industries are proposing to move to Hamilton; and recently the Hydro-Electric Power Commission for the province of Ontario made an announcement that it proposed to construct a large steam generating plant in Hamilton, which of course will materially increase the rate of water-borne traffic to that city.

As every honourable senator knows, the completion of the St. Lawrence Seaway will greatly contribute to the increased traffic into this particular harbour.

If the bill passes and the loan to the commissioners is made, they propose to spend the money as follows: The first undertaking they have in mind is to construct a new transit shed at the Wellington Street terminal of the Hamilton harbour. They hope to do this work during the year 1958. Then, in 1959, they propose to build a new terminal slip at Ship Street. It is felt that this slip is necessary in order to provide increased facilities for the harbour at Hamilton. This work, just to reiterate, they propose to do in 1959. Then, in 1960, they wish to construct another slip at Strathmere Street. The construction of this slip will also further increase the facilities of the harbour in Hamilton.

The Hamilton Street transit shed will cost in the neighbourhood of \$1 million, and each of the slips which they propose to construct will cost in the neighbourhood of \$3 million, making a total of \$7 million. I think that a cushion of \$1 million was put in the original estimate; that is, an estimated total expenditure of \$8 million was provided. The cushion of \$1 million will cover any increase of cost which may be incurred over and above the original estimates that have been made.

Further, the commissioners are to pay one-half of the estimated cost of this \$8 million program, and the Department of Public Works is to pay the other half.

In addition to this \$8 million expenditure which is contemplated, the Department of Public Works intends to carry out a large dredging program costing approximately \$1 million, which program is necessary in order to have the slip at Strathmere Street operate in an efficient manner.

At the present time it had been suggested that a loan bearing interest at the rate of 4½ per cent per annum be made, the term of the loan to be for 40 years. On this basis the annual financing charge for the Wellington Street transit shed will be approximately \$50,000, and the annual charge for each of the slips which I have mentioned previously will be approximately \$75,000 each, making a total annual charge of \$200,000. In other words, the commissioners of the Hamilton Harbour will be required to repay this loan at the rate of \$200,000 annually and it will

be entirely liquidated, together with all of the accrued interest thereon, at the end of a 40-year period.

**Hon. Mr. Macdonald:** I do not see any reference to that in the bill.

**Hon. Mr. Brunt:** No. This was given to me by way of explanation. I thought the house would be interested in this information.

**Hon. Mr. Macdonald:** We are all very much interested in it, but why is it not in the bill?

**Hon. Mr. Brunt:** If you will leave that I will endeavour to explain it as I go over the clauses of the bill. I thought it would be in the interest of the house to have this information now.

**Hon. Mr. Connolly (Ottawa West):** Will the honourable member permit a question? I think the house is very much interested in an explanation like this. I am sorry, I did not catch what interest rate the honourable gentleman said is likely to be attracted by these bonds. And if I understood him correctly, there is provision for payment into a sinking fund each year. Is that so? Could the honourable senator break down the amounts for payment on interest and payment into the sinking fund?

**Hon. Mr. Brunt:** I can answer the first part of the question: the rate of interest is  $4\frac{1}{2}$  per cent per annum.

**Hon. Mr. Macdonald:** Who decides that?

**Hon. Mr. Brunt:** That will be decided under the act. There is a clause in the act.

**Hon. Mr. Macdonald:** What clause?

**Hon. Mr. Brunt:** Will you leave this until I deal with the different clauses of the bill?

**Hon. Mr. Macdonald:** All right. I suggest the honourable senator deal with it in the way he prefers.

**Hon. Mr. Brunt:** I am sorry, honourable senators, but I have no figures as to how much of the annual payment of \$200,000 will be used to pay interest, and how much to retire the principal amount of the bonds.

**Hon. Mr. Macdonald:** I suppose I can take it that the honourable senator is going to move to have the bill referred to committee?

**Hon. Mr. Brunt:** I do not think there is any doubt that we will have to do so, because there are a number of questions which I cannot answer.

Now, I am advised that all of these projects have been inspected by the Department of Public Works, the Department of Finance and by the Department of Transport; that on-the-spot inspections have been made, and

all departments have given their support to this expansion of the Hamilton Harbour.

The feeling of the Government is that this money is required to be spent in order that the Hamilton Harbour be developed and kept up, with the amount of additional ship traffic that has been going into the harbour and which the commissioners expect will increase as time goes on.

The bill itself has five clauses.

Clause 1 simply states the short title of the act: The Hamilton Harbour Commissioners Act, 1957.

Clause 2 deals with loans to be made to the Hamilton Harbour Commission upon application being made by the commissioners to the Minister of Finance. No loan can be made without the approval of the Governor in Council. The loans are to be made out of the Consolidated Revenue Fund, and, as I interpret this clause, I imagine that a series of loans will be made, since the commissioners will not require the entire amount of \$4 million at one time. There is a ceiling placed upon the amount of money that can be loaned out of the Consolidated Revenue Fund to the commissioners, fixed at \$4 million.

The Government, through the Minister of Transport, will keep a certain amount of control over the work that is being done in the Hamilton Harbour, since under clause 3 of the bill all plans and specifications must be submitted to the Minister of Transport, who will have to approve of them, and also the estimates in connection with the work to be undertaken must be submitted to the Minister of Transport for his approval. No loan can be made to the commissioners of the Hamilton Harbour until the plans, specifications, and the estimates have all been approved by the Minister of Transport.

Clause 4 deals with debentures. Under this clause the commission or, in other words, the corporation as it is called in the act, upon receiving moneys under a loan are compelled to issue and deposit with the Minister of Finance debentures of the corporation equal in par value to the amount of the loan so made. The debentures shall be for such amounts and repayable on such terms and shall bear such rates of interest as the Governor in Council determines. This is the clause under which the rate of interest will be fixed; and the figure of  $4\frac{1}{2}$  per cent, which I took the liberty of giving to this house, is a tentative one which the officials of the Government and the Commissioners of Hamilton Harbour Board feel is a fair rate to pay on the loan.

**Hon. Mr. Connolly (Ottawa West):** At this time?

**Hon. Mr. Brunt:** Yes, at this time. If no moneys are advanced now, and rates of interest come down, I imagine the rate will be adjusted downward; if money gets tighter, interest rates will go up accordingly and the rate will be increased.

The fifth clause is important. How does the Government get repaid? It is provided that the principal and the interest on all loans which are made to the corporation shall be repayable by the corporation to the Government out of tolls, rates, penalties and other sources of revenue which the Commissioners of Hamilton Harbour have, and the Government's claim is a first charge thereon. Thus no other creditor of the Hamilton Harbour Commission can make a prior claim upon the earnings of the commission.

**Hon. Mr. Power:** How much does the Hamilton Harbour Commission owe the Government at the present time? There is some reference here to debentures issued by the corporation "prior to the coming into force of this act". I am assuming that most of these debentures were issued in favour of the Government, though possibly some may be in the hands of the public: I doubt it.

**Hon. Mr. Brunt:** I have here the balance sheet of the Hamilton Harbour Commissioners bearing date the 31st December, 1956. On the liability side is a current bank loan of \$30,000. Then there are certain accounts payable, in the amount of \$3,265. There is a deferred liability, a capital loan repayable to the Bank of Nova Scotia at the rate of \$50,000 per annum, and the amount owing on this loan as of the 31st December, 1956, was \$450,000. The next item relates to the capital accounts, which are purely surplus. The total liabilities of the Hamilton Harbour Commission at December 31, 1956 would be the current bank loan, a deferred bank loan, and certain accounts payable. The total of these amounts is approximately \$483,000.

A point I neglected to cover earlier in my remarks is with respect to the earnings of the corporation and whether it will be able to pay \$200,000 annually to the federal Government. An examination of the financial statement will show that the estimated revenues above expenditures are well in excess of the \$200,000 a year being the amount which is required to pay off the Government loan. A closer examination shows that for the year 1956 the commissioners had an operating profit of approximately \$236,000. However, when one deducts the administrative, office and general expenses, amounting to \$138,000, there is left

a net profit of only \$88,000 a year. At first glance one would think that there would not be sufficient cash available to meet this annual payment; but I note that in the operating expenses are included approximately \$97,000 for depreciation, which is not a cash expenditure. It is not paid out in cash, it is simply a write-off; and there are certain other items which do not involve a cash expenditure, so that the commissioners have over \$200,000 available annually with which to repay the loan.

**Hon. Mr. Power:** I am still a little confused by the words in clause 5:

The principal amount of and any interest on loans made to the corporation under this act shall be repayable by the corporation out of its tolls, rates, penalties and other sources of revenue, and shall rank as a first charge thereon subject to the repayment of debentures issued by the corporation prior to the coming into force of this act.

Does the honourable senator suppose that this refers to the loans of the Bank of Nova Scotia?

**Hon. Mr. Brunt:** If it appeared from the financial statement that these moneys were secured by debentures, I would have an answer for the honourable gentleman. I do not know whether the commissioners have borrowed any money this year. They may have done so, and they may have debentures outstanding. The statement in my possession ends on December 31 of last year.

**Hon. Mr. Power:** I think that this commission is not in any way under the jurisdiction of the National Harbours Board.

**Hon. Mr. Brunt:** No.

**Hon. Mr. Power:** My recollection—if I am wrong the honourable gentleman will correct me—is that this is a board upon which there are representatives of the city and of the federal Government. Is that so?

**Hon. Mr. Brunt:** I believe so.

**Hon. Mr. Macdonald:** How are they appointed?

**Hon. Mr. Power:** The municipal Government has something to do with it, I think.

**Hon. Mr. Brunt:** I cannot give the honourable gentleman the particulars of how the commission is set up, but I suppose that is information which will be provided when the bill goes to committee.

**Hon. Norman P. Lambert:** The harbour boards that have been referred to, and which deal with inland harbours, are under a different jurisdiction. The National Harbours Board controls the ocean front. The plan which has been presented by the honourable senator from Hanover is of the same pattern

that the Senate considered last year for Windsor, Ontario. The development at Windsor is somewhat along the same lines as this. The municipality and board of trade are responsible for a certain number of the members, and I believe the chairman is appointed from Ottawa. It is my clear recollection that Mr. Ross Harstone, who has been chairman of the Hamilton Harbour Commissioners for quite a number of years, was appointed by the federal Department of Transport.

While I am on my feet I should like to remark, with regard to this whole project, that Hamilton's harbour development has been handicapped, in my opinion, in relation to the vast expansion of industry which is taking place in that locality. Hamilton is by all odds the most important steel manufacturing centre in Canada and its prospects for advancement are very good. Lately I have been a good deal around and about Burlington Bay, the harbour of Hamilton, and the steel industries and companies which border on that waterfront. They have been handicapped periodically by a very narrow facility of passage from the lake into Burlington Bay to serve their different docks that were built on the inner shore. We all know that a great bridge is to be constructed there in order to give a bigger passageway from the lake into the harbour for boats bringing ore from Labrador and also down the lakes from the lakehead. In the near future there will be a passageway to the sea, and I think that the Harbour Commission of Hamilton, by this bill, is simply trying to prepare the way for that development which is long overdue.

**Hon. Mr. Connolly (Ottawa West):** May I ask the honourable gentleman a few questions? Perhaps, however, the answers will be forthcoming at the committee stage. I understand that the amount of contribution to these new installations to be made by the Hamilton Harbour Commissioners will, in the aggregate, be about \$4 million. Now, the total cost of installations to be made will be \$7 million. I would like to know, at the committee stage, who will own the facilities that are to be erected. Will it be the Harbour Commission? Will they be vested in the Department of Public Works, in other words, in the Crown? They are partners in these transactions, and I just wondered which partner will hold title to these new facilities.

I wish to mention another point. There have been some industrial enterprises in the country which were built on navigable waters, and when private organizations have installations near navigable streams they are required to go through a very tedious and elaborate procedure under the Navigable Waters Protection Act to have their proposed

installation approved before they can proceed. Sometimes the Minister, under the recent amendments to the act, is allowed to abridge the time; but if he does not do so the project may be delayed many months before any steps can be taken to make the installation. I wondered whether or not, in these cases, there was any likelihood of difficulty arising out of the application of the Navigable Waters Protection Act.

I hesitate to ask my honourable friend these questions, but if he can answer them it would be useful information on the second reading of this bill.

**Hon. Mr. Brunt:** I must confess that I cannot provide the honourable senator with an answer to either question. I have no idea who is at the present time or who will be the registered owner of any of the wharves or docks or shipping facilities in any place in Canada, let alone specifying the city of Hamilton. Also as to the second question, I must confess I am in complete ignorance, and cannot provide him with an answer.

**Hon. Mr. Roebuck:** May I ask a question or two? In the city of Toronto we have a commission very similar to that of Hamilton. Of its three members, if I recall correctly, one is appointed by the dominion Government, one by the city of Toronto, and the third by the province of Ontario. The assets are vested in the board, and it buys and sells, rents and leases, develops, and so on. It has done very great work. I may say, coming as I do from Toronto, that I am pleased indeed to see this development going on in one of our suburbs!

**Some Hon. Senators:** Oh, oh.

**Hon. Mr. Roebuck:** I am happy to see this work going on, and I do not want the question I am going to ask to be interpreted in any other way. Could the honourable gentleman give me some short statement as to what is done for the other harbours about the lake? The point is that public money must always be fairly distributed, or as fairly as possible. Take, for instance, the port of Oakville, a small place, comparatively speaking, but do not forget that the Ford plant is there.

**Hon. Mr. Macdonald:** What about Brantford, on the Grand River?

**Hon. Mr. Roebuck:** Well, I could go very far afield, but I am confining my thought at the moment to Lake Ontario, particularly the city of Toronto, and ports such as Whitby, Oshawa, Kingston and Niagara.

I may be expecting a very great deal from my friend in asking him whether this proposition in Hamilton is unique, or whether it

is in line with a policy pursued by the department with regard to all these ports, which are expected to have great improvements and developments when the big ditch opens, and in consequence of which transportation will take place in these ports in the form of new shipping. I do not expect anything but a very short statement from my honourable friend.

**Hon. Mr. Brunt:** May I say to the honourable senator—and he may not agree with the first part of my statement—that the present Government is very generous, but it does not go around offering handouts. By that I mean if any harbour commission desires assistance of any kind the initial steps must be taken by the commission. First of all, the commission comes to the Government and says, “We would like to put in a new slip”, or, “We would like to deepen a channel, or improve a wharf”; and it lays its plan before the proper department of the Government and makes an application for a loan. The matter is then passed on, and the loan is either granted or refused. But I do not think the Government goes around offering to make loans.

**Hon. Mr. Roebuck:** That is not what I asked. I asked if there was any project on foot with regard to these other ports. I did not suggest that the Government went around throwing money about, although sometimes it is pretty generous. I asked for a short statement from the honourable gentleman as to what is going on in the other ports, as well as what is going on in Hamilton, because I do not want to feel that the Hamilton project is unique on the Great Lakes.

**Hon. Mr. Brunt:** I have no information as to what development, or proposed development, is contemplated by any other harbour commission in Canada.

**Hon. Mr. Roebuck:** Well, the officials may be able to give us that information tomorrow.

**Hon. Mr. Brunt:** Yes, they may be able to.

**Hon. Mr. Haig:** Question.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, the bill was referred to the Standing Committee on Transport and Communications.

### LAND USE

#### REPORT OF COMMITTEE ADOPTED

**Hon. C. G. Power,** Chairman of the Special Committee on Land Use in Canada, presented the committee's second report.

96702—29

The report was read by the Clerk Assistant as follows:

Your committee, having studied the subject matter of the order of reference of October 29, 1957, report progress, and recommend the inquiry be continued at the next session of Parliament.

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

**Hon. Mr. Power:** Honourable senators, I move, seconded by the Honourable Senator Horner, that the report be adopted now.

**Hon. Mr. Macdonald:** Before the report is concurred in, would the honourable Leader of the House tell us when the next session of Parliament will be held?

**Hon. Mr. Haig:** I wish I could answer that question. I would be a genius if I could.

The motion was agreed to.

### RADIO BROADCASTING

#### PRONUNCIATION OF “NOËL” ON FRENCH STATIONS

**Hon. Jean-François Pouliot:** Honourable senators, I have a suggestion to make to the Government through the honourable Leader of the Government. It has to do with the commentators on the C.B.C., and I would be thankful if the honourable gentleman would convey my message to the minister in charge of the estimates of the C.B.C. My remarks concern all the commentators on the French network of the C.B.C. and also the French commentators on all the radio stations in Canada.

We are at Christmas time. Everyone has learned proper spelling in school, and knows that whether in French, English, or probably in other languages I am not familiar with, the letters “n-o” spell “no”, not “n-a-h”. It bores people to hear a French commentator persist in saying “N-a-h-e-l” instead of “N-o-ë-l”.

I hope the minister will be kind enough to bring this matter to the attention of those concerned immediately, so that this offence will be stopped tonight, and we will not hear every five minutes the word “N-a-h-e-l” in songs and poems. This is a corruption of the language, and it is surprising how many people say “Nahel” when they should say “Noël”. It reminds me of the corruption that I will bring to your attention after the holidays. In the meantime, I hope the honourable gentleman will be kind enough to try to stop this corruption of the language to which I have referred.

### ADJOURNMENT

**Hon. Mr. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until tomorrow, Friday, December 20, at 11 o'clock in the forenoon.

## EXPORT CREDITS INSURANCE BILL

## THIRD READING

**Hon. Gustave Monette** moved the third reading of Bill 199, to amend the Export Credits Insurance Act.

He said: Honourable senators, yesterday when I was explaining this bill I was asked if I could give details as to insurance policies issued by the Export Credits Insurance Corporation. The honourable Leader of the Government promised that I would today bring in a statement on the matter. I have such a statement here, and if it meets with the wishes of the house I shall table it. I have already shown it to the honourable senator from De Lorimier (Hon. Mr. Vien). If it is necessary to do so, I shall summarize it.

**Hon. Mr. Macdonald:** Does the honourable senator intend to table the statement or to request that it appear in *Hansard*?

**Hon. Mr. Monette:** Either course would be satisfactory to me.

**Hon. Mr. Haig:** We will put it on *Hansard* if you want it.

**Hon. Mr. Macdonald:** I think the statement should appear on *Hansard*. Is there anything confidential in it?

**Hon. Mr. Monette:** No, there is nothing confidential in it. With respect to details of insurance which has not definitely been arranged and which is under negotiation, I do not think it would be wise to divulge them at the present time. Otherwise, the details are complete. I ask that this statement appear on *Hansard*.

*For statement see appendix to today's Hansard.*

The motion was agreed to, and the bill was read the third time, and passed.

The Senate adjourned until tomorrow at 11 a.m.

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APPENDIX

STATEMENT OF BUSINESS UNDER SECTION 21 OF THE EXPORT CREDITS INSURANCE ACT TO OCTOBER 31, 1957

Total Business to Date:	106
Total number of policies issued.....	
Total amount of insured exports under policies issued.....	\$206,876,752
Total amount of premiums received.....	\$ 1,659,191
Retained by Corporation.....	\$ 413,703
Paid to Receiver General.....	\$1,245,488
Total amount of claims paid.....	Nil

Business insured and paid in full by Buyers:

Year	Country	Type of Goods	Terms of Payment	Amount of Export Volume	Remarks
1948-50..	Brazil.....	Electrical goods	Each 6 months over 3 years...	\$ 4,489,508	Interim arrangement pending loan from IBRD
1954.....	Brazil.....	Wheat.....	15% cash—Balance 12 months	16,758,705	
1956.....	Czechoslovakia.....	Wheat.....	25% cash—Balance 12 months	23,625,937	
1956.....	Hungary.....	Wheat.....	15% cash—Balance 12 months	2,617,596	
1953-57	Israel.....	Wheat.....	Six months.....	9,224,335	
1952.....	Yugoslavia.....	Wheat.....	20% cash—Balance 12 months	10,719,449	
1954.....	Yugoslavia.....	Wheat.....	10% cash—Balance 12 months	7,787,966	
*1955-56	Poland.....	Wheat.....	15% cash—Balance 12 months	18,054,477	
1953-54..	Venezuela.....	Milk Powder...	120 days.....	3,938,428	
		TOTAL PAYMENTS RECEIVED...		\$ 97,216,401	

\$6,233,160 payments not made on due date—but extended 12 months and paid in full  
 (Total shipments \$24,661,781—Deferred beyond due dates \$7,623,368—6, 12, 18 months of which \$1,016,064 paid in October 1957  
 Balance due: Nov.—Dec. 1957..... \$1,525,059  
 Apr.—June 1958..... 2,541,123  
 Oct.—Dec. 1958..... 2,541,122  
 \*\$6,607,304

Business Current:						
Policies issued under shipments made or underway—						
Year	Country	Type of Goods	Terms of Payment	Amount of Export Volume	Liability under Policies issued	Remarks
*1955-56..	Poland.....	Wheat.....	Deferred on basis of 25% cash, 25% each—Balance 6, 12, 18 months.....	\$ 6,607,304	\$ 6,607,304	See foregoing*
1957.....	Poland.....	Wheat.....	10% cash, Balance of 30% each 24, 30, 36 months.....	23,018,886	20,716,998	10% cash payment made
1957-58..	Germany.....	Aircraft and Parts	20% with order, 15%, 3 months after order date, Balance of 65% on delivery.....	80,034,161	22,000,000	225 Mk VI Sabre Jets and Parts to be delivered from May 1957 to November 1958
TOTAL OF CURRENT EXPORT VOLUME INSURED....				<u>\$109,660,351</u>		
GRAND TOTAL OF INSURED EXPORTS.....				<u>\$206,876,752</u>	<u>\$ 49,324,302</u>	
Other Wheat Business Current:						
1957-58..	Israel.....	Wheat.....	Six months.....		5,000,000	Policy issued but no shipments to date
1957-58..	Poland.....	Wheat.....	10% cash, Balance of 30% each 24, 30, 36 months		16,800,000	
TOTAL LIABILITY CURRENT.....					<u>\$ 71,124,302</u>	
Other Commitments:						
Certain other commitments for a total of.....					27,000,000	Under negotiation
CURRENT TOTAL LIABILITY UNDER POLICIES ISSUED AND COMMITMENTS MADE.....					<u>\$ 98,124,302</u>	

(November 4, 1957)

## THE SENATE

Friday, December 20, 1957

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers.

### ROYAL ASSENT

#### NOTICE

**The Hon. the Speaker:** Honourable senators, I have the honour to inform you that I have received the following communication from the Secretary to the Governor General.

GOVERNMENT HOUSE  
Ottawa

December 20, 1957

Sir,

I have the honour to inform you that the Honourable Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 20th December, at 12.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,

Sir,

Your obedient servant,

J. F. Delaute,

Secretary to the Governor General  
(Administrative)

The Honourable  
The Speaker of the Senate,  
Ottawa.

### UNEMPLOYMENT ASSISTANCE BILL

#### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill 240, to amend the Unemployment Assistance Act.

The bill was read the first time.

#### SECOND READING

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

**Hon. John T. Haig:** Honourable senators, I move, seconded by the Honourable Senator Horner, the second reading of this bill.

I have prepared a memorandum on this bill, which I am going to read because it gives the facts and figures which I think we all require to deal with the bill.

First, however, I want to say a word or two about the bill itself. The problem is not one of new money required for the unemployed or unemployable, but of switching where the money comes from to pay them. The present law provides that assistance is not payable by the dominion Government

unless the number of these persons is .45 per cent of the total population of a province, which percentage has never been reached yet. There has always been a dispute between the provinces and the dominion Government, as well as between the provinces and the municipalities, as to who are unemployable and who are not, and so on. The legislation simply provides that the dominion Government take over one-half of the expense of unemployment assistance to the people entitled to receive it. That relieves the provincial Governments and the municipalities of the payment of considerable sums of money.

This legislation is to fulfil a promise made, not in the election, but at the recent dominion-provincial conference, held in November, at which the question of unemployment, and principally the question of unemployables, was discussed. In the past the municipalities have maintained that there was no such animal as an unemployable. The federal and provincial Governments felt that there were unemployable persons, but that no contribution toward their assistance should be made until their number reached a certain proportion of the population of the province concerned.

If the honourable senators will permit me I will read from a prepared text a resumé of what this bill proposes to do. This brings me to a question that has been discussed on a number of occasions, the request of some provinces for the removal of the so-called "threshold" of .45 per cent under the Unemployment Assistance Act. Its removal would have the result that the dominion treasury would share the cost of all eligible cases upon the relief rolls, whether employable or unemployable, and not just the numbers in excess of .45 per cent of the provincial population. We should then be avoiding entirely this invidious distinction between employable and unemployable persons, and sharing the cost of providing aid to all those in need, apart from the normal statutory responsibilities of the provinces and in respect of mothers' allowances.

I am told that a change of this nature would make it much easier for some suitable arrangements to be made to assist the municipalities, which have been carrying most of this burden of assistance to those in need, apart of course from the bulk of the cost being carried by unemployment insurance. The benefits of removing this "threshold" would be fairly equitably divided among all the provinces that would be participating in agreements under this act. That is the first point.

It is estimated that this amendment will result in additional expenditures by the

federal Government in the six provinces amounting to about \$2.5 million annually, made up as follows:

Newfoundland (additional)	\$ 130,000
Prince Edward Island (additional)	\$ 45,000
New Brunswick (additional)	\$ 150,000
Manitoba (additional)	\$ 525,000
Saskatchewan (additional)	\$ 450,000
British Columbia (additional)	\$1,150,000
	<u>\$2,450,000</u>

This total of \$2,450,000 represents the estimated additional cost of abolishing the "threshold" in the six provinces that are already in the scheme. It is hoped, however, that as a result of the present amendment, the other provinces will enter the scheme.

If this takes place, Nova Scotia will stand to receive a total of \$160,000 annually. Quebec will receive, if she enters the scheme or agreement, about \$7.3 million. Ontario will receive about \$4.25 million. Alberta will receive about \$1,200,000. This make a total of \$13 million that will become payable to these four provinces if they enter the scheme. As a result of the abolition of the "threshold"—as I told you before, that is the .45 per cent—the total cost therefore of the present amendment as it will apply to those participating provinces and the four non-participating provinces, if they enter the scheme, will be in the neighbourhood of about \$15 million annually over and above the present cost, amounting to about \$5.5 million annually. Therefore, if all the provinces come in as a result of this amendment, federal expenditures will rise from the present level of \$5 million annually to about \$20 million in the future.

That is the meaning of the amendment. Outside of politics altogether, I am strongly in favour of it, because I think it is very hard on municipalities to have to take care of these unemployment charges, which are incurred whether the unemployed are in a rural community or in a city; and hitherto it has been the law that, to be entitled to unemployment relief, a person must have resided a year in a municipality. The hardship which this stipulation created will be removed by the amendment, because the dominion Government will carry the share which was formerly borne by the municipalities. If there are any questions I shall try to answer them.

**Hon. W. Ross Macdonald:** Honourable senators, I am not going to repeat the argument that I advanced yesterday in connection with bringing bills of this importance into the house at this late period of the session, on the eve of the Christmas adjournment. What I then said applies, in that respect, to this bill.

**Hon. Mr. Haig:** May I interrupt the honourable gentleman for a moment? I apologize to him. I should have said that the reason I am urging the passing of this bill now instead of waiting until January is that for most municipalities the year begins on January 1, and if the bill is adopted at once the Government can duly notify the municipalities it is taking over this obligation.

**Hon. Mr. Macdonald:** However, I am not quite so concerned, in spite of what I have said about not giving this bill further consideration than we are able to do today, because doubtless this bill will come back to us. The honourable Leader of the Government has said that his recommendation is "outside of politics". Well, he surely has to recommend it "outside of politics", because inside of politics it is recognized to be literally of no use.

I have before me the *Toronto Globe and Mail* of today's date, which contains the following dispatch:

"OTTAWA RELIEF PLANS STOP-GAP",  
SAYS CECILE.

Ottawa, Dec. 19. Premier Frost's Ontario Government shares with the Opposition groups in the Commons the view that the Diefenbaker administration's legislation to remove the threshold provision from the Unemployment Assistance Act, which passed the resolution stage today, is no more than a stop-gap measure and does not get to the heart of the jobless problem.

The article goes on to refer to certain correspondence between Queen's Park and Ottawa, and continues:

Disclosure of the exchange of letters between Ontario Welfare Minister Cecile and two federal ministers, Mr. Monteith and earlier A. J. Brooks, who at the time was acting welfare minister, could embarrass the Ottawa Government for it showed that Ontario's views bore a marked similarity to those expressed . . .

by the Opposition.

As a temporary measure—

The article goes on to say, and then, quoting the minister:

Ontario was willing to sign an agreement.

But, the article states:

. . . this same letter made it plain the Frost Government wanted the unemployment problem tackled on a much broader front.

So, honourable senators, in the view of the Government of Ontario this bill is of little use; and I think the Ontario Government is strong enough and has enough influence with the present administration to at least require the administration to take a second look at this bill. I have not any doubt that the bill will come to us again in a different form in the not too distant future.

However, as I have said, this bill is of little use, and I am not going to take up any more time in discussing it today.

The motion was agreed to, and the bill was read the second time.

### THIRD READING

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

**Hon. Mr. Haig:** I move the third reading now.

**Hon. Mr. Robertson:** May I ask the honourable Leader of the Government (Hon. Mr. Haig) a question? I think he answered it, but I did not hear what he said. How much does this provision add to federal Government expenditures?

**Hon. Mr. Haig:** Fifteen million dollars. The Government is paying \$5 million now, and will pay \$15 million more, provided that all the other four provinces participate, as they probably will. If the provinces do not avail themselves of the provision, the amount paid by the federal Government will be about \$10 million.

The motion was agreed to, and the bill was read the third time, and passed.

## CANADIAN NATIONAL RAILWAY COMPANY BILL

### CONSTRUCTION AND PURCHASE OF LINES IN MANITOBA—REPORT OF COMMITTEE

**Hon. C. G. Power,** Acting Chairman of the Standing Committee on Transport and Communications, presented the report of the committee on Bill 196.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (196) intituled: "An Act respecting the construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and the purchase by Canadian National Railway Company from The International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba.", have in obedience to the order of reference of December 19, 1957, examined the said bill and now report the same without any amendment.

The report was adopted.

### THIRD READING

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

**Hon. Mr. Haig:** I move the third reading now.

The motion was agreed to, and the bill was read the third time, and passed.

## HAMILTON HARBOUR COMMISSIONERS BILL

### REPORT OF COMMITTEE

**Hon. C. G. Power,** Acting Chairman of the Standing Committee on Transport and Communications, presented the report of the committee on Bill 197.

The report was read by the Clerk Assistant as follows:

The Standing Committee on Transport and Communications, to whom was referred the Bill (197) intituled: "An Act respecting The Hamilton Harbour Commissioners", have in obedience to the order of reference of December 19, 1957, examined the said bill, and now report the same without any amendment.

The report was adopted.

### THIRD READING

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

**Hon. Mr. Pearson:** Honourable senators, on behalf of the honourable gentleman from Hanover (Hon. Mr. Brunt) I move the third reading of the bill.

The motion was agreed to, the bill was read the third time, and passed.

## PENSION BILL

### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill 35, to amend the Pension Act.

The bill was read the first time.

### SECOND READING

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

**Hon. John T. Haig:** Honourable senators, I move, seconded by the Honourable Senator Horner, that the bill be now read the second time.

Before discussing this bill, may I point out that there are a lot of little details with respect to it, and possibly some questions will be asked. I wondered if any honourable member might like to suggest how to proceed. I suppose the chief departmental official could come here and give information.

**Hon. W. Ross Macdonald:** Honourable senators, I have no doubt whatsoever that this is a bill which should go to a committee, and of course I think it should have come to this house long before now. However I am not going to repeat the argument—which the Opposition did not like hearing yesterday—as to delay in bringing down bills, but I want to refer to one statement that was made in this house.

I stated that Parliament should have been called together in the latter part of August, and sat during the balance of that month, the month of September, and into at least the first week of October. That session could then have been prorogued, and a new session opened by Her Majesty the Queen. Someone on the other side of the house suggested that because of the meeting in Ottawa of the Universal Postal Congress a session could not be held at that time. I think everyone agrees that there are other places in Ottawa suitable for the holding of the Postal Congress than the Parliament buildings.

But even if that were the reason for not having Parliament in session at that time, let me read what the present Prime Minister said in a telecast on May 22 last:

We believe the old age pension is inadequate. We intend, this September, to call together Parliament, and there and then fix a fair and reasonable amount for the old age pensioner, indeed for the other pensions. . . .

My point, honourable senators, is that the present Prime Minister on May 22 said that he would call Parliament in September to deal with this problem. He knew then that the Postal Congress was going to meet here in August and September, and it is no excuse now to say that Parliament could not have been called when the Postal Congress was in session. I am sure honourable senators will agree with me that no sound reason has yet been advanced for not convening Parliament in September.

However, this bill has come to us today. It is a bill affecting pensioners, men who served in the armed forces, wives and children of men who served in the armed forces, and orphans and widows of men who served in the armed forces. I, for one, certainly would not hold up the passage of such a bill. The Leader of the Government has said it is an important bill. Let me say it is not only an important bill, but a lengthy one. Fortunately we have in this house a former Minister of Pensions, the honourable gentleman from Gulf (Hon. Mr. Power), who I think knows more about pensions than anyone else in either house of Parliament, and I am sure he can assist us in getting a full explanation of this bill.

I noticed when coming into the chamber that Brigadier Melville, Chairman of the Canadian Pension Commission, was in the antechamber. My suggestion to the house is, and I trust that the Leader of the Government will concur, that this bill, which should be considered in committee, be referred to the Committee of the Whole, and that Brigadier Melville sit at a table in front of the honourable leader who is piloting the bill through the house and supply any information that is required. And, I may say, if he

does not have the information I am sure the honourable senator from Gulf will have it. I suggest to the honourable Leader of the Government that when this bill has received second reading, the house be resolved into a Committee of the Whole for consideration of the bill clause by clause.

**Hon. Mr. Haig:** I thank my honourable friend for his suggestion, and I accept it. I move that the house go into Committee of the Whole.

**Hon. Mr. Robertson:** Is there to be no explanation of the bill?

**Hon. Mr. Haig:** Yes, I am prepared to give an explanation.

**Hon. Mr. Robertson:** The bill was on the point of being given the second reading.

**Hon. Mr. Haig:** I have a memorandum which I prepared on this bill, and with your permission I shall read it. First, let me say that I like the suggestion that the house resolve itself into a Committee of the Whole for consideration of a bill of this kind, because honourable senators are used to considering bills in committee.

But may I point out that we are a short-lived people: We have only until 12.45 p.m. to get this bill through, if it is going to pass the house today. The Governor General's representative is due here at that time, and I should like to have the bill receive the royal assent today.

With your permission, honourable senators, I shall now read my prepared memorandum, after which I shall move that the house resolve itself into a Committee of the Whole, and ask Brigadier Melville, the Chairman of the Pension Commission to assist me in answering any questions that are asked. I am anxious to deal with this bill in the way honourable senators would like it dealt with.

The proposed amendments to the Pension Act provide, in the main, for extension of the benefits contained in that act, and for aligning certain of the benefits now provided with the increased scale of pensions which became effective last July.

The provision to continue disability pensions to the end of the month in which death occurred, where additional pension for dependents is payable, is a new benefit. It will provide the distressed family with a few extra dollars at a difficult time, and will help to eliminate embarrassing overpayments in cases where the surviving dependents are not pensionable. The widow and children of a disability pensioner are pensionable if death was attributable to service, or if pension was in payment at 50 per cent or more at time of death.

The bill provides for an increase in the clothing allowances paid on account of loss of limbs or the use of prosthetic appliances. The new rates are \$96 per year for leg amputation cases, \$42 for arm amputees and up to \$96 for other pensioners who wear appliances which cause excessive wear and tear of clothing. The present rates, which became effective in 1952, are \$72, \$30 and \$72 per year, respectively.

Increases are also proposed in the allowances for funeral and burial expenses, which at present may not exceed \$185, made up as follows: \$110 for funeral services, \$25 for cemetery charges and \$50 for the expenses of the pensioner's last sickness. The rates proposed are \$150 for funeral services, \$50 for cemetery charges and \$50 for the last illness, or a total of \$250, to meet the increased cost of dying.

The proposed elimination of the limitation on the payment of pensions for children born after a specified date, or for wives married after a certain date, is a new benefit affecting a number of World War I veterans and their dependents.

This measure was first introduced on May 1, 1933, and the restrictive date was subsequently advanced to May 1 of the years 1944, 1948, 1951, and to 1954, where it now stands. It was never applicable to World War II veterans or to those of the Korean operation. Each year a number of aged World War I pensioners marry, and there will now be no bar to their receiving additional pension on behalf of their wives. The monthly pension for a totally disabled pensioner is \$150, and an additional \$50 per month is paid for his wife.

It is estimated that if these amendments are enacted the annual liability under the act will be increased by \$386,500. The present liability for pension purposes is approximately \$150 million, and almost 200,000 pension cheques are issued each month.

That is the official explanation of the bill.

The motion was agreed to, and the bill was read the second time.

#### CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Haig, the Senate went into committee on the bill.

Hon. Mr. Golding in the Chair.

Sections 1, 2, 3, 4, 5 and 6 were agreed to.

On section 7—fees and charges to be certified by commission:

**Hon. Mr. Power:** Mr. Chairman, may I ask why this clause is necessary? Am I to take

it that there have been instances where barristers or others have overcharged people making application for pension?

**Hon. Mr. Haig:** The clause affects only those commissions that have been abolished. That is the reason for this provision—to abolish any reference to organizations that are not now in existence.

**Hon. Mr. Power:** Thank you very much. I understand.

The section was agreed to.

On section 8—when payments to cease:

**Hon. Mr. Macdonald:** Mr. Chairman, I understand there is quite a drastic change in this provision—

**Hon. Mr. Power:** Not in this clause, I think.

**Hon. Mr. Macdonald:**—which effects former section 24.

**Hon. Mr. Haig:** Pensions now end on the date of death, but this provision continues them until the end of the month in which death occurred.

**Hon. Mr. Macdonald:** I understand that previously if a pensioner died on the 8th of the month the pension stopped on the 8th of the month, or if he died on the 27th the pension ceased on the 27th and so on.

**Hon. Mr. Haig:** That is correct.

**Hon. Mr. Macdonald:** This amendment provides that the pension continues until the end of the month in which the pensioner died.

**Hon. Mr. Haig:** Provided there are surviving dependents.

**Hon. Mr. Macdonald:** And I take it dependents include widows and orphans.

**Hon. Mr. Haig:** Wife and children.

The section was agreed to.

Sections 11, 12, 13 and 14 were agreed to.

On Section 15—pension to widow:

**Hon. Mr. Power:** Mr. Chairman, I think this clause provides that the widow of a member of the forces who married him after the pension has been granted and therefore had full knowledge of his disability—because the pension had been granted—will now receive a pension notwithstanding that the marriage took place both after the appearance of the disability and after the pension was granted.

**Hon. Mr. Haig:** That is correct.

**Hon. Mr. Power:** There is, however, a restrictive provision in this amendment to the effect that if his death occurred more

than one year after the date of the marriage the Pension Commission shall have discretion to decide whether or not the pension should be awarded to the widow, and I think the commission will have a very difficult task. Should his death have occurred less than one year after the date of the marriage the commission may grant—I am not quoting directly—a pension, provided the commission is of opinion that at the date of his marriage he had a reasonable expectation of surviving his wife for at least one year thereafter. That I would say is a very difficult task to put on the shoulders of the commission. After the death has occurred the commission will be the judge as to whether at the time of his marriage he had an expectancy of life of one year or more.

**Hon. Mr. Connolly (Ottawa West):** After his wife's death?

**Hon. Mr. Power:** No.

**Hon. Mr. Connolly (Ottawa West):** That is what you just said.

**Hon. Mr. Power:** Provided he was suffering from a disability at the time of his marriage. At that time the widow may obtain a pension if the commission believes that at the time of his marriage he had a reasonable expectancy of life.

**Hon. Mr. Connolly (Ottawa West):** For one year?

**Hon. Mr. Power:** For one year only.

**Hon. Mr. Roebuck:** Is that provision not intended to abolish the death-bed marriage?

**Hon. Mr. Power:** I am glad my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) brings that matter up. It has been a matter of discussion down through the years since pensions were first established for military service as to what we should do about the so-called death-bed marriage. We have the horrible example of the United States where, notoriously, old men, veterans of the Civil War, have been cajoled or in some other way induced to get married. Someone in the other house has said, "Surely we are not going to put a time limit on love." Perhaps we in this chamber would be in a better position to judge of that, than those in the other house! In any case, it has been a controversial question all down the years as to what steps should be taken to avert that sort of thing. As I said on a former occasion in this house, in 1936 or 1937 the United States Government were still paying pensions arising out of the War of 1812. In the light of such circumstances, all Canadians who were interested in pensions legislation in the thirties were careful to try to avoid

the placing of a mortgage, so to speak, on the treasury of the country in the interests of people who possibly, and quite probably, were not in existence at the time of the war, and to whom we had no moral, legal or financial obligation. However, as time went on—I believe, in 1931 or 1932, at the time of the depression—the Government of the Right Honourable Mr. Bennett, later Lord Bennett—proposed that as an economy measure pensions to veterans be severely restricted. A sort of bargain or arrangement was entered into between the Canadian Legion, as representative of the veterans, and the Government of the day, whereby a time limit would be placed on eligibility for pensions by persons who were married after a certain date. I think the enactment was that no pension should be paid to the widow of a pensioner who had married him after he obtained his pension, if the marriage took place subsequent to 1935. My recollection is that when I held the office of Minister of Pensions I extended to 1944 the period within which marriage of pensioners would be recognized for the purpose of eligibility for pension. Later, I believe, a further extension was made to the year 1954 or thereabouts. The proposal in this bill is that there shall be no limit, but that if a pensioner marries after his disability is known, the widow will be granted a pension, provided her husband lives a year after the marriage, or if the commission feels that under normal circumstances his expectancy of life would have been not less than a year,—which, I think, is a very difficult question for a commission to decide. This, it seems to me, is the substance of the amendment now before us. To my mind it leaves the way pretty wide open for so-called death-bed marriages.

**Hon. W. Ross Macdonald:** I am interested in what the honourable senator from Gulf (Hon. Mr. Power) said about the death-bed marriage. He remarked that the bill comes very near to allowing a death-bed marriage; I think it comes almost up to the bedside, because, according to this provision, a woman can marry a pensioner, and if he appears to be in good health, or is not suffering from a disease which is likely to kill him within a year, and he drops dead within the hour, she can still get the pension. So the way is still open for a near death-bed marriage, if I understood correctly the explanation of the honourable senator from Gulf; and he nods his head to assure me that I did correctly understand him. I would like to ask the honourable Leader of the Government if any widows or married veterans of the Boer War are receiving pensions at the present time,

and would such widows, if they survived, be entitled to the benefit of the provisions of this bill?

**Hon. Mr. Haig:** Not widows of veterans of the Boer War. None are being paid by us. They are being paid by Great Britain.

**Hon. Mr. Power:** Canada supplements the pension, though, does it not?

**Hon. Mr. Haig:** I think Canada supplements it. If it amounts to, say, \$20, and our pension would have been \$30, we pay the difference.

**Hon. Mr. Macdonald:** Are we paying, even by way of supplementary allowance, pensions to veterans of the Boer War?

**Hon. Mr. Haig:** A few.

**Hon. Mr. Macdonald:** Can veterans of the Boer War claim the benefit of the provisions of this bill?

**Hon. Mr. Haig:** Yes.

**Hon. Mr. Macdonald:** I have one more question. Are we paying pensions to any veterans or relatives of veterans of the Riel Rebellion?

**Hon. Mr. Haig:** Two widows.

**Hon. Mr. Macdonald:** Are they getting full pensions?

**Hon. Mr. Haig:** Yes.

**Hon. Mr. Macdonald:** Are we paying to any children of these veterans?

**Hon. Mr. Haig:** No.

**Hon. Mr. Macdonald:** Do we pay pensions to any veterans of wars earlier in date than the Riel Rebellion?

**Hon. Mr. Haig:** No, none.

**Hon. Mr. Power:** Arising out of the question of my honourable leader (Hon. Mr. Macdonald), I gather from the reply made by the Leader of the Government that the Boer War pensions were awarded by the British Government and that the Canadian Government supplemented them up to the rates granted to Canadian veterans of other wars.

**Hon. Mr. Haig:** That is what I said.

**Hon. Mr. Power:** I am under the impression, though I stand to be corrected if I am wrong, that no widows who are covered by this legislation would be granted pensions by the British Government. It has been very strict in this matter.

**Hon. Mr. Haig:** That is correct. No such payment is made by the British ministry.

**Hon. Mr. Power:** So I would be correct in saying that Boer War widows would not be entitled to any relief under this legislation?

**Hon. Mr. Haig:** You are correct.

**Hon. Mr. Macdonald:** Unless they are entitled to a pension under the imperial act.

**Hon. Mr. Power:** But the British Government has never recognized these marriages after the appearance of the disability. If my recollection is right, it paid no attention to any woman who had married a soldier after he had a disability. Even if the disability appeared before he got a pension she was not entitled to a pension at all. The woman was supposed to know he was an invalid, and take her chances.

The section was agreed to.

Section 16 was agreed to.

On section 17—pension to brother or sister where dependent:

**Hon. Mr. Power:** I think this is new. I am not sure that under other legislation—

**Hon. Mr. Haig:** I am told that it is not new, but is just a redrawing of the section.

The section was agreed to.

Sections 18, 19, 20, 21 and 22 were agreed to.

On section 23—municipality or provincial Government to be recouped out of retroactive pension:

**Hon. Mr. Power:** This applies where municipal relief has been granted to a veteran claiming pension, but whose pension has not as yet been awarded. The section gives the commission power to recoup the municipal authorities out of the retroactive pension the amounts which the municipal authorities have paid. Am I correct in my understanding of this section?

**Hon. Mr. Haig:** That is correct. It is from the date that the pension starts. If the claimant was awarded the pension, say three months after, and during that three months the municipality had been paying it, the commissioners will have power under this section to recoup the municipal authorities out of the retroactive pension. There is an explanatory note on section 23 which reads as follows:

Cases have arisen in which municipal relief has been granted pending consideration of a pension claim, and the amendment gives the commission power to recoup the municipal authorities out of the retroactive pension.

**Hon. Mr. Power:** I realize that. What I am trying to find out now, and perhaps the head of the Pension Commission can tell us, is how far back retroactive pension goes under present legislation.

**Hon. Mr. Haig:** It goes back 12 months.

**Hon. Mr. Power:** Only 12 months?

The section was agreed to.

Sections 24 and 25 were agreed to.

The title was agreed to.

**The Chairman:** Honourable senators, shall I report the bill?

**Hon. Mr. Macdonald:** Mr. Chairman, before you leave the Chair, I feel that we owe you a vote of thanks in appreciation of your presiding over this committee so ably and facilitating our study of this bill.

**Hon. Senators:** Hear, hear.

The bill was reported, without amendment.

### THIRD READING

**Hon. Mr. Haig** moved the third reading of the bill.

The motion was agreed to, and the bill was read the third time, and passed.

### ADJOURNMENT

**Hon. Mr. Haig:** Honourable senators, I move, seconded by the Honourable Senator Horner, that when this house adjourns today it stand adjourned until Tuesday, January 7, 1958, at 8 p.m.

The motion was agreed to.

The Senate adjourned during pleasure.

### ROYAL ASSENT

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of Marguerite Downie Malo.  
An Act for the relief of Irene Patricia Heffernan Brown.

An Act for the relief of Catherine Ann Naylor Couture.

An Act for the relief of Antonio Bucci.

An Act for the relief of Maurice Robert.

An Act for the relief of Frances Dorothy Denenberg Bloomfield.

An Act for the relief of Theodore Elbert Holtham.

An Act for the relief of Claude Murray Kirk.

An Act for the relief of John Alfred Crease.

An Act for the relief of Catherine Rita Marian Laker.

An Act for the relief of Jacqueline Marchand Cote.

An Act for the relief of Pola Baron Brisebois.

An Act for the relief of Graziella Bernier Murray.

An Act for the relief of Claus Elstorpff.

An Act for the relief of Denis LeBlanc.

An Act for the relief of Patricia Mary Gorman Walsh.

An Act for the relief of Madeline Audrey Booth Hibbard.

An Act for the relief of Lily Sklar Titleman.

An Act for the relief of Alice Florence Chaisson Boychuk.

An Act for the relief of Cecile Chagnon Tremblay.

An Act for the relief of Roger Albert Bersier.

An Act for the relief of Herman Rayvals.

An Act for the relief of Helen Frances Knight Koomas.

An Act for the relief of Marie Cecile Philomene Gilberte Pregent Bouchard.

An Act for the relief of Joyce Eugenie Swanburg Millette.

An Act for the relief of Evelyn Mahaffy Major.

An Act for the relief of Ruth Mary Ledden Wallace.

An Act for the relief of Catherine Lammie Graham McLean.

An Act for the relief of Irene Tinkoff Goldmann.

An Act for the relief of Joseph Fishman.

An Act for the relief of Lucille Therrien Deguisse.

An Act for the relief of Doris Rose May Cook Thomas.

An Act for the relief of Olive Clara Benson Pitman.

An Act for the relief of Mildred Irene Mitchell Gauthier.

An Act for the relief of Laurette Racine Pollender.

An Act for the relief of George Wilkinson Pridmore.

An Act for the relief of Kathleen Mary Hicks Rainville.

An Act for the relief of Violet June Bockus Good.

An Act for the relief of Ethel Rappaport Lomon.

An Act for the relief of William Newell.

An Act for the relief of Sally Ruth Pall Gold.

An Act for the relief of Nicholas Vlahos.

An Act for the relief of Stefan Weber.

An Act for the relief of Mary Russell Leclair.

An Act for the relief of Joseph Roland Langevin.

An Act for the relief of Eileen Hannah Thompson Scott.

An Act for the relief of Miriam Jurist Stern.

An Act for the relief of Bernice Edith Knights Blake.

An Act for the relief of Michael Francis McTigue.

An Act for the relief of Zygmunt Habdank Bielski.

An Act for the relief of Daphne Louisa Ruby Burrows Newland.

An Act for the relief of Reine Isabel Charles Bisson.

An Act for the relief of Elizabeth Cave Collyer DuBoyce.

An Act for the relief of Elvi Russak Urb.

An Act for the relief of Norma Rose Cohen Freeman.

An Act for the relief of Shirley Janet Whitton Ladds.

An Act for the relief of Venise Gosselin Hotte.

An Act for the relief of Bertha Wexler Azeman.

An Act for the relief of Emilia Shutko Suranow.

An Act for the relief of Amy Isabel Wonham Saunderson.

An Act for the relief of Marie Anna Eliza Labrecque Ladouceur.

An Act for the relief of Donald Stewart Walker.

An Act for the relief of John Joseph Sebaski.

An Act for the relief of Gwen Horne Segal.

An Act for the relief of Gwendolyn Alice Wilson Hermann.

An Act for the relief of Agnes Traiton Rathburn.

An Act for the relief of Loueisa Knutton Roberge.

An Act for the relief of Dorothy Miriam Skinner Stuckey.

An Act for the relief of Albert Renaud.

An Act for the relief of David St. Clair Wilson.

An Act for the relief of Omer Arthur Menard.

An Act for the relief of Dorothy Nettie Clarke Hay.

An Act for the relief of Frederick William Hovermann.

An Act for the relief of Bertha Viola Beatrice Good Malcolm.

An Act for the relief of Mabel Florence Adams Hadden.

An Act for the relief of Marie Marthe Moreau Roy.

An Act for the relief of Pierrette Picard Gagnon.

An Act for the relief of Marcelle Richard Deschambault.

An Act for the relief of Florence Irene Burness Williams.

An Act for the relief of Jean Paul Pelletier.

An Act for the relief of Mildred Mabel Desmarais Demers Joly.

An Act for the relief of Leonne Liane Andree Belanger Botham.

An Act for the relief of Shirley Alma Lawson Wilson.

An Act for the relief of Sarah Yampolsky Pinsky.

An Act for the relief of Karina Mercs Bunte.

An Act for the relief of William Garnet Mills.

An Act for the relief of Violet Pitman Proulx.

An Act respecting Ottawa and New York Railway Company.

An Act to amend An Act respecting the Buffalo and Fort Erie Public Bridge Company.

An Act respecting St. Mary's River Bridge Company.

An Act respecting Alaska-Yukon Pipelines Ltd.

An Act to amend the Excise Tax Act.

An Act to amend the Canadian and British Insurance Companies Act.

An Act to amend the Income Tax Act.

An Act to amend the Canadian Vessel Construction Act.

An Act to amend the National Housing Act.

An Act to amend the Export Credits Insurance Act.

An Act respecting the construction of a line of railway by Canadian National Railway Company from Optic Lake to Chisel Lake, and the purchase by Canadian National Railway Company from The International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba.

An Act respecting The Hamilton Harbour Commissioners.

An Act to amend the Unemployment Assistance Act.

An Act to amend the Pension Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

### SEASON'S GREETINGS

**Hon. W. Ross Macdonald:** Honourable senators, before the house adjourns on this our last sitting day before Christmas, I take this opportunity of wishing you, Mr. Speaker, and your wife and family, a very happy Christmas. I am sure all honourable senators appreciate the interest you have taken in the work of the house and the manner in which you have presided over its proceedings.

**Hon. Senators:** Hear, hear.

**The Hon. the Speaker:** Honourable senators, I may be chided by the Clerk or the Clerk Assistant for doing so, but I take this opportunity of extending to all of you best wishes for a very merry Christmas.

I wish to thank you very much for your kindness and assistance during this period of transition—I know it was a period of transition for some honourable senators, and it also was for me.

The Senate adjourned until Tuesday, January 7, at 8 p.m.

## THE SENATE

Tuesday, January 7, 1958

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

Prayers.

### ROYAL ASSENT

**The Hon. the Speaker:** Honourable senators, I have the honour to inform you that I have received the following message from the Secretary to the Governor General:

GOVERNMENT HOUSE  
Ottawa

January 7, 1958

Sir,

I have the honour to inform you that the Hon. Mr. Justice Robert Taschereau, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 7th January, at 9.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,  
Sir,

Your obedient servant,

J. F. Delaute,  
Secretary to the Governor General  
(Administrative)

The Honourable

The Speaker of the Senate,  
Ottawa.

### APPROPRIATION BILL NO. 1, 1958

#### FIRST READING

**The Hon. the Speaker:** Honourable senators, a message has been received from the House of Commons with Bill 242, for granting Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958, to which they desire the concurrence of the Senate.

The bill was read the first time.

#### SECOND READING

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

**Hon. John T. Haig:** Honourable members, I move, seconded by the Honourable Senator Horner, that this bill be now read the second time.

This bill is a supplementary estimate largely to cover one-twelfth of the items payable in this year. However, part of the bill covers one-sixth of the items, because interim supply legislation has been passed three or four times—I think four, and this is the fifth.

With the permission of the house, I intend to read a memorandum prepared by myself

and another gentleman, which will give a better understanding of the situation—not of the bill itself, which is quite clear. If I give the figures I think honourable members will understand what I mean. This bill provides for one-twelfth of all the items to be voted in the main estimates, except certain items. Section 2 of the bill would vote \$257 million odd.

In order that there will be no misunderstanding, I may say all these items will come up in the final estimates which will come before the house before this session is closed. Any honourable senator has the right to comment tonight, or whenever he wants to, on the main estimates, and anything said by an honourable senator tonight will not bar him from repeating it when the main estimates come up. That is the usual undertaking, and I now give it.

I have here a memorandum which I thought would be interesting to all of us, covering what has been voted and what has been spent, and I intend to put it on *Hansard* so that all honourable senators will have it. For instance, the main estimates were \$5,401 million odd; the supplementary estimates were \$19 million odd; further supplementaries (1), \$94 million odd; and further supplementaries (2), \$81 million odd, making a total of \$5,597 million odd. Of that amount \$2,172 million is statutory, leaving a balance to be voted, including the bill now before us, of \$3,424 million. In some of the estimates the total vote has already been made because they come in between March 1 and November 1 and are of a seasonal nature. Some of those items have already been voted in these supplementaries; of course the large estimates go by the year, and the season has no effect.

This bill will vote a total of \$272 million. So the estimates are pretty well voted up to date, but when the main estimates come before us next week or the week after they will show the total distribution of every item in the estimates. I might mention that some of these items were put there by the former Government and some by this Government.

I have drafted a small report giving a summary of what each section of this bill covers. The trouble, however, is that numbers have been used to identify excepted items, so it cannot explain the details of the bill. With the consent of the house I will put this report on *Hansard* so that anybody can consult it in order to arrive at an understanding of the situation, and it will be useful in this way. I had this statement drawn up in my own way—that is to say

I told them what I wanted and they drew it up in accordance with my request.

The last time I spoke on this subject I was asked what money was yet to come on the different items and I could not answer. Now, honourable senators, when this report is on *Hansard* you will be able to work out exactly how much money has yet to be spent on every item yet to come in.

The different items that were brought down by the different Governments are covered. The former Government brought down the main estimates and two supplementaries, and the present Government brought down two or three. That makes four or five supplementaries. When we get the main estimates honourable senators will be able to check on this statement, and that is why I suggested putting it on record.

ESTIMATES, 1957-58

	Total	Of which:	
		Statutory	To be voted
Main Estimates .....	\$5,401,969,197	\$2,098,621,097	\$3,303,348,100
Supplementary Estimates .....	19,271,359	—	19,271,359
Further Supps (1) .....	94,750,000	74,000,000	20,750,000
Further Supps (2) .....	81,325,999	—	81,325,999
	<u>\$5,597,316,555</u>	<u>\$2,172,621,097</u>	<u>\$3,424,695,458</u>

SUPPLY, 1957-58

Appropriation Act No. 3, 1957:	
One-twelfth generally of Main and Supplementary Estimates .....	\$ 276,884,954.93
Appropriation Act No. 4, 1957:	
Six-twelfths ( $\frac{1}{2}$ ) generally and special proportions of Main and Supplementary Estimates and selected proportions of items in Further Supps (1) to provide for period ending October 31, 1957 .....	1,714,109,433.08
Appropriation Act No. 5, 1957:	
Remainder of items in Main and Supplementary Estimates for the Post Office Department .....	63,057,096.18
Appropriation Act No. 6, 1957:	
One-twelfth generally and special proportions of Main and Supplementary Estimates, varying general proportions of items in Further Supplementary Estimates (1) and one-third generally plus special proportions of Further Supplementary Estimates (2) to provide for period ending November 30, 1957 .....	305,222,335.25
Appropriation Act No. 7, 1957:	
One-twelfth generally and special proportions of the Main Estimates, one-twelfth generally of the Supplementary Estimates, varying general proportions of items in Further Supplementary Estimates (1) and one-sixth generally plus special proportions of Further Supplementary Estimates (2) to provide for the period ending December 31, 1957 .....	281,607,101.16
Appropriation Act No. 1, 1958:	
(This Bill)—Details on p. 462 .....	272,372,511.08
	<u>\$2,913,253,431.68</u>

Now, in addition to that I had a summary of this bill made. If the house would like it I should be glad to put it on *Hansard* too, because it clearly sets out what the bill of today covers and what is left out. Half a dozen copies only were made of this statement; I gave one to the Leader of the Opposition (Hon. Mr. Macdonald) and to one or two others, but I did not follow any definite

pattern. If honourable senators agree I will put it on *Hansard*, so the two statements may be considered together.

**Hon. Senators:** Agreed.

**Hon. Mr. Haig:** This gives a second summary of what the two Governments have done with the money.

INTERIM SUPPLY

The proposed Bill will provide:

MAIN ESTIMATES

Section (2) One-twelfth of all the items to be voted in the Main Estimates for the fiscal year 1957-58 (except Votes 16, 52, 57, 69, 71, 100, 116, 117, 131, 132, 134, 153, 156, 158, 217, 218, 219, 227, 248, 252, 281, 307, 322, 324, 328, 333, 334, 335, 336, 355, 361, 364, 365, 367, 373, 389, 391, 397, 399, 422, 428, 432 and 460, for which additional proportions previously granted have brought the total proportion released up to 11/12ths or more) .....	\$257,324,674.84
Section (3) Additional one-twelfth of two special items in the Main Estimates to provide for programs for which expenditures are concentrated in the first ten months of the year .....	983,904.25

SUPPLEMENTARY ESTIMATES

Section (4) One-twelfth of all of the items to be voted in the Supplementary Estimates for the fiscal year 1957-58 (except Votes 621, 626, 635, 640 and 654, for which additional proportions previously granted have brought the total proportion released up to 11/12ths or more) .....	1,393,571.59
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FURTHER SUPPLEMENTARY ESTIMATES (1)

Section (5) One-ninth of Votes 669 and 670 in the Further Supplementary Estimates (1) to provide for the payment of Veterans Allowances and Pensions at the increased rates which took effect on July 1, 1957 .....	2,138,888.89
Section (6) One-twelfth of Vote 668 in the Further Supplementary Estimates (1) to provide for payments under the Maritime Freight Rates Act at the increased rate authorized by this item .....	125,000.00

FURTHER SUPPLEMENTARY ESTIMATES (2)

Section (7) One-sixth of all the items to be voted in the Further Supplementary Estimates (2) (except Votes 692, 729, 732, 737, 754 and 759, for which additional proportions granted in the last interim supply bill have brought the total proportion released up to 10/12ths or more) .....	7,338,888.17
Section (8) One-twelfth of Votes 692, 729, 732 and 737 in the Further Supplementary Estimates (2) 1957-58, which is all (namely 11/12ths) that can be granted for these items short of full supply .....	3,067,583.34
	\$272,372,511.08

When the main estimates come down we will know exactly what has happened and how much money is yet to be spent, and if the bill is referred to committee members of the committee will be able to ask intelligently about the different items.

Honourable senators, I suggest a course of action tonight that I hope the house will accept. I do not think it is necessary to send this supplementary estimates bill to committee, but I think that when the main estimates come down we ought to refer them to a committee, for this reason: that two Governments have been handling this money. The former Government brought down at least two supplementary estimates as well as the main estimates, and I think the new Government brought down two supplementaries. By referring it to committee a good chance will be provided for us to check, and that procedure would not take very long. We can have the officials from the Department of Finance come and assist us, I can assure you of that. I know they have assisted me. They are very expert in this, and I know that they know a good deal more about it than I do. I had these statements made so that when

anyone wants to check the items he will have the record of what we have passed, what this bill covers and what the new estimates will cover.

**Hon. Mr. Farris:** May I ask the honourable Leader of the Government (Hon. Mr. Haig) a question? Is there any way by which we can find out how much the reduction of taxes has been under this Government?

**Hon. Mr. Haig:** I cannot answer that until the budget comes down. You may ask me that when the main supply is voted. The minister said in the House of Commons that he anticipated a surplus of \$80 million. I think the previous Government estimated \$156 million, or some such figure as that. There is a question about that. I am not sure if the former Minister of Finance took into account the increases that were promised practically right after that—increases to the civil servants and also to the armed forces—promises that have all been carried out. When the final estimates come down they will show what has been spent, and my honourable friend will have the figures there before him.

**Hon. W. Ross Macdonald:** Honourable senators, I wish in the first place to thank the honourable Leader of the Government (Hon. Mr. Haig) for having given me this breakdown of the amount which is required by the bill. As he states, the total is \$272 million, which is a lot of money to vote in a very short time. Our only consolation is that some time next year, long after the money has been voted, we shall be able to learn how it has been distributed and whether we did the right thing when we voted it. But we shall have to look backward. At the present time there is no opportunity to consider whether these amounts should be spent.

I realize that this question is primarily one for the other house, whose Committee of Supply has the estimates before it at the present time. If my memory serves me correctly, the estimates of only one department—the Post Office—have as yet been approved.

**Hon. Mr. Haig:** And the National Defence Department.

**Hon. Mr. Macdonald:** Oh, yes, the defence estimates were approved on Saturday. But all the other estimates are still before the other house. I might point out that the grand total amounts to \$5,597,316,555. That is a lot of money. Of course, of that sum \$2,179,000,000 relates to statutory disbursements, leaving \$3,417,000,000 to be voted. When this bill has been passed we shall have voted \$2,913,000,000, and we shall have done so blindly. We have no details. There will then remain to be voted, of that \$5,597 million, only \$504 million. As I have said, the aggregate amount covered by the present bill is, roughly speaking, \$272 million. This, I believe, is the sixth interim supply bill of the current fiscal year. It is some cause for satisfaction that there can be only two more, because after the end of March we shall be in another fiscal year, and the Government has to get the balance of the money for this year before that time. So the honourable Leader of the Government can guarantee that he will not be asking for money more than twice again this year.

I believe that the Senate should give more consideration to the matter of these expenditures. Admittedly it cannot increase them, but it has the power to decrease them, provided that in doing so the balance of ways and means is not disturbed. I refer of course to ordinary expenditures, not to taxation. But the trouble is that we do not receive supply bills until the very last day, when, of course, adequate consideration is impossible. All the Senate can do is to review what has taken place and make recommendations—most of which are ignored—to

the other house. That is not too satisfactory, but if we keep pounding away we may achieve something.

Honourable senators, I have no objection to this bill. It follows the practice that has been established over the years, and especially tonight I cannot have too much objection, because most of this money was provided by the former Government.

**Hon. Mr. Haig:** Right.

**Hon. Mr. Macdonald:** Although I am consenting to this bill being given three readings tonight, I would like to see the practice of rushing legislation through the Senate discontinued. Too many bills have gone through this house too quickly during this session. I feel that all legislation should be presented to this house early enough to allow it to be referred to a committee before it is given third reading and passed. We should be given the opportunity to study bills in committee, where officials and ministers of the various departments can be questioned. I appeal to the Leader of the Government tonight to give up the practice that seemed to be established during the early part of this session of rushing legislation before this house at the last minute and saying, "I want third reading tonight because we are having Royal Assent in 15 minutes." That should not happen and I hope it will not happen again, for I think the honourable Leader would have a difficult time in persuading this house to accede to his request. This house has always taken pride in giving careful thought to any legislation that has come before it. It is a tradition which has been established over the years and must not be broken. Therefore, in agreeing to giving this bill second and third reading tonight I do so on the understanding that no other bills, except perhaps interim supply bills, will be presented to this chamber at the last minute with the request that we give them three readings in the one sitting.

The motion was agreed to, and the bill was read the second time.

#### THIRD READING

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

**Hon. Mr. Haig:** I move that it be read the third time now. I will take to heart what my honourable friend the Leader of the Opposition (Hon. Mr. Macdonald) has said about getting legislation over to this house more quickly. However, I think he should try to get his message across to the members of the other house, not just to one group but

to the whole membership. I agree that legislation is sometimes slow in getting here but there is some excuse for this situation. There are many new members in the House of Commons this session and they wanted to get various bills through as soon as possible. That made it very difficult and caused some delay. I hope when the next federal election is held the party that is elected will be given a good majority, for under our parliamentary system a minority government, no matter who forms it, cannot carry on too successfully. The United States are finding terrific difficulty in dealing with certain problems that come up under their system of government. They cannot change their chief administrator until the next election, some two or three years hence. Our system has an elasticity that permits us to change our government at almost any time. I think our democratic system, like that of Great Britain and certain other countries, is by and large the best system; but if we have a minority government there is no disputing the fact that it cannot carry on without having a good deal of trouble and delay, especially in a legislature where four parties are represented. I am not speaking on behalf of any party now but I hope when the next election is held the people of Canada will give whatever party they elect a good working majority. It would greatly facilitate the work of the Government.

**Hon. Thomas Reid:** Honourable senators, before the bill is given third reading may I take a few minutes of your time to discuss a matter which I intended to bring up as a question of privilege this evening? It has to do with one of the items in the estimates, and perhaps this would be a good time to air the grievance I have with respect to it.

I was sorry that I was not present in the Senate when the honourable Leader of the Government (Hon. Mr. Haig) answered an inquiry of mine which I had placed on the Order Paper prior to leaving here to attend to duties as chairman of the International Pacific Salmon Fisheries Commission. My inquiry actually consisted of two questions, and I think that the attention of the Senate should be particularly drawn to one of the answers given by the honourable leader. In my opinion the answer violated the privileges of the honourable members of this body. I have before me a copy of Senate *Hansard* of December 10, 1957, in which the honourable Leader of the Government answered one part of my inquiry, which read:

That there be tabled a copy of either the interim or final report made by the British Columbia

Engineering Company in regard to their investigations concerning the possible hydro-electric development of the Columbia River including the effect of any diversion or diversions of the Columbia River.

I am sorry to inform the honourable leader that his answer to the question was inaccurate and certainly not according to the facts as placed before the House of Commons. As I understand our rules, I am not permitted to read from the Debates from the House of Commons. In the Senate the honourable leader, in answering my inquiry, said:

I suggest that this inquiry should be dropped. The Government notified the House of Commons on Friday that it had no complete report at all on this matter and as to what they did have it was not in the public interest that it be produced or tabled in the House of Commons. The same answer would apply in this chamber.

Let me deal with that last sentence. Honourable senators, I do not think we should be particularly concerned with answers given in the House of Commons. We are a separate body and answers given in the other house need not be binding on this honourable chamber, or on the powers and privileges of the Senate. The honourable Leader of the Government said the House of Commons had been notified that there was no complete report at all on this matter, but that is entirely at variance with the statement made on December 3 in the House of Commons by the Minister of Northern Affairs and National Resources. I am not going to read what he said, but if the honourable Leader of the Government in the Senate will turn to page 1771 of the House of Commons *Hansard* he will see that a question similar to mine had been raised in the House of Commons and that the minister had replied that the final report on the matter had been received by the department concerned on December 2. Despite that fact the Leader of the Government in the Senate turned aside my question by saying that the Government had received no such report. Of course, that was just too much for me to swallow. I intend to press this matter further later on when dealing with the privileges of honourable senators, for I have always taken the view that once an appropriation passes Parliament it is the right of any member to obtain a copy of any report regarding such an expenditure. I would point out that in 1955 \$280,000 was appropriated and passed by Parliament for the carrying out of separate investigations on the Columbia and Fraser Rivers with regard to water power.

One matter I am particularly interested in is the many misleading statements made by General McNaughton before the External Affairs Committee, during my absence—so many that they have caused quite a furore. Those misleading statements should be

answered. As one whose duty at the present time is to preserve the salmon of the Fraser River, I wanted, particularly, as Chairman of the Salmon Commission, to see that report which is now being denied to us. No definite reason has been given for my not seeing it, and certainly not by the Leader of the Government, who says, first of all, that there was no report placed before the Government—which is not correct; and, secondly, that it was not in the public interest to produce it—which is also not correct. I am wondering how he got that information and came to place such an answer on *Hansard*, thereby eliminating the question which I placed on the Order Paper asking for a copy of this report. I want to warn him that I intend later to make a stand to obtain that report and thereby maintain the rights of the members of this honourable chamber. As long as I have been a member of Parliament, since 1930, I have realized that once an expenditure is made and carried out, it is then the right of the peoples' representatives to demand any report thereon. This report now rests in the hands of the Government, who are hiding it for some reason or other which has not yet been revealed. So much for that.

Another inquiry of mine was thrown out, too, though not for exactly the same reasons, and I also take great exception to the answer given in this instance. I must say that I speak in very complimentary terms of the honourable senator from Inkerman (Hon. Mr. Hugessen), who in my absence tried to defend the question on the Order Paper. But according to the leader I am bound by the answer given by the department. Well, is the Leader of the Government in this Senate going to be dictated to and bound by an answer by some departmental official? Is that what we are to expect in this chamber? I simply asked a straight question regarding the price of natural gas which is being charged at a higher rate to the people of British Columbia than that to the people of the United States. I want to place this matter also before the Senate and to warn the Leader of the Government that more will be heard of this later, because I am not going to accept those answers without some greater protest by myself, not only in an endeavour to obtain a copy of the report and get definite answers, but also because of what I believe to be the rights of this chamber.

**Hon. Mr. Haig:** Honourable members, the honourable gentleman has mentioned me and I feel I should give an explanation. As I understand it, the practice is, and I was so informed, that when an inquiry appeared on

the Order Paper I was to try to get the answer from the department. I did this, and the answer I presented here was exactly the answer that the department gave me in writing. I tabled the exact answer which was given to me. I have no control over the departments—I could not presume to have control over them—and they do not have to give me any information in any way at all. Whenever I have received an inquiry, in every single case I have never hesitated to try to get the answer. I have done that ever since I first occupied this seat. In such cases I immediately take the Order Paper, call my secretary in, and together we discuss what department the inquiry comes under, and if we do not know right away I telephone the different departments to find the right one. I then write to the man in charge and ask for the information, and when I get the answer I table it. There is nothing else I can do. If my honourable friend thinks I am trying to hide anything he is totally wrong. In 31 years of public life I have never tried to hide a document from anyone.

**Hon. Mr. Reid:** Your answer is wrong.

**Hon. Mr. Haig:** It is not. The information may be wrong.

**Hon. Mr. Reid:** It is untrue.

**Hon. Mr. Haig:** I have passed on to this house the exact information I received from the proper sources. I can go no further.

**Hon. Mr. Euler:** May I ask the leader a question?

**Hon. Mr. Haig:** Yes.

**Hon. Mr. Euler:** Would he not think it proper procedure to try to get the answer from the responsible minister of the department? The minister may get it from his underlings.

**Hon. Mr. Haig:** In every case in which I am doubtful I call the minister and ask from whom I can get the information.

**Hon. Mr. Euler:** He should be responsible.

**Hon. Mr. Power:** Surely the Leader of the Government is not going to tell us that he is not responsible for the administration of the Government. Under any doctrine of responsibility he is responsible.

**Hon. Mr. Haig:** Just a minute, my honourable friend. I have been in the house just as long as you have, and in politics, and I want to say this—

**Hon. Mr. Power:** That is not the point.

**Hon. Mr. Haig:** —that I never made any misrepresentation. If the information I got was wrong, I did not know it.

**Hon. Mr. Power:** That is not the point. The point is, you should know; it is part of your business to know.

**Hon. Mr. Haig:** The point is this, I know of no other way to get it outside of the way it has been obtained since I became leader.

**Hon. Mr. Power:** Not at all.

**Hon. Mr. Haig:** The only way, if anyone is not satisfied, is for the Senate to call a meeting of the Public Accounts Committee, or some other committee, and ask for those documents to be produced and for the minister to be present at the meeting. You can do that if you want to, and if you want that done I will follow your instructions. But I am not going to stand here and be accused of something I have not even thought about, let alone done. I never even thought about it—I didn't even know it could be done. I thought when I was giving the answer it was the truth. Apparently, my honourable friend says I am wrong. I don't know.

**Hon. Mr. Power:** Surely my honourable friend does not want to get away from his responsibilities as a minister of the Crown. If a departmental officer tells him he is not going to give the answer he has to give the reason.

**Hon. Mr. Haig:** I never said that. I said I gave the answer in the usual practice of this house. The honourable member from New Westminster (Hon. Mr. Reid) says I brought in the wrong answer. All right, I will accept his word on that. But don't accuse me of doing this, because I didn't do it, and you know as well as I do that I didn't; so does he. I am not that kind of a man. I don't do those things, and I never did.

**Hon. Mr. Power:** We are saying that you are responsible, and that you are avoiding your responsibility.

**Hon. Mr. Haig:** Mr. Speaker, are you going to maintain order or not?

**The Hon. the Speaker:** You are in order.

**Hon. Mr. Haig:** I want a fair deal in this situation.

**Hon. Mr. Power:** You are getting it.

**Hon. Mr. Haig:** I am not to be accused of doing one thing wrong in connection with it. This is the first time this has ever been raised since I have been here about any question. If the honourable gentleman (Hon. Mr. Reid) had been in his place, which he was not, when I made the report, he could have made the objection then, and I could have found out about it immediately. The right way to do it is to call a meeting of the Public Accounts Committee, or some other committee, and ask for the men to be

brought before it. You have that power, and that is the way to do it. But don't blame me, because I want to say quite candidly I am not guilty, and it never even entered my thoughts at all. I can't see any reason why I would want to hide it even if I could; I don't see any reason for it. As a matter of fact, I agree with the idea in the back of his head, and I just told him so. I am against the stand certain people are taking, but that is not the issue in this house. I want to say quite candidly, Mr. Speaker, that I didn't do it, and if the report was wrong, I assure my honourable friend that if he gets the machinery going in this house to call the men before it I will produce the information and they can give their answers, and I am persuaded their answers will be the same.

**Hon. Mr. Reid:** Honourable senators, I rise on a question of privilege. First of all, in case someone takes up wrongly the statement which the honourable leader made regarding my absence when the reply was presented, I wish to make it clear that I left here to perform a duty on behalf of the country. I am chairman of the International Pacific Salmon Fisheries Commission, and I was obliged to leave to attend its two meetings held on the coast. I do not want any inference to be drawn from what the honourable leader said that I had run out and so was not in my place in the Senate at that time. Secondly, a very definite statement was made by a minister of the Crown, the Honourable Alvin Hamilton, Minister of Northern Affairs and National Resources, that they had received the report on December 9—a definite "yes".

**Hon. Jean-François Pouliot:** Honourable senators, I will have to rise again as a peacemaker. I am very serious in saying that.

**Hon. Mr. Howard:** As always.

**Hon. Mr. Pouliot:** Thank you.

I was not going to speak on this bill, but my honourable colleague from New Westminster (Hon. Mr. Reid) has opened the way. The case I have to discuss is quite similar to his own. He may be surprised, but I expect to be successful in the long run—the run may be long, but I expect to be successful.

Some time ago I asked some pertinent questions about the National Gallery, and the questions were not answered. I did not know whether it was the fault of the Government or of a bunch of bureaucrats, who are the Director and members of the Board of Trustees of the National Gallery. But finally I had to speak loudly, and the following day I got the answer. But the answer I got from

those contemptible bureaucrats was an insult to Parliament. I had asked for the cost to the country of each of the horrors and monstrosities, the pictures of which appeared in the two last reports of the National Gallery. After having spoken loudly, I got part of the answer, not all.

Here is what I consider an insult to Parliament, and I submit it to your Honour and to my honourable colleagues. I had asked:

. . . from whom was bought each painting, drawing, etching, sculpture or statue illustrated therein and how much was paid for each one of them.

I was not told from whom each item had been purchased, but here is part of the bold answer they gave:

The Trustees of the National Gallery are prepared to supply information regarding prices paid and the dates of purchase (as previously reported in *Hansard*, January 22, 1957). However, it is the considered opinion of the Trustees that it is not in the public interest to disclose from whom works were purchased and they point out that to treat such information as private is the standard practice with all art galleries and museums.

This is an insult to Parliament, and here is the means by which I will get satisfaction from that group of individuals. They have answered part of my question, but they refuse to answer the second part. What will I do? I will ask more questions until I know all there is in it.

I have here a series of questions, which I shall table later when the time comes for notices of inquiries. The questions are:

1. Who were the members of the Board of Trustees of the National Gallery of Canada from the fiscal year 1955-56 inclusively until the present time?
2. What were the qualifications of each one of them in the arts of (a) painting, (b) drawing, (c) etching, and (d) sculpture?
3. How many paintings, drawings, etchings and sculptures made by each one of them are there in any museum of Canada or any other country, and what and where are they?
4. During the period mentioned in No. 1, how many times did they meet and where?
5. How much was paid to each one of them for their remuneration and their travelling expenses?
6. When was the present incumbent appointed the Director of the National Gallery of Canada, and at what salary?
7. What total amount has been paid to him, from the date of his appointment, for his salary and his travelling expenses?

Now this is the point, honourable senators, and you have seen me come to it.

8. Is he entitled to a commission on the purchases for the National Gallery of Canada and, if so, what is it?

That is a very nice question.

9. What price was paid for each one of the purchases for the National Gallery of Canada, from the date of the appointment of the present incumbent as its director, what was each one of them, with its catalogue number, and from whom was each one bought and when?

This is the manner in which I shall try to get some information when it is refused by bold bureaucrats; and if I get the answers to one-half only of my questions, my second series of questions will be four times as long.

**Hon. J. W. de B. Farris:** Honourable senators, I am rather disappointed in my honourable friend who has just spoken. He said he came as a peacemaker. Apparently he is going on the theory *similia similibus curantur*. If this is his idea of peace, I would hate to see him when he declared open warfare. I would like to take the matter up where I thought he was going to deal with this point of answers to inquiries, and make a suggestion to my honourable friend the Leader of the Government (Hon. Mr. Haig) with respect to his statement that there was nothing more he could do.

With all deference to the leader—and I want to assure him that I think the members of this chamber in no way question his good faith or honesty in his statement—when he is confronted with an apparent inconsistency in an answer he gave with an answer previously given by a minister in the other house, I would respectfully suggest that instead of putting the burden on my honourable friend from New Westminster (Hon. Mr. Reid) to call a committee, he, the Leader of the Government, ought to get busy with the appropriate minister and find out what the trouble is.

**Hon. Mr. Haig:** Thank you very much; I will do it.

The motion was agreed to, the bill was read the third time, and passed.

### BRITISH COLUMBIA CENTENARY

#### DESIGN FOR COMMEMORATIVE DOLLAR

On the Orders of the Day:

**Hon. Thomas Reid:** Honourable senators, before the Orders of the Day are proceeded with, there is another matter that I would like to place before this house.

As most honourable senators know, this year British Columbia is celebrating the centenary of its founding. In that connection I have one matter that I would like to place before the Leader of the Government (Hon. Mr. Haig), in the hope that he will take note of it and perhaps later make some statement to the public. It has to do with the issue of silver dollars by the Mint to commemorate British Columbia's one hundredth anniversary.

First of all, may I say to him that I trust the minting of these silver dollars will be in large quantities. When I left for Ottawa a few days ago some 20,000 only had reached the banks from the Bank of Canada. In my

opinion at least one million will be required—and incidentally, I know of no easier way for the Government to make money than by minting silver dollars to sell at \$1 apiece, especially with the present low price of silver.

But what I have in mind, and what I would like the Leader of the Government to take note of, is the controversy that has arisen regarding the figure on the silver dollar. One of the leading Indians in British Columbia, Mr. Guy Williams of the Native Brotherhood, supported by Mrs. Ellen Neil of Vancouver, who has given some study to the Indian affairs, has come forth with the statement that the totem on the silver dollar represents death money in so far as the Indians are concerned. He says it means *Memloose chickman*.

Immediately on my arrival here yesterday I took the question up with the Master of the Mint, pointing out to him that perhaps first of all it was not a wise thing to engage three wise men from the east to settle a matter that should have been settled by those who live in and know the west, especially some of the Indians. This is the information I received from him:

The upright near the centre of the design is part of a totem pole representing "Gunarh", the hero of the Indian version of the myth of Orpheus. Above him stands the supernatural protector in the form of a bird (eagle or raven). The background is the scenery of British Columbia.

Great publicity was given in the press to the statement made by the Indian, Mr. Williams. Now, even in this enlightened age there are still some people superstitious enough to avoid walking under a ladder, and those who will not go to sea on a Friday, and so on. When such people read the opinion of the Indian that the emblem on the silver dollar means death money—

**Hon. Mr. Robertson:** They will not take it.

**Hon. Mr. Reid:** I would not say they will not take the dollar if they are offered it free, but they might hesitate to buy the dollar and keep it as a souvenir.

This year we expect thousands and thousands of people to come to British Columbia to join with us in our centenary celebrations. May I take this suitable opportunity of inviting every honourable senator to be there.

**Hon. Mr. Pouliot:** Hear, hear.

**Hon. Mr. Reid:** There is one matter that we cannot take all the credit for. It so happens that 1958 is going to be the year of the great Adams River run of sockeye salmon, and those of you who care to come to British Columbia in the month of September will in all likelihood see, we expect, some two million four-, five- and six-pound sockeye salmon all in a short length of river.

It will be a sight that you might never see again, and the like of it cannot and will not be duplicated in any province or country throughout the world.

Of course, my main purpose in rising was to ask the honourable Leader of the Government to have some investigation made into the design on the commemorative dollar, and if the statement made by the Master of the Mint is correct I hope it will be given publicity or that an official statement will be made by the Government. Personally, I believe it merits an official statement, because the mere fact of my mentioning it here will not stop some people from believing that Mr. Guy Williams of the Native Brotherhood was correct when he said the emblem on the silver dollar was *Memloose chickman* or death money.

## ROUTINE PROCEEDINGS

### CHANGE IN HEADINGS ON ORDER PAPER

On the Orders of the Day:

**Hon. W. Ross Macdonald:** Honourable senators, I have just noticed in perusing the *Minutes of the Proceedings* of the Senate for Friday, December 20, 1957 that the headings under Routine Proceedings are different from those which appeared in former years and until the 11th of December 1957. Up to that date the headings were as follows:

Presentation of Petitions  
Reading of Petitions  
Reports of Committees  
Notices of Inquiries and Motions.

From the 12th to the 16th of December there were six headings:

1. Presentation of Petitions
2. Reading of Petitions
3. Reports of Committees
4. Notices of Inquiries
5. Notices of Motions
6. Inquiry.

On the 17th of December another change was made, and since then the headings have been as follows:

1. Presentation of Petitions
2. Reading of Petitions
3. Reports of Committees
4. Notices of Inquiries
5. Notices of Motions.

Now, I would like to ask the Leader of the Government, in the first instance, if these changes were brought about by the Standing Committee on Standing Orders.

**Hon. Mr. Haig:** Like the Leader of the Opposition, I am a member of the committee, but if it met I was not present.

**Hon. Mr. Macdonald:** If the changes were brought about by that committee I would like to know when the report was tabled in

the house, and in any event I would like to know why the changes have been made. Is there any significance to them?

**Hon. Mr. Haig:** All I can say is that I did not even know they were made. I was not at any meeting of the committee, although if a meeting was held I presume I received a notice. If you had not called my attention to the changes I would not have known about them. I think there must have been some mistake in the printing.

**Hon. Mr. Macdonald:** It is not a mistake.

**Hon. Mr. Haig:** Well, I didn't do it.

**Hon. Mr. Macdonald:** I would like to know from the Leader of the Government to whom we can apply when we want information in this house.

**Hon. Mr. Haig:** You can apply to the chairman of that committee. He ought to be able to inform you.

**Hon. Mr. Macdonald:** I want to know from the honourable Leader of the Government whether it was that committee that made the change; and if he tells me that it was, perhaps I can then ask him to call for an explanation.

**Hon. Mr. Haig:** I will answer the honourable gentleman. I have seen no report of that committee tabled in this house; and so far as I know I have not missed one meeting. That is all I know about it. I had nothing to do with the change; I gave no instructions; I was not consulted. I wish some other honourable senators, if they have faults to find with me, will let me hear them now so that we can get over all this on one night.

**Hon. Mr. Macdonald:** I am not finding fault with the honourable Leader of the Government. My only objection is that he is not answering my question and is not referring me to anyone who can answer it. My request to him is that he will make inquiries and ascertain why the change was made and explain the matter to the house.

**Hon. Mr. Haig:** With pleasure. I promise to do that. I know nothing about it, and I do not believe any other honourable senators know about it.

**The Hon. the Speaker:** I think I should explain the position. The Clerk informs me that there is no change at all as regards the routine proceedings of both days. There were no actual inquiries on December 17 and that is why "Inquiries" were not mentioned. I understand this is the explanation. There is no basic change in the proceedings nor in the practice that is followed. Although "Notices of Inquiries" and "Notices of Motions" are mentioned, it is a fact that there were no inquiries and no motions on the

Routine Proceedings. According to the Clerk of the Senate, and I so state as Speaker of the Senate, the proceeding is in accordance with Rule 19, which is as follows:

19. At each daily sitting of the Senate, the Speaker shall call for, in the following order,—

1. Presentation of Petitions:
2. Reading of Petitions:
3. Reports of Committees:
4. Notices of Inquiries and of Motions:
5. Inquiries:
6. Motions:
7. Orders of the Day.

I believe that the practice is that when there are no inquiries and no motions, those items are not called.

**Hon. Mr. Macdonald:** I should like to draw Your Honour's attention to the headings under Routine Proceedings for Tuesday, December 10, 1957, in the *Minutes of the Proceedings of December 5*. Those headings are quite different from those of December 12, which again are different from those of December 16. I think I am safe in saying that such a change never occurred previously.

**The Hon. the Speaker:** I believe that for some time we have been calling "Notices of Inquiries" and then "Notices of Motions". In other words, we have broken up No. 4 into "Notices of Inquiries" and "Notices of Motions". But as for the rest, I believe the practice is the same and the procedure set out in Rule 19 has been followed. Although there appears to have been a change on certain days under the Routine Proceedings in relation to inquiries and motions, the reason was that on those days there were no inquiries and no motions. However, if honourable senators wish to have the items printed even though there are no inquiries or motions, I will speak to the Clerk of the Senate and have the matter corrected.

**Hon. Mr. Macdonald:** I am grateful to His Honour the Speaker for giving me this information. I desired to know why the change had been made and who made it; but, Mr. Speaker, I have complete confidence in you.

**The Hon. the Speaker:** The honourable Leader of the Government is not responsible.

**Hon. Mr. Macdonald:** He is not accused.

## EDUCATION

### NECESSITY TO MOBILIZE AND EXPAND EDUCATIONAL RESOURCES—ORDER FOR RESUMING DEBATE STANDS

On the Order for resuming the adjourned debate on the inquiry of Hon. Mr. Cameron drawing the attention of the Senate to:

the necessity for Canada to mobilize and expand the educational resources of the nation with a view to maintaining and strengthening her position as a member of the world community.

**Hon. Vincent Dupuis:** Honourable senators,—

**Hon. Members:** Hear, hear.

**Hon. Mr. Dupuis:** I do not want to be applauded for what I am about to say. I was led to believe that this evening's program would be the consideration of a money bill, and that the debate might last some time. May I therefore ask that this order stand.

**Some Hon. Senators:** Stand.

**The Hon. the Speaker:** The order stands.

The Senate adjourned during pleasure.

At 9.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

### ROYAL ASSENT

The Honourable Mr. Justice Robert Taschereau, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of Pierre Rothe.  
 An Act for the relief of Vasyl Dudka.  
 An Act for the relief of John Francis Bernard Deegan.  
 An Act for the relief of Jean Guy Joseph Desparois.  
 An Act for the relief of John Howard Cooper Thompson.  
 An Act for the relief of Romeo Raymond.  
 An Act for the relief of Annette Allard Huint.  
 An Act for the relief of Vera Dziedzic Volkman.  
 An Act for the relief of William Toulouse.  
 An Act for the relief of Frances Maud Mercer Barter.  
 An Act for the relief of Florence Bloomfield Cichella.  
 An Act for the relief of Carmen Baron Matucha.  
 An Act for the relief of Martine Rolland Badeaux.  
 An Act for the relief of Gertrude Laurence Delisle Laplante.  
 An Act for the relief of Viola Carmela Starnino Dizazzo.  
 An Act for the relief of Ludek Peter Rubina.

An Act for the relief of Bernhard Wilhelm Michael.

An Act for the relief of Paul-Emile Bedard.

An Act for the relief of Michael Todascu.

An Act for the relief of Iris Dorothy Birks Yates.

An Act for the relief of Marion Gloria Ewart Balleine.

An Act for the relief of Yvonne Florence Kee Brien, otherwise known as Yvonne Florence Kee Durocher.

An Act for the relief of Christine Mary Mackay Leavitt.

An Act for the relief of William Lucien Proulx.

An Act for the relief of Lionel Houde.

An Act for the relief of Gilberte Henriette Marie Harchoux Vuillaume.

An Act for the relief of Catherine Maitland Moenting Johnstone.

An Act for the relief of Maria Torossi Chartrand.

An Act for the relief of Judith Sidney Browne Stein.

An Act for the relief of Florence Wedge Whitlock.

An Act for the relief of Jean-Baptiste Gagnon.

An Act for the relief of Christine Silverson Manchur.

An Act for the relief of Joseph Napoleon Leon Prosper Brault.

An Act for the relief of Kaarlo Kustaa Loikkanen.

**Hon. Roland Michener,** Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1958.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the said bill.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, January 8, 1958

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

Prayers.

COLUMBIA RIVER HYDRO-ELECTRIC DEVELOPMENT

INQUIRY—QUESTION OF PRIVILEGE

On the Orders of the Day:

**Hon. John T. Haig:** Honourable members, before the Orders of the Day are proceeded with, might I rise on a question of privilege? A discussion took place in this house last evening in which my name was mentioned other than just ordinarily, and I want to say that I took the advice of the distinguished member from Vancouver South (Hon. Mr. Farris) and looked very fully into the matter of the question of the inquiry which was discussed. The facts as I find them are as follows:

On January 9, 1957, the reports were complete and were in the hands of the Honourable Mr. Lesage, the then Minister of Northern Affairs and National Resources. Apparently he was not asked to table them, and he did not table them; he held them. When the then Government went out of office and the new Government came in, the reports were there and the new Government got them.

When the question was asked by the honourable senator from New Westminster (Hon. Mr. Reid) calling for the tabling of certain information, I asked the Minister of Northern Affairs and National Resources, who was the man I should apply to, to give me the answer to the question. I received an answer back from the minister which, in a word, said that it was not in the interest of public policy that the information be given out, and to refuse the application.

I wrongfully stated when I answered the question—

**Hon. Mr. Farris:** Not wrongfully, mistakenly.

**Hon. Mr. Haig:** —that the reports were not complete. That is what I understood to be the situation on January 9, a year ago. But the letter simply said that it is not in the interests of public policy, in our opinion, that these reports should be tabled. That is the

way the matter stands now. The reports are in the hands of the Government, and there has been no change in that stand. Thank you.

**Hon. Thomas Reid:** Honourable senators, may I, as the one who raised the question, say that that was not the answer given in the House of Commons, but part of it is correct. The answer given in the House of Commons was that a final report had been tabled with the Government on December 3, 1957. In answer to a question, on the Orders of the Day, the Government stated the reason for not giving the report in that house was that they wanted to study the report before coming to some decision.

Apparently the honourable Leader of the Government in the Senate (Hon. Mr. Haig) has had a decision from the Minister of Northern Affairs and National Resources that it is not in the public interest to publish the report. This was not the answer given in the House of Commons. I have it before me.

**Hon. Mr. Haig:** Before we go any further let me read to you the letter that I received on this subject from the Honourable Douglas Harkness, Acting Minister of Northern Affairs and National Resources:

Ottawa,  
December 5, 1957.

The Honourable John T. Haig,  
Leader of the Government,  
The Senate,  
Ottawa.

Dear Senator Haig:

Re: Inquiry No. 3 by Honourable Senator T. Reid for tabling of Final Report by B. C. Engineering on Columbia River Development.

It is not the intention of the Government to table or make public at this time any of these reports on the Columbia River, as it does not appear to be in the public interest.

I should be grateful, when the question is raised, if you would indicate that it is not the Government's intention to table these documents.

Your sincerely,  
Douglas S. Harkness,  
Acting Minister of Northern Affairs  
and National Resources.

That letter was the basis of my answer to your inquiry.

**Hon. Mr. Reid:** May I ask the honourable Leader of the Government a question? Am I to take it that the official answer from him as Leader of the Government in the Senate is that this report is not being tabled because of the minister's statement that it is not considered in the public interest to make the report public? May I take it that that is official?

**Hon. Mr. Haig:** Yes, not to table this report.

**Hon. Mr. Reid:** Am I to take it that that is correct?

**Hon. Mr. Haig:** Yes.

#### BUSINESS OF THE SENATE

On the Order for resuming the adjourned debate on the inquiry of Hon. Mr. Cameron drawing the attention of the Senate to:

the necessity for Canada to mobilize and expand the educational resources of the nation with a view to maintaining and strengthening her position as a member of the world community.

**Hon. Mr. Dupuis:** Stand.

**Hon. Mr. Haig:** With much regret, I move the adjournment of the house.

**Hon. Mr. Macdonald:** Can the Leader of the Government give us any intimation as to what business there is likely to be tomorrow?

**Hon. Mr. Euler:** Or next week?

**Hon. Mr. Haig:** I am "in" badly enough now with this house, and I am not going to get in any worse. I have not any idea. There may be two or three bills tomorrow; there may be none for two or three days. I give up! The other day I sat in the gallery of the other place, and my impression was and is that it is impossible to see ahead at this time.

The Senate adjourned until tomorrow at 3 p.m.

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THE SENATE

Thursday, January 9, 1958

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

Prayers.

ADJOURNMENT

**Hon. Mr. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until Tuesday, January 14, at 3 o'clock in the afternoon.

The motion was agreed to.

NATIONAL FLAG

SUGGESTED DESIGN

On the Orders of the Day:

**Hon. Jean-François Pouliot:** Honourable senators, as there is not much on the agenda today I wonder if you would be interested to see a 6 x 12-foot flag that I fly over my home. It is a suggestion for a distinctive Canadian flag. If you are interested I will show it to you, and if you are not interested I will show it to other people who are interested.

I will tell you what it is. It is a large, bright green maple leaf, the House of Commons colour, on a red background, the Senate colour. It is just as simple as that.

I wonder if my honourable colleagues are interested in seeing it or not. If they are interested I will show it to them, and if they are not interested I will not unfold the parcel but will keep it for a future occasion.

**Some Hon. Senators:** Let us see it.

**The Hon. the Speaker:** There is no objection.

**Hon. Mr. Pouliot:** Thank you, Mr. Speaker. This is it, honourable senators. There is nothing in it that could offend. (*Hon. Mr. Pouliot displays flag*).

**Hon. Mr. Baird:** It looks almost like a flag.

**Hon. Mr. Power:** May I ask if that is a shamrock on the flag?

**Hon. Mr. Pouliot:** If the shamrock is accepted as the national emblem of Canada there would be no objection to that, and if it is the thistle, there would be no objection to it. My idea is that there should be an

emblem large enough to be seen. When the sun shines on this flag it is quite impressive.

Well, thank you, Your Honour, and thank you, ladies and gentlemen. Inasmuch as this is an emblem which is noble and large enough to be seen and inasmuch as the emblem is not an animal, and the maple leaf is a lofty emblem, I would be satisfied, and I imagine the majority of people would be satisfied too.

**Hon. Mr. Dessureault:** There are no squirrels on it?

**Hon. Mr. Pouliot:** No squirrels, and no rampant lion or any animals at all, just a nice big maple leaf.

NATIONAL GALLERY

TRUSTEES, DIRECTOR, PURCHASES—  
INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Pouliot:

1. Who were the members of the Board of Trustees of the National Gallery of Canada from the fiscal year 1955-56 inclusively, until the present time?

2. What were the qualifications of each one of them in the arts of (a) painting, (b) drawing, (c) etching, and (d) sculpture?

3. How many paintings, drawings, etchings and sculptures made by each one of them are there in any museum of Canada or any other country, and what and where are they?

4. During the period mentioned in No. 1, how many times did they meet and where?

5. How much was paid to each one of them for their remuneration and their travelling expenses?

6. When was the present incumbent appointed the Director of the National Gallery of Canada, and at what salary?

7. What total amount has been paid to him, from the date of his appointment, for his salary and his travelling expenses?

8. Is he entitled to a commission on the purchases for the National Gallery of Canada and, if so, what is it?

9. What price was paid for each one of the purchases for the National Gallery of Canada, from the date of the appointment of the present incumbent as its director, what was each one of them, with its catalogue number, and from whom was each one bought and when?

**Hon. Mr. Haig:** Honourable senators, I have forwarded the inquiry of the honourable gentleman from De la Durantaye (*Hon. Mr. Pouliot*) to the appropriate authorities, and as soon as I get an answer I will table it in the house.

**Hon. Mr. Pouliot:** Thank you very much.

**The Hon. the Speaker:** The notice stands.

The Senate adjourned until Tuesday, January 14, at 3 p.m.

## THE SENATE

Tuesday, January 14, 1958

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

Prayers.

**Hon. Mr. Farris:** Honourable senators, now that the doors are open and the reporters are here I would suggest that my honourable friend the Leader of the Government (Hon. Mr. Haig) should repeat what he said, and also the Leader of the Opposition (Hon. Mr. Macdonald).

**Hon. Mr. Hardy:** I would like to hear it.

### BEECHWOOD POWER PROJECT BILL

#### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill 243, to authorize a loan to the Government of New Brunswick in respect of the Beechwood Power Project.

The bill was read the first time.

#### SECOND READING

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

**Hon. John T. Haig:** I move the second reading now.

Fundamentally, this bill deals with one matter, the loaning by the Dominion of Canada to the Province of New Brunswick of \$30 million to develop a power site in that province. The payments are set out to be paid over a period of eight years at a rate of interest not less than 4½ per cent, and both principal and interest are payable together, so that one-eighth will be paid each year.

As to the purposes of the bill, I wish to read the following memorandum:

Honourable senators will recall that it has been the declared policy of this Government, both before and after it assumed office, to take action to improve the economic well-being of those parts of Canada which, through no fault of their own, have not fully shared in the prosperity of the rest of the country in recent years. The Atlantic provinces are among these areas. One of the factors that have been to their disadvantage in attracting industrial development has been the fact that power for industrial use has not been available in as large a quantity or at as low a price as in other parts of Canada more favoured in this respect. Among the most

important consideration of industry in selecting a location in which it will establish is the availability of a sure supply of power and at reasonably low cost.

It seems only fair and equitable that the Government of Canada should take measures to assist in meeting this basic requirement of the Maritime provinces for industrial growth, particularly since it is possible to do so on a basis that is largely self-financing and self-liquidating.

As forecast in Her Majesty's gracious Speech from the Throne, the federal Government will provide aid which will have three facets.

First, there is aid for the financing of Beechwood. Secondly, there will be aid to thermal plants and transmission facilities for the four Atlantic provinces. Third, there will be provision for a coal subvention on Atlantic seaboard coal used in the production of thermal power in these Atlantic provinces.

Honourable senators are asked to consider today the terms of the aid for the Beechwood Power Project. The contract is that the Government will lend \$30 million, at a rate of interest not less than 4½ per cent, or whatever the arrangement is at the time. It is expected that the money will be drawn about April 1, 1958, when the project will be finished.

The Beechwood plant will be of great value in making available a substantial block of relatively low-cost power.

As honourable senators will realize, the rate of interest will be the rate at which the federal government normally advances funds to Crown companies, such as the St. Lawrence Seaway Authority. In this case the loan will not be in excess of \$30 million.

This is an attempt by the dominion Government to establish the development of a power project in the Maritime provinces, and it will be followed by an attempt to establish power projects in Saskatchewan, and probably in other provinces, as time goes on.

I can only call to the attention of honourable senators the wonderful development that has taken place in my own province of Manitoba. I well remember that in 1897, when I was a boy going to school, there was virtually no electricity there. The rich had only one light globe in their halls, and the rest of the people had oil lamps. At that time the rate for current was 20 cents per kilowatt hour. The Northern Railway brought power from the Winnipeg River to operate the Winnipeg Electric Railway. The rate is now three cents per kilowatt hour, and the river has been harnessed extensively. We are now looking to the Nelson River farther north to take care of the demand.

That has all flowed from the original investment of the Canadian Northern Railway owners, Mackenzie and Mann. The Winnipeg Electric received its power from that source, but prior to that time the electricity had been generated from coal. The people in the house in which my brother and I roomed in those days had lamps. I remember coming home one night and finding electric light in the hall, and we turned it on and off for five or ten minutes to see how it worked, for we could not believe our senses, not having seen it before.

Secondly, we lacked water in Winnipeg. It is true that we had the Red River and the Assiniboine River, and we also had wells away out in the country, but all those sources of water supply were poor. A man who was elected as Mayor of Winnipeg, a civil engineer, developed a power site on Lake of the Woods, about 70 miles east of Winnipeg. That water runs down hill to Winnipeg. It does not come by any river—there is no river there, the river runs further north—but by natural gravity, and we have a plant furnishing 2,500 gallons a day, which is becoming insufficient, and I believe aqueducts will have to be built to bring the water to the edge of the city. Another development was by a merchant in the north end of Winnipeg. After the C.N.R. had put in electric current for their street railway he developed a power site on the river to give electricity to the citizens of Winnipeg.

Among the provinces of Canada, Manitoba is now one of the greatest *per capita* users of power—perhaps not as great as Ontario, Quebec or British Columbia. My city of Winnipeg has increased from a population of about 35,000 people, in 1897, to an estimated population of 425,000, in 1957. That has come about through these developments. This year the International Nickel Company has spent, I understand, about \$175 million on a new plant in northern Manitoba. The provincial Government is going to build a power site on the Nelson River, with roughly half of the power to be sold to the nickel company and the other half to be sold to the people of the town, and the balance, if any, to be sent to Winnipeg for sale there. In other words, the creation of one development has led to the creation of other developments.

I believe that is exactly what can happen in New Brunswick. True, goods manufactured at Beechwood cannot be sold as cheaply in Ontario or Manitoba, but they can be sold a good deal more cheaply than they are being sold at the present time. This development will induce the establishment of other industries that go along with it in that province.

My other point is that the Province of New Brunswick will be liable for the debt. We are not giving the money to them. It is simply a loan being made to the Province of New Brunswick to develop a power project. Similar loans will be made to other provinces along the Atlantic seaboard. A similar loan will be made also to Saskatchewan, where it is badly needed.

Honourable senators, I believe this is a step in the right direction. I have never been in favour of giving cash money to a province to do some development. It seems to be throwing money away, unless the province itself stands the liability. But a province cannot borrow money as cheaply as the dominion can, and cannot establish a policy that will extend across the whole country. I believe this is the first step in a policy—and that it will be continued, no matter what government is in power—which will give certain parts of the country the same opportunity to carry on their development as Ontario, Quebec, and to some extent Manitoba, have done. I do not suggest that Manitoba has any need to borrow money from the federal Government or any other Government, in the ordinary course of events. Its development has been going on very well. The same is true of British Columbia. But provinces like Saskatchewan and the Atlantic provinces lack that kind of development. This legislation is an attempt to meet that situation.

For those reasons I hope the house will pass this bill, and I hope it will come into force during the present session. I feel sure this is the first of a series of measures of this kind to come before the house.

**Hon. Mr. Reid:** May I ask the honourable leader, is it not true that the plant is already built, and this is just money to help the provincial government?

**Hon. Mr. Haig:** The Government is borrowing the money, and it is to be repaid one-eighth every year, with principal and interest combined; that is to say, there will be eight payments of the same amount.

**Hon. Mr. Hugessen:** May I ask the honourable leader a question on that point? Clause 2 of the bill says this loan shall be repayable in eight equal annual instalments. Can he tell the house when the first of those instalments will be payable?

**Hon. Mr. Haig:** It is expected the first instalment will be payable one year from April 1, that the money will be paid over on April 1. The money has not been paid out yet, but the work is going on; it will be paid when the work is finished.

**Hon. Mr. Roberston:** May I ask my honourable friend in what way, if any, this legislation differs from the proposals of the previous Government?

**Hon. Mr. Haig:** I cannot answer that question directly, because I do not know what the proposals were. I do not live in the Maritime provinces, and therefore I do not know that. I understand promises were made. One difference is that there are no strings attached to this help. It is a straight loan to the Province of New Brunswick to do this job. I think that arrangement is safer both for the Province of New Brunswick and for the federal Government. It is not a grant or a gift of money to them at all.

**Hon. Mr. Robertson:** What strings were attached to the other proposals?

**Hon. Mr. Haig:** We don't know; there is no record in the legislation about it.

**Hon. Mr. Farris:** Honourable senators, I should like to ask my honourable friend a question: the date that was mentioned, April 1st, is that before or after the election?

**Hon. Mr. Haig:** I haven't got a vote at the Liberal Convention, so I can't tell you.

**Hon. Austin C. Taylor:** Honourable senators, I would like to discuss briefly, if I may, some of the background with respect to power development in the province of New Brunswick, with particular reference to the Beechwood power development project and the proposals that were submitted to the federal Government for financial assistance. May I say at the outset that I am not opposing this bill and intend to support it. I would simply like to give some of the background in relation to the whole proposal and what has taken place, in as brief a manner as I can.

First, however, may I express my best wishes to all honourable senators for the year 1958.

May I also extend my congratulations to you, Mr. Speaker, not only upon your appointment to the high office which you occupy but upon the dignity and grace with which you have carried out your duties and the fairness which you have extended to every member of this assembly. I trust you may have many years of service in this assembly.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Taylor (Westmorland):** Also I would like to express my appreciation of the splendid speeches that were delivered here in the debate on the Speech from the Throne. Unfortunately I was not present on the day the mover and seconder of the Address spoke, but I read both their speeches and I want to

compliment the honourable senators on them. May I say that I have been in politics quite a long time, and some of the most outstanding speeches I have ever read or listened to have been delivered right in this chamber.

Honourable senators, the first publicly owned power development in New Brunswick goes back well over 30 years, when the Government of the day, which incidentally was a Liberal Government, passed an act known as The New Brunswick Power Act, under which a commission was set up, called The New Brunswick Electric Power Commission, for the purpose of developing and distributing electricity at cost to the people of New Brunswick. The first project undertaken and completed was a hydro-electric plant on the Musquash River in the county of Saint John. The second step in power development included a complete study of the Grand Falls power possibilities, on the main stem of the Saint John River. After complete and thorough investigation the power potential of this site proved to be the largest single power producing possibility in New Brunswick, if not in the Maritime provinces, at that time. The Government of the day, after completing the investigation of every aspect of this power site, including shore rights and adequate water storage on the upper reaches of the river, decided to go forward with it. However, before doing so, they were successful in negotiating satisfactory agreements with the State of Maine and the Province of Quebec, after which suitable legislation was passed both by the Legislatures of Quebec and the State of Maine authorizing the various bodies to enter into this agreement. After this had been completed tenders were called and contracts awarded for railway diversion at the site and the construction of the main dam and power house, together with the necessary transmission lines. Before the work got under way, however, a provincial election was held and the Government was defeated. This was in 1925. Shortly after the new Government came into office, they decided against proceeding with this power development as a public enterprise and, as a consequence, all contracts were cancelled, shore and water reservoir storage rights were given up, and the agreements with Quebec and the State of Maine were cancelled and the moneys returned to the respective governing bodies.

After all this had taken place, the power potential of the Grand Falls site on the Saint John River was turned over to the Saint John River Power Company, and later to the Gatineau Power Corporation. This to me was the greatest tragedy of all times so far as power development in New Brunswick is concerned.

**Hon. Mr. Farris:** Will my honourable friend state what Government did that?

**Hon. Mr. Brunt:** We know.

**Hon. Mr. Taylor (Westmorland):** That was the Conservative Government, which gained power at the election of 1925.

I think you will agree with me when I tell you that the estimated cost of the total project, including shore and water storage rights, was approximately \$10 million, and the site itself carried a potential power capacity of some 300,000 horse power.

I might say, too, that there is a complete story in relation to this transfer which I do not intend to enter into today.

Coming now to the present day and to recent power developments in New Brunswick, the beginning of the present power development on the Saint John River and on its tributaries goes back to 1945, when the Province of New Brunswick, through its Resources Development Board, under the Department of Industry, undertook a study of the power possibilities of the Saint John River, including its tributaries. During the process of this study a detailed survey was made of the Tobique River and its tributaries, including storage possibilities. Following this survey, the Board recommended to the Government of New Brunswick, of which I happened to be a member at that time, that some further authority make a study of the possibilities of power development on the Tobique River and, as a result, the Power Corporation of Canada was given the task of making this complete survey; and it was on the advice of the Power Corporation of Canada, together with the recommendation of the New Brunswick Electric Power Commission and the Resources Development Board, that the then Government decided to go forward with the Tobique hydro-electric development program. At that time no assistance was asked by the New Brunswick Government for this development, inasmuch as the stream itself and the watershed contributing to the flow of water were wholly within the confines of the province of New Brunswick.

Following this, the Government gave further consideration to the possibilities of developing power on the main stem of the Saint John River and, realizing that the waters of the Saint John River were inter-provincial and international in character, a good deal of study was given to the course that the Government should follow with respect to further steps of development of the power resources of the Saint John River.

Honourable senators, most of you may be familiar with the fact that there is a treaty

in existence between Canada and the United States known as the Boundary Waters Treaty of 1909. Under this treaty provision was made for the transport of processed lumber and other commodities originating in the United States down the Saint John River to the Bay of Fundy. And, recognizing that any power development on the river might interfere with the terms of this treaty, and, due to the fact that 35 per cent of the drainage area of this river lies in the United States of America, it was decided, after consultation with the United States and Canadian authorities, to make application to the International Joint Commission for a complete study of the power resources of the Saint John River Basin. This, incidentally, was agreed to and recommended by the Chairman of the New Brunswick Development Board and the N.B.E.P.C. After a number of consultations with the Maine authorities, the New Brunswick Government made application to the federal Department of External Affairs requesting that the regulation and potential of the Saint John River be studied by the International Joint Commission, which body, under the Treaty of 1909, was given judicial, investigative and administrative powers to carry out the aims of the treaty. Consequently, and in accordance with the procedure provided in Article IX of the Treaty of 1909, the Governments of the United States and Canada, under date of September 28, 1950, united in the following reference to the International Joint Commission:

1. In order to determine whether waters of the Saint John River system could be more beneficially conserved and regulated, the Governments of the United States and Canada have agreed to refer the matter to the International Joint Commission for investigation and report pursuant to Article IX of the Treaty concerning Boundary Waters between the United States and Canada, signed January 11, 1909.

2. It is desired that the Commission shall determine and recommend, in its judgment, what projects for the conservation and regulation of the waters in the Saint John River system above Grand Falls, New Brunswick, would be practical in the public interest.

3. In making its recommendations, the Commission should indicate how interests on either side of the boundary would be benefited or adversely affected thereby and, should estimate the cost of such works or projects, including remedial works that may be found to be necessary as well as indemnification—

I should like to emphasize this aspect of it. for damage to public and private property and should indicate how these costs should be apportioned between the two Governments—

That is, of Canada and the United States.

4. In the conduct of its investigation and otherwise in the performance of its duties under this reference, the Commission may utilize the services of engineers and other specially qualified personnel of the technical agencies of Canada and the United

States and will so far as possible make use of information and technical data heretofore acquired or which may become available during the course of the investigation, thus avoiding duplication of efforts and unnecessary expense.

I would also like to point out that the scope of the reference was enlarged by both Governments on July 7, 1952, and additional reference was made as follows:

2. It is desired that the Commission shall determine and recommend in its judgment, what projects for the conservation and regulation of the waters in the Saint John River system above tide-water near Fredericton, New Brunswick, would be practical in the public interest.

At an executive meeting of the International Joint Commission held at Detroit, Michigan, on October 20, 1950, it was decided that the engineering studies in connection with the investigations under the Saint John River reference should be conducted by a board of four engineers, two from Canada and two from the United States; and the Commission, accordingly, appointed what is known as the Saint John River Engineering Board. The study was begun immediately and an interim report by the International Saint John River Engineering Board was made to the International Joint Commission on April 6, 1953.

Honourable senators, it should be noted that the application for a study of the Saint John River possibilities was initiated and got under way by the Government of which I was a member. However, typical of the fortunes of politics, an election was held in 1952 and our Government was defeated; therefore I am not in a position to know what action was taken by the new Government, until the month of April, 1953, at which time there was an interim report, released by the I. J. C., which contained several recommendations:

At that time the Commission issued a press release stating that its studies showed that the Beechwood Power Project in the Lower Saint John River in New Brunswick under consideration for development by the New Brunswick Electric Power Commission is consistent with the comprehensive plans for the development of the entire Basin.

In their conclusions, in the same press release, is found the following:

Among the more favourable possibilities for meeting increased power demands are:

1. Inter-connection of existing and future transmission systems on both sides of the boundary.

That is between Canada and the United States.

2. Construction of the Beechwood Power Project on the main stem of the Saint John River in New Brunswick and provision of from 500,000 to 600,000 acre feet of reservoir storage at sites upstream from Grand Falls, New Brunswick.

Following their conclusions, the I.J.C. made several recommendations, and among them will be found the following:

1. Proposals for specific projects having international aspects be brought to the attention of the

Commission for analysis and comment within the framework of the reference of September 28, 1950, as amended, or for action under the Boundary Waters Treaty of 1909 when required.

2. Studies under the reference be continued by the Commission as may be warranted by the need for water resources development in the Saint John River Basin.

Following the publication of this report, as far as I am aware, no further representation was made to the International Joint Commission with respect to this whole matter; therefore, we knew little about what transpired concerning the recommendations.

During the session of 1953, however, a brief was prepared by the Province of New Brunswick to the Government of Canada on the need for financial assistance to develop the hydro-electric power resources of the Saint John River. This was under date of April 27, 1953, and was tabled in the Legislature. The brief outlined the need for increased power facilities by the New Brunswick Power Commission, and in it, too, will be found an application to the Government of Canada for financial assistance in the development of the Beechwood project, including the building of the dam and power house, provision for storage and the building of transmission lines, and it will be found on pages 5 and 6 of this report.

Then, again, on page 32 of the same report will be found the detailed proposals of the Province of New Brunswick to the Government of Canada in which is outlined:

1. The urgent need for cheaper power in order to improve the general economy of the province.

2. The urgent need for a reserve power if any expansion of the economy is to take place.

3. That suitable sites with sufficient potential power are available and practical.

4. That the Commission is not self-sustaining without increased facilities for the production of cheaper power.

All of which I concur in, and did at the time.

Having pointed these various factors out, particularly to the Government of Canada, the following request was made:

In view of the above, it is requested that the Government of Canada agree to advance to the Province of New Brunswick, as the work progresses, sufficient funds, interest-free, to permit the development of the Saint John River Basin with repayment at the rate of 1½ per cent per year, starting one year after each unit of plant goes into operation. Interest savings on repayments to be retained by the Commission. If an interest-free loan is not possible, it is requested that the advance be interest-free during construction and bear interest at a rate not exceeding 2½ per cent per annum thereafter.

(Signed)—Hugh John Flemming,  
Premier of the Province of  
New Brunswick.

Honourable senators, it is significant to note that there is a vast difference between this application and the terms of the bill that is now before us.

Following this application, detailed study was given to it by the Government of Canada, after which they advised the Province of New Brunswick that since the Premier of the province had stated on various occasions that, if necessary, the province could and would go forward with the project alone, the Government of Canada felt that it was not necessary to grant assistance for the Beechwood development on the basis requested but that they would give consideration to any proposal for further development of the power resources of the river.

Honourable senators, the statement of Premier Flemming that I have referred to was made in the provincial Legislature on April 14, 1954, and is as follows:

It has already been announced by the Chairman of the Power Commission that the province on its own behalf can and will begin the initial development of Beechwood.

He also stated on several occasions that the only reason for requesting federal assistance was to obtain cheap money to lessen the cost of power to be produced.

While the Engineering Board of the International Joint Commission, together with other engineering authorities, has stated that the Beechwood project was feasible on the run of the river basis, I have always felt that without the necessary storage, as recommended by the Commission, cheap and firm power would not be available at Beechwood. This contention, I still maintain, is a correct one by reason of the variation in the flow of the Saint John River.

To indicate to you what I mean in this regard may I say that the following is taken from the dominion report called *Water Discharge Data at Grand Falls*, which has to do with the c.f.s.—cubic foot per second—of the river and shows that the maximum water flow in c.f.s. in a full month for a period of 12 years averaged 51,192, compared to the minimum full month for 12 years amounting to only 3,231 c.f.s. That indicates the variation in the flow of the river.

Honourable senators, you will realize from these figures that firm and cheap power will not be available at Beechwood unless up-river storage is provided.

**Hon. Mr. Howard:** Hear, hear.

**Hon. Mr. Taylor (Westmorland):** There is a great difference between a plant that may be feasible on the one hand and, on the other, one that will produce firm and cheap power. I have always maintained that cheap power will never be produced at Beechwood unless the recommendation of the Engineering Board of the International Joint Commission is carried out in respect to storage water. That has not been done up to the present time.

To indicate to you that I am not alone in my analysis of the Beechwood project, I intend to quote from the report of none other than Dr. H. J. Rowley, Director, Research Branch, and Chairman of the New Brunswick Resources Development Board, and also a member of the New Brunswick Electric Power Commission. His statement is found in the 1955 Annual Report of the Department of Industry and Development of the provincial Government, in which he stated:

Until large water storages are constructed in the upper reaches of the Saint John River watershed in Maine and Quebec, such firm or continuous power will not be available from sites that might be developed on the main river. With ample water flowing, as during the spring runoffs and with rainy autumn periods, Beechwood will afford periods of firmness in supply. The smaller winter and summer flows will afford energy for some hours each day only to care for peaks when system demand is high. Consequently new sources of continuous power must be afforded and these are most likely to be steam plants burning that fuel which will most effectively yield power at the lowest cost.

Honourable senators, no doubt negotiations continued following the decision of the federal Government. However, early in 1954 a decision was reached by the Province of New Brunswick to go forward with the building of the Beechwood power project on its own.

In the early part of the summer of 1954 properties around the head pond and properties which were acquired for railway and highway diversions were expropriated. Contracts were let for both highway and railway diversions. Tenders for two 45,000 h.p. turbines had been called. Tenders for two generators and two power transformers were called. Also, the tenders for the general contract for the major structures of the dam and power house were called, to close on March 31, 1955. And I would like to point out here that the lowest tender on this main contract was not accepted even though it was submitted by one of the largest and best-known construction firms in Canada. As a matter of fact, it was the firm that had the general contract for the Kitimat power project in British Columbia and, at the time the tenders were called it was in the course of completing the Canso Causeway. However, this tender was not accepted and the contract was awarded some six weeks after tenders closed to a contracting firm at \$1,200,000 above the low tender.

**Hon. Mr. Reid:** Was any reason given for rejecting the low tender?

**Hon. Mr. Taylor (Westmorland):** Yes, reasons were given for it. I can go into that matter if my honourable friend wishes me to.

**Hon. Mr. Euler:** It would be interesting.

**Hon. Mr. Taylor (Westmorland):** Tenders were called and closed on a certain date. The firm whose tender was not accepted tendered on the basis of completing the dam in two phases and by providing two dormitories to house the men working on the job. This firm was informed by the New Brunswick Electric Power Commission that the dam had to be built in three phases and that there must be twelve dormitory units for housing the men.

I made this statement on the floor of the house in Fredericton—and it has not been contradicted as yet—that the firm which had tendered the lowest had continued negotiations for a period of five to six weeks and was willing to accept the contract and the consequences in relation to it, building the dam to the perfect satisfaction of the Government and the New Brunswick Electric Power Commission, but that on the basis of its tender the dam had to be built in two phases. I have already stated that this company had the main contract for building the power project at Kitimat, and I think it will be agreed that the company knew something about hydro power development projects. In any event, it was told that the project could not be built in that way, but negotiations went on for some six weeks before finally the company withdrew its bid.

I made another statement on the floor of the Legislature in Fredericton, and this statement also has not yet been contradicted. I said that the power dam at Beechwood was in fact built in two phases and not in three, and that although 12 dormitories were built only three were used during the whole construction period of the power project.

Honourable senators, all this was done without making provision for the necessary storage to make the Beechwood project one that would produce cheap and firm power. After further negotiations by the Province of New Brunswick and the Canadian Government, the Minister of Northern Affairs and National Resources requested from the Province of New Brunswick further information in regard to their future requirements and their proposals with respect to future power development. This, I believe, was in October, 1955, and it was not until January of 1956 that the Province of New Brunswick submitted to the Government of Canada a plan for future development which included the requirements of the province up to and including 1966; in other words, a ten-year program. This included an additional unit at Beechwood, together with another hydro plant or plants on the Tobique River, with storage above the proposed plant or plants, and included a hydro project on the main Saint John River at Hawkshaw below Beechwood. However, the

major portion of this new development was to be thermal units established at various points in New Brunswick, the estimated cost to be over \$200 million.

In their submission with respect to the Tobique River hydro plant and water resources, the following will be found on page 23 of that report. First, I quote that part of the report dealing with the power site itself:

. . . three potential dam sites—two of them on the main stem of the river between Plaster Rock and the Forks and the third on the Little Tobique branch just above the Forks.

It must be emphasized that the following site descriptions and calculations are based on very preliminary and meager information and therefore many figures quoted will be subject to revision following further investigation . . .

I wish to quote again from the report, on page 24:

Site No. 1 Mapleview. . . . The site has been investigated in a preliminary way only and field surveying consists of a single section across the river at the site and a preliminary geological inspection . . . Much more detailed information is required to prove this site, and plans are now underway to investigate foundation condition using the seismic method along with diamond drilling . . .

Then, again, on page 27 will be found a reference to the Ledges site:

. . . The only investigation carried out to date has been a reconnaissance of the site and flowage area and the examination of the contour maps . . .

All of which indicates that there had not been a complete survey that would give any group, including the Government of Canada, any assurance that the possibilities were even worth considering.

After giving this application and report thorough consideration, it was felt by the Government of Canada that, as yet, no concrete, definite proposal had been submitted to it by the Province of New Brunswick for assistance in a program for long-range power development including further development of the Saint John River which the Government of Canada could accept. As a matter of fact, Premier Flemming himself admitted it later on, in a letter addressed to the Minister of Northern Affairs and National Resources, under date of March 28, in which he said:

A telegram went forward to you yesterday in this connection which stated that it might be advisable to postpone specific consideration of the question of Tobique storage in view of general financial conditions at the present time. This view is endorsed by the contents of your letter.

As a result, therefore, the Federal Government, through the Minister of Finance and the Minister of Northern Affairs and National Resources, proposed that the Federal Government would embark on a power development scheme to produce thermal power to both Nova Scotia and New Brunswick, provided

the proposals were approved by the Governments of both Nova Scotia and New Brunswick. This plan envisaged, first, interconnection transmission lines of the power resources of the two provinces; secondly, the building of large thermal plants at the most favourable sites, having regard to the areas most in need of power and the proximity to fuel.

To be more specific with respect to this program of power development, I beg to quote the relevant paragraphs in the budget address of Mr. Harris, which had to do with this proposal:

. . . it is suggested by experts in the field of electric power that advantages would result for Nova Scotia and New Brunswick from the interconnection of their electrical systems. Such interconnection would reduce the requirements for standby capacity and would permit the most advantageous location of thermal plants and the building of larger and more efficient thermal units.

If the Governments of Nova Scotia and New Brunswick agree and in order to help reduce the differential in the cost of power between those provinces and certain other parts of Canada, the federal Government would be prepared to provide the main interconnection facilities within and between those provinces, and to build and operate such large thermal plants as may be needed either to replace existing ones, should efficiency so indicate or to meet the requirements of growth and industrial development.

Under this proposal, the transmission lines would be rented on a non-profit basis and the power would be sold at cost to provincial electric systems. The purpose would be that the plants and other facilities built under this program can be acquired by the provinces at any time on payment of their amortized cost.

Honourable senators, this proposal, so far as New Brunswick was concerned, was approved, as evidenced by a telegram addressed to the Honourable the Minister of Northern Affairs and National Resources, under date of March 26, 1957, signed by the Premier of New Brunswick:

Very pleased at results of March twenty-first meeting of officials Stop Government of New Brunswick accepts in principle proposal of Government of Canada to provide the main interconnection facilities for power within and between New Brunswick and Nova Scotia and to build such large thermal plants as may be needed and to sell power at cost to provincial electric systems as outlined in budget address of Honourable Walter E. Harris and discussed in detail at conference of officials mentioned Stop Letter to this effect going forward.

Hugh John Flemming  
Premier of New Brunswick.

Honourable senators, I am only quoting this to indicate that the proposal outlined by the then Minister of Finance was accepted by the Premier of New Brunswick as well as the Premier of Nova Scotia. However, just prior to the election of June 10, 1957, we were all amazed, both in New Brunswick and Nova Scotia, with public statements made by both Premiers Flemming and Stanfield by reason of the fact that Premier Flemming had indicated to the members from New

Brunswick that he did not wish this to become a political issue, but, apparently for reasons best known to himself, in the election campaign he decided otherwise, because speaking in Moncton on June 5, as reported in the *Telegraph Journal* of that date, he is quoted as saying:

We have not been able to find out how much this power is going to cost. Have we not the right to question the cost?

Then again, speaking at a meeting at Hopewell in Albert County on June 4, as reported by the *Telegraph Journal* as follows:

The Honourable Hugh John Flemming told a political gathering at The Rocks, Hopewell, that the Liberal Government is doing an about face in its campaign by making vague promises just before election time by building thermal electrical units. He said the Liberal Government now had offered to build thermal power units in the Maritime provinces but still had given no definite facts in relation as to what the cost would be if the province accepted the offer.

Premier Stanfield, on May 1, at New Glasgow, Nova Scotia, as reported by the *Montreal Star*, carried a story on his demand that he be given the cost of such power before entering an agreement. The quotation is as follows:

Premier Stanfield, speaking on the power proposal said it is obvious that the federal Government is not yet prepared to say how much federally produced power will cost. The Province could not talk business on that basis.

Honourable senators, to me this was a most unusual situation, since Premier Flemming, during the sessions of 1955, 1956 and 1957, pleaded for the support of all in connection with the federal offer relating to matters of power development.

Honourable senators, I now come to the recent announcement by the Prime Minister in connection with granting loans to the Province of New Brunswick for power development, and which appeared in the Canadian newspapers on November 15, 1957. I would like to quote the program as then announced:

1. A \$30 million federal loan at 4½ per cent interest to New Brunswick for additional construction of the Beechwood hydro-electric power project on the Saint John River.

2. Federal construction of steam power plants and interconnecting transmission lines in the two provinces. These will be sold to the provinces.

Further on the Prime Minister is reported as saying:

This offer of the Government of Canada carries the full and enthusiastic support of both Premiers Stanfield of Nova Scotia and Flemming of New Brunswick.

First, may I point out that under the proposed \$30 million federal loan to the Province of New Brunswick, it is referred to as additional construction of the Beechwood hydro power project on the Saint John River,

which I believe is totally misleading, by reason of the fact that the Beechwood hydro project is now in operation, according to a statement made by the Chairman of the New Brunswick Electric Power Commission, the Honourable Mr. Fournier. In a press statement which appeared in the *Telegraph-Journal* on November 30, 1957, datelined Fredericton, the Honourable Mr. Fournier announced that:

The turbines of New Brunswick's multi-million dollar Beechwood hydro project have started to churn out power. Within the last few days the big plant on the Saint John River, near Perth, has given power to the Maine Public Service Company, Presque Isle, Maine.

As a matter of fact, it is well known that this \$30 million federal loan to the province is to cover the advances made to the Power Commission by the banks of New Brunswick on treasury bills and does not envisage at the present time any additional construction at Beechwood.

**Hon. Mr. Reid:** That is what I thought.

**Hon. Mr. Taylor (Westmorland):** May I again refer to the fact that on various occasions the Premier of New Brunswick has stated that the only reason they requested a loan was to secure cheap money, or an interest-free loan from the federal Government, in order that cheap power might be produced. It now appears that cheap money is not available and that the province must pay 4½ per cent interest on the \$30 million federal loan, and it must be repaid in a period of eight years.

This, again, is a far cry from the request that Premier Flemming made to the former federal Government in which he demanded, first, an interest-free loan and, if this would not be available, a loan to carry an interest rate not exceeding 2½ per cent and to be repaid over a 66-year period.

My own opinion of this is that had the provincial Government issued their own bonds from 1954 on, they could have secured the money at a lower interest rate than 4½ per cent. My reason for making this statement is due to the fact that, according to the records, New Brunswick floated bond issues from April, 1954 to April, 1956 as follows:

April 15, 1954 .....	\$ 9,232,000	3½% interest
July 15, 1954 .....	9,200,000	3½% "
February 1, 1955 .....	11,500,000	3½% "
March 15, 1955 .....	6,849,000	3 % "
October 15, 1955 .....	10,000,000	3½% "
February 1, 1956 .....	5,000,000	3½% "
April 1, 1956 .....	7,400,000	3½% "
	<hr/>	
	\$59,181,000	

**Hon. Mr. Brunt:** Will the honourable gentleman permit a question? Were any of those bond issues sold at a discount and, if so, how much?

**Hon. Mr. Taylor (Westmorland):** Very little. However, I do not have the figures here.

**Hon. Mr. Brunt:** I think you will find that they were sold at a discount.

**Hon. Mr. Taylor (Westmorland):** Very little. As a matter of fact, I did not think this bill was coming up this afternoon, so I do not have with me a lot of material that I could have brought. But I can get the material.

**Hon. Mr. Howard:** You are doing pretty well; keep it up.

**Hon. Mr. Taylor (Westmorland):** You will note that this totals almost \$60 million, or twice the cost of Beechwood; therefore, it would appear that the shortsighted approach of the Government of New Brunswick is going to cost New Brunswickers a considerable amount of money, based on the recent federal offer.

Under this legislation the province will be required to pay in interest and principal over the 8-year period an annual amount approximating \$5 million and, as I have stated before, that is far from being cheap money, and far from the original request of the Premier of New Brunswick with respect to the repayment period. Yet, he apparently is completely satisfied, as I take it he is, from a statement made by the Prime Minister when he announced this program, and in which he is quoted as saying:

It carries the full and enthusiastic support of both Premiers Stanfield of Nova Scotia and Flemming of New Brunswick.

Honourable senators, may I again point out that, to me it is most unfortunate that this power development project has been thrown so wantonly and deliberately into the political arena. This is not only confirmed by what I have already said, but by the fact that both Premier Stanfield of Nova Scotia and Premier Flemming of New Brunswick, in their public statements before the election, referred to the fact that they could not enter into any agreement with the federal Government with respect to power resource development unless the federal Government would tell them the exact cost of power which would be made available.

As against that, under the present plan, or plans, no reference whatever has been made to the cost of power to the Province of New Brunswick under either plan—which, again, emphasizes the degree that politics have played in this whole power development. The present legislation authorizing a \$30 million loan to the Province of New Brunswick is again one that appears to be entirely satisfactory to the Premier of New Brunswick, even though it will cost the people of New-Brunswick considerably more than it would

have cost had they carried out the Premier's own statement to the effect that they could and would finance it themselves.

Having said all this, it is not my intention to oppose this bill, by reason of the fact that apparently there is no alternative; but I do so with a certain amount of reserve because I feel the Beechwood project has been badly handled by the Flemming Government from the beginning and that the neglect and delay of the New Brunswick Government in arranging suitable financing will aggravate and increase for all time the cost of power which will be developed in this particular plant, and we will still be without cheap power. Honourable senators, I regret that I have taken so much of your time in explaining some of the background of the Beechwood Power Development; however, I felt that in order to understand the meaning of the bill now before us, you should know something about the history of it.

In conclusion, and also in summarizing the present situation, I wish to emphasize, first, that the project was undertaken without making suitable financial arrangements.

Secondly, that no provision was made for adequate reservoir storage, as recommended by the International Joint Commission, that would not only give firm and cheap power at Grand Falls and at Beechwood, but the same water would also give firm and cheap power at two other sites below Beechwood that have also been recommended, namely, the Morrell and Hawkshaw sites.

And, lastly, that the recent power development of the Saint John River basin has been made a political football by the New Brunswick Government and, as a result of a combination of these circumstances, the people of New Brunswick will not be getting cheap power at Beechwood.

To indicate the degree to which party politics has entered into this, may I again remind you that the only proposal the New Brunswick Government placed before the Liberal Government at Ottawa, or would accept, was an interest-free loan, or if an interest-free loan was not possible, a rate of not more than  $2\frac{1}{2}$  per cent per annum, the loan to be repaid over a period of 66 years; whereas it appears to be entirely happy to accept a loan from the present Government with money costing  $4\frac{3}{8}$  per cent per annum and which must be repaid in eight years.

Surely, honourable senators, if this Government wants to assist New Brunswick in power resource development, it could at least have granted this loan, and in particular with terms of repayment commensurate with normal financial arrangements of hydro-electric

developments in Canada, and thus undo some of the damage created by the present Government of New Brunswick.

**Hon. Mr. McLean:** Honourable senators, I would like to ask the distinguished Leader of the Government how this rate of  $4\frac{3}{8}$  per cent was arrived at. Looking at the history of interest rates over the past half dozen years or so,  $4\frac{3}{8}$  per cent is out of line with the average rates.

**Hon. Mr. Haig:** When the deal was made the rate the Government was paying for its money was  $4\frac{1}{4}$  per cent, or  $4\text{-}2/8$ , and it added one-eighth of one per cent for the financing arrangements. The rate has gone down—

**Hon. Mr. McLean:** Will the Province of New Brunswick get the benefit if the rate goes down?

**Hon. Mr. Haig:** Yes, certainly it will.

**Hon. Mr. McLean:** The way things are now, we have a jumping-jack bank rate. The situation here is worse than in any country in the world. The Bank of Canada, instead of giving us leadership, has become a follower. The bank was organized by the late Prime Minister Bennett to give us leadership, but it is not doing so.

**Hon. Mr. Reid:** I wonder if the honourable Leader of the Government would mind checking on his earlier remarks. As I listened to him I thought I heard him say at least two or three times that the interest rate was not less than  $2\frac{1}{4}$  or 3 per cent. That may have been a slip of the tongue, but I wonder if he could be good enough to check on it. We have the bill before us, and it says  $4\frac{3}{8}$  per cent.

**Hon. Mr. Haig:** I said the interest was not less than  $4\frac{3}{8}$  per cent. That probably will be adjusted. That was the rate the Government was paying for public money at that time. Now, if money gets cheaper these people will get the benefit.

**Hon. Mr. Euler:** Honourable senators, just in order to make the position perfectly clear to myself, may I ask a question? I understood although I had not gone into the matter too deeply, that this loan of \$30 million was for the purpose of constructing the Beechwood Power enterprise. However, apparently the whole thing has been finished and this bill merely says that we provide the money that had been provided through other lending agencies, banks and others, thus replacing one loan by another. Is that not the case?

**Hon. Mr. Haig:** No. The Government assured the banks that if they lent the money the Government would finance the project.

**Hon. Mr. Reid:** But it has already been built.

**Hon. Mr. Euler:** It has been built, and the building of it must have taken money.

**Hon. Mr. Haig:** Let me explain matters. The deal was being negotiated and the province wanted to get ahead with the project as fast as it could, so it decided to borrow money, at the same time assuring the banks that legislation would be put through Parliament at a later time to lend the province up to \$30 million. The federal Government said it would not go beyond \$30 million, and now it is undertaking to do just that.

**Hon. Mr. Euler:** I am afraid that is not my point. This power development was completed with money borrowed from the banks, and I suppose that money is owed by the Province of New Brunswick to the banks, and now the Government of Canada is providing this loan of \$30 million, which will be used to discharge the obligation to the banks.

**Hon. Mr. Haig:** No.

**Hon. Mr. Euler:** What else does it mean then?

**Hon. Mr. Haig:** It was all arranged before the project was started, before the banks were interviewed at all, that the federal government would lend up to \$30 million, that any money borrowed by the province up to \$30 million would be taken care of by a loan from the federal Government.

**Hon. Mr. Euler:** Then this money is not to finance construction at all, it is to pay the bank loans off.

**Hon. Mr. Haig:** I think the honourable senator is playing on words.

**Hon. Mr. Taylor (Westmorland):** Honourable senators, may I attempt to clear up the matter? I attended the official opening of construction, or let us say the first blast in connection with the building of the dam at Beechwood in 1955. Contracts were awarded in 1954 for railway diversion and highway diversion. Tenders were called in April 1955 for the building of the main power dam and the power house. They were closed in early summer of 1955 and work got underway, I believe, on the 16th of July 1955.

I think you will recall that I read to you a statement made that appeared in the *Saint John Telegraph-Journal* of November 27, 1957, wherein the Chairman of the New Brunswick Electric Power Commission said that the turbines of the multimillion dollar power development had begun to grind out power and that Beechwood was now supplying power to the Maine public utilities. I believe

that referred to the first unit only. The second unit is not yet in operation; it is expected to be in operation by mid-January. But at least the first unit has been operating and producing power since November 27, 1957.

**Hon. Mr. Euler:** I am not clear, and maybe I am dull at comprehension, but this bill that is before me now says that this \$30 million is to cover the cost of the Beechwood Power project.

**Hon. Mr. Haig:** That is right.

**Hon. Mr. Euler:** But that project is completed, I take it?

**Hon. Mr. Haig:** Just about.

**Hon. Mr. Euler:** So it had to be paid for, and in order to pay for what is now a completed project money had to be borrowed from banks and other institutions. Now, what is the \$30 million for, other than to pay back those who had lent the money to the Province of New Brunswick?

**Hon. Mr. Burchill:** That is it.

**Hon. Mr. Euler:** While I am on my feet I would like to ask another question. Perhaps, however, the question is not in order, because this money is not being provided to pay for any further construction whatsoever, I understand. The question I have in mind is this: Will any money be provided by Parliament or by the Province of New Brunswick to complete water storage facilities, lack of which might prevent the whole development from being an efficient operation?

**Hon. Mr. Roebuck:** Honourable senators, I think we can resolve the difficulty that we are discussing if we change the title of this bill. It is not a bill dealing with a power project at all. The bill, No. 243, is intitled "An Act to authorize a loan to the Government of New Brunswick in respect to the Beechwood Power Project". I would suggest that the word "Power" be struck out and the word "Bank" substituted, so that the title would read "An Act to authorize a loan to the Government of New Brunswick in respect to the Beechwood Bank Project". It is a bank project.

**Hon. Mr. Euler:** That is more like it.

**Hon. Mr. Roebuck:** It is a bank project.

**The Hon. the Speaker:** Is it your pleasure, honourable senators, to adopt the motion for second reading of this bill?

**Hon. Mr. Reid:** On division.

The motion was agreed to, and the bill was read the second time, on division.

## REFERRED TO COMMITTEE

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

**Hon. Mr. Haig:** I move the third reading of the bill now.

**Hon. Mr. Roebuck:** Oh, no.

**Hon. Gordon B. Isnor:** Honourable senators, surely an important bill such as this, running into \$30 million, should at least be referred to our Standing Committee on Banking and Commerce for further discussion.

In explaining the bill the honourable leader (Hon. Mr. Haig) mentioned time and time again that this legislation would affect the Maritime provinces, and he referred particularly to the province of Nova Scotia. The bill itself does not indicate any such thing; it is a bill dealing entirely with the province of New Brunswick. Coming from the province of Nova Scotia, as I do, I know that in future years there will be large movements of electric energy between Nova Scotia and New Brunswick. Now, in the one province there is a power commission, an entirely provincial power commission, the New Brunswick Electric Power Commission. In Nova Scotia we have both the Nova Scotia Power Commission and an exceptionally strong privately-owned power company, Nova Scotia Light and Power Company Limited. No doubt in time there will be an interchange of power between the two provinces. This particular bill does not deal with that phase of the subject, but I should think the Leader of the Government would say, as he has so often said on other occasions, "By all means let the bill go to committee", to thresh out any questions which might arise in the minds of members from other parts of the Maritimes. So I move, as an amendment, that this Bill 243 be referred to the Committee on Banking and Commerce.

**Hon. R. B. Horner:** It seems to me, after having listened to the honourable senator from Westmorland (Hon. Mr. Taylor) that honourable senators opposite have surely got all the political kudos which they can hope to gain by any further discussion. There is one point on which I should like to have an explanation from him. Presumably a Liberal Government was in power for many years in New Brunswick, as in Ottawa, because it was supposed that under their administration everything would be all right. If that is so, why were not the needs of the provinces attended to at that time? All that is now intended is that Nova Scotia, and other provinces as well, shall receive some "coal-burning assistance". This is the policy of the Government. Honourable senators opposite are likely to be very busy during the rest of the week,

and I can see no purpose in sending the bill to a committee. There are some who may pretend not to understand it.

**Hon. Mr. Hayden:** Order.

**Hon. Mr. Horner:** However, I think they do understand what it is all about, and to send it to committee would accomplish no purpose whatever.

**Hon. Mr. Isnor:** I would ask the honourable senator from Blaine Lake (Hon. Mr. Horner) where in this bill there is any mention of coal.

**Hon. Mr. Haig:** I think I can help the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor). Another bill, which covers the whole problem, is being debated this afternoon in the other place, and it should be here by the first of next week. It has to do with a union of the three provinces. Personally I am quite content that the bill before us shall go to committee, if that is the will of the house. But if it is sent to committee we shall sit tomorrow and the next day and until we get it through. We can take our time. I will not hurry my honourable friends. The Minister of Finance will attend when he has time to come here. If the house wants to go to committee it will vote that way. We will meet tomorrow morning in committee, and again on Thursday morning, and the discussion can go on until every phase of the problem has been fully dealt with by my honourable friends. What I find odd about the speech of the honourable senator from Westmorland (Hon. Mr. Taylor) is that most of the conditions on which he based his argument existed before 1956, yet at the provincial election in that year the Government of New Brunswick was sustained by a substantial majority. So I am not worried about the political aspect. However, I repeat, if the house wants the bill to go to committee, that is all right with me.

**Hon. Mr. Farris:** Why the hurry? The Leader of the Government has already made a motion that the house shall adjourn until next week. Why has he now withdrawn it and insisted that we cannot adjourn unless the bill is passed tonight?

**Hon. Mr. Haig:** I have not made a motion, although I was ready to do so. But that proposal is withdrawn.

**Hon. Mr. Reid:** You always threaten.

**Hon. Mr. Robertson:** The Leader of the Government threatened us with the alternative, that if the bill was sent to committee the house would be kept here until it had been finally dealt with. Why cannot the bill be referred to committee and dealt with next

week in the ordinary course? What is the urgency of the matter? Surely the banks can wait.

**Hon. Mr. Haig:** I am instructed that the Government wants the bill to be passed this week.

**Some Hon. Senators:** Why?

**Hon. Mr. Haig:** The reason is that it wants to be in a position to pay the bills. Nobody knows what is going to happen in the other place. There is a set-up there the outcome of which no one can foresee. One newspaper editor forecasts one way, another guesses the reverse. If, before this measure had had third reading, the Government were defeated, no further action could be taken until after the next general election; and that would be too long to wait. As I have said, I am happy to let the bill go to committee if that is the wish of the majority. I am in their hands, because they are the majority, but they know the price which will have to be paid for delay. I have asked that the bill shall be passed. But the price which shall have to be paid is that we must continue to sit. I want to get the bill through, and I think my request is reasonable. The Government has promised to take action in this matter, and it is now faced with a possibility of defeat on the floor of the House of Commons. If that comes about, the Government must resign, and then all legislation will be dropped; nothing can be done until after the election. So, because it is important legislation and the Government wants to get it through, I am pressing it.

**Hon. Mr. Euler:** I would like to remind the Leader of the Government that no one here has protested more vigorously than he against rushing legislation through. The amount involved in this bill is \$30 million, and I do not think he should say that unless the second and third readings are put through immediately there cannot be an adjournment now. His argument as to urgency does not register with me for one moment.

**Hon. Mr. Barbour:** I understood the Leader of the Government to say that the first payment of interest and principal will be on April 1. That is two months away.

**Hon. Mr. Hayden:** The Minister of Finance said so.

**Hon. Mr. Reid:** It was so stated in the other house.

**Hon. Mr. Roebuck:** Perhaps I should change the suggestion which I made recently, and, instead of calling this "the Beechwood Bank project", change the name to "the Beechwood Railroad project". I second the amendment.

**Hon. Mr. McLean:** I suggest that if the bill is to go to committee, it should be to the Committee on Natural Resources, not Banking and Commerce, which has done all its work.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Haig, seconded by the Honourable Senator Horner, that the bill be now read the third time. In amendment, it is moved by the Honourable Senator Isnor, seconded by the Honourable Senator Roebuck, that the bill be not now read the third time but that it be referred to the Standing Committee on Banking and Commerce. The question is on the amendment. Those in favour of the amendment will please say "Content".

**Some Hon. Senators:** Content.

**The Hon. the Speaker:** Those against, "Non-content".

**Some Hon. Senators:** Non-content.

**The Hon. the Speaker:** In my opinion the Contents have it.

**Hon. Mr. Haig:** I would ask for the yeas and nays.

—And more than two senators having stood, the senators were called in.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Haig, seconded by the Honourable Senator Horner, that the bill be now read the third time. In amendment, it is moved by the Honourable Senator Isnor, seconded by the Honourable Senator Roebuck, that the bill be not now read the third time but that it be referred to the Standing Committee on Banking and Commerce. The question is on the amendment.

The amendment of Hon. Mr. Isnor was agreed to on the following division:

#### CONTENTS

##### HONOURABLE SENATORS

Baird,	Isnor,
Barbour,	Kinley,
Basha,	Lambert,
Blais,	Lefrançois,
Bois,	Leger,
Bouchard,	Leonard,
Bouffard,	MacKinnon,
Bradette,	McKeen,
Burchill,	Pouliot,
Cameron,	Reid,
Campbell,	Robertson,
Comeau,	Roebuck,
Dupuis,	Smith (Kamloops),
Euler,	Stambaugh,
Farquhar,	Taylor (Norfolk),
Farris,	Taylor (Westmorland),
Fergusson,	Tremblay,
Golding,	Turgeon,
Hayden,	Vaillancourt,
Hodges,	Wall,
Howard,	Woodrow—42.

NON-CONTENTS

HONOURABLE SENATORS

Brunt,  
Gouin,  
Haig,

Horner,  
McLean,  
Pearson—6.

*During the voting, when the name of Hon. Mr. McLean was called, the following was said:*

**Hon. Mr. McLean:** Honourable senators, I would like to explain my position.

**Some Hon. Senators:** You can't do that.

**Hon. Mr. McLean:** It is my opinion that the bill should be referred to the Standing Committee on Natural Resources, not to the Standing Committee on Banking and Commerce.

**The Hon. the Speaker:** Order!

The motion of Hon. Mr. Haig for third reading of the bill was negatived.

NATURAL GAS PRICES, EXPORT AND DOMESTIC

PROPOSED INQUIRY RULED NOT PROPER

**Hon. Thomas Reid:** Honourable senators, I beg to give notice that on Tuesday next, January 21, it is my intention to ask the Government the following question:

Whereas Order in Council P.C. 1955-907, Sec. 9, prohibits natural gas produced in Canada being sold at a lesser price to purchasers or users of natural gas in the United States,

What are the reasons why Westcoast Transmission Company is being allowed to contravene the regulations governing the export and sale of Canadian produced natural gas as set out by Order in Council?

I am determined to have, if I can, an answer from the Government.

**Hon. Mr. Farris:** Honourable senators, I take exception to that question as being an allegation of fact that I cannot agree with. It is out of order. My friend has no right to make statements of that kind when asking a question.

**Hon. Mr. Reid:** Well, if I have gone against the rules, I will take it back, but I want a question along those lines.

**Hon. Mr. Brunt:** The Order in Council does not say that.

**Hon. Mr. Reid:** All right.

**Hon. Mr. Brunt:** It says "under similar conditions", and you have not put those words in.

**Hon. Mr. Reid:** I will get some satisfactory answer.

**The Hon. the Speaker.** In my opinion this is not a proper inquiry, but more a statement of fact or so-called fact. I therefore

rule that it is not a proper inquiry under the rules and regulations of the Senate.

**Hon. Mr. Reid:** All right; I will be back Tuesday with another one.

ADJOURNMENT

**The Hon. the Speaker:** Orders of the day.

**Hon. Mr. Haig:** I move that the house adjourn.

**The Hon. the Speaker:** Adjourn until when? Honourable senators, it has been moved by the Honourable Senator Haig, seconded by the Honourable Senator Horner, that the Senate do now adjourn. Is it your pleasure to adopt the motion?

**Hon. Mr. Roebuck:** Let us understand one another in this matter. The honourable Leader of the Government (Hon. Mr. Haig) has already stated that when he moved the adjournment of the house it would be until Tuesday of next week. So far we have never questioned the Leader of the Government in any statement of this kind. He has been allowed to control the house, and we have all been very happy in the conduct of the honourable senator's administration of the house. Now, a little later on my friend the Leader of the Government made a threat that if we acted in some way in public matters which we thought was a proper thing to do he would discipline the house by having us meet tomorrow.

**Hon. Mr. Haig:** No, I never said that.

**Hon. Mr. Roebuck:** Oh, yes, that was the tenor of your remarks, and I ask you not to follow that procedure; it is not wise, it is not in keeping with the dignity of this house, it is not in keeping with the fairness of your own disposition. I ask you to carry out your original intention and adjourn this house until Tuesday next.

**Hon. Mr. Horner:** You can't do that.

**Hon. Mr. Haig:** No, you can't do it.

**Hon. Mr. Roebuck:** Very well, then, if you do not—

**Hon. Mr. Haig:** I will speak when you are through.

**Hon. Mr. Roebuck:** If you do not move it I will.

**Hon. Mr. Haig:** I don't care what you do.

**Hon. Mr. Roebuck:** Very well. Then I move that when this house adjourns it do stand adjourned until Tuesday of next week. The motion is to adjourn, and I amend the motion to that effect.

**Hon. Mr. Pouliot:** I second the motion.

**Hon. Mr. Haig:** It is out of order; you cannot move. I want to say quite candidly that I have no ill will to my honourable friend. Why would I have? I have no reason to. We can meet tomorrow morning in committee. The minister will be there, and we can meet in the house tomorrow afternoon and pass the Beechwood Power Project Bill. Now, if honourable members of the Opposition don't want to do that—they are in the majority. I have said that before, and I say it again now. I never made any challenge to the house—I never told the house anything else; all I said was that I have to pass the bill over the hurdles. I would not last 50 minutes as Leader if I did not press for legislation to go through. It is my duty, my solemn duty, to press to get legislation through.

**Hon. Mr. Euler:** But not to rush it through.

**Hon. Mr. Haig:** As soon as you vote me down my responsibility is gone, but up to that moment I have my responsibility, and my followers say, "Now, press this bill through—the Government tells you to". Now you have voted for the bill to go to committee. I don't dispute that, I never disputed that. I am ready to go to committee tomorrow morning, and I expect to have the minister there to make his answer, and I expect to sit in the house tomorrow afternoon and pass the legislation. Goodness gracious! If this country is not willing to let me do that, the sooner the people of Canada understand the situation the better. I am trying desperately hard, under a difficult situation, with six or seven members on this side, and 80 on the other side, to run a house. You have to be a miracle man to do it, and I am not a miracle man, I am just an ordinary fellow.

**Hon. Mr. Reid:** You have mind readers on that side.

**Hon. Mr. Haig:** I want to do the best I can. I love the Senate. Make no mistake about it. I have always loved the Senate, and I have always been honourable to it, to the best of my ability. I make lots of mistakes, and maybe you do, too, but again I am telling you that I love the Senate, and I honour my appointment very, very highly. I have given service to my country in the best way I can. I am trying to do this thing the best way I know how, and if I do not do it well enough to suit you men I cannot help it. I am representing the Government of this country, and I am trying to remember that, and to remember that there are 80 members on the Opposition side, and six or seven on this side. I recognize that, and I am in difficulty now. If the bill goes to committee tomorrow morning, then I am going to give the report of the committee in the house tomorrow afternoon, and I hope you will

adopt it. That will be the end of it. There is nothing there to hurt anybody at all. It is true that members will have to stay over tomorrow, but we members from the west and from the east have to stay over all the time, anyway. Honestly, I have no intention of insulting the house, not one iota. I say quite candidly to you that I am trying my best to carry this on as a man with the responsibility I have should carry it on. If I have done it wrongly, it is my fault, not yours. I am going to ask the house to adjourn now, and we will sit tomorrow morning in committee, and tomorrow afternoon in the house and pass the bill. That will give everybody an opportunity to do whatever they want to do.

**Hon. Mr. Euler:** Honourable senators, I realize that a motion to adjourn is not debatable—

**Hon. Mr. Haig:** It is not.

**Hon. Mr. Euler:**—but if I may be permitted I would like to say that while I was opposed to rushing this bill involving \$30 million through first, second and third readings at one sitting, I think the statement now made by the Leader of the Government is quite in order. The bill will go to committee tomorrow morning and if it is approved of there—it might not be, but I think probably it will be—we can give it third reading in the house tomorrow afternoon.

**Hon. Cyrille Vaillancourt:** Honourable senators, may I add a few words to what has been said?

When the Leader of the Government says that we should not try to run the Government, I think those words are too strong. During the past few weeks I have thought that sometimes the Leader of the Government was trying to run this side of the house, and doing it roughly at times.

Last week when I was returning to Quebec City by train I saw in a newspaper a two-column headline to the effect that the Senate had no work to do that day. But that very day our Natural Resources committee sat for two hours discussing a problem that affected practically every province of Canada. In that 17-page newspaper the only news about the committee was a very small item; and, as I have said, on the front page it set out in headlines that the Senate had no work to do.

If some members of this chamber want further explanation on a bill involving the expenditure of \$30 million, I think that is fair. We do not want to run the Government, we want to be able to explain to our people why so much money is being spent. I think that is a fair proposition, and there is

no need to worry about it. We are in a democracy, and we believe that every person is free to ask for an explanation without being treated too hard. We do not want to run anything, but we want to protect our people; and before answering any questions, it is necessary to have a full explanation. That is all I have to say.

**Hon. Mr. Roebuck:** Mr. Speaker and honourable senators, I have listened with a great deal of attention to what has been said by the honourable Leader of the Government. He assures me his request is not made with any intention of being unkind to the house, or of disciplining the house, or anything of that kind, but that he has some substantial reason for our sitting in committee tomorrow morning. If that is so, far be it from me to interfere with this house doing its duty at all times. And so, with the consent of my seconder, the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor), I withdraw my motion.

**Hon. Mr. Isnor:** Mr. Speaker and honourable senators, I am prepared to fall in line because of the attitude adopted by the Leader of the Government in this respect. But I do want to say that during my years of experience as a member of the other house and of the Senate I have always been under the impression that it is the chairman of a committee who calls a meeting and not the Leader of the Government.

**Hon. Mr. Haig:** I am not calling a meeting.

**Hon. Mr. Isnor:** You said you would call a meeting tomorrow morning.

**Hon. Mr. Haig:** I am not calling a meeting; I never called a meeting in my life.

**Hon. Mr. Isnor:** That is what you said. I was wondering whether the Leader of the Government was taking over the functions of the chairman of the committee.

**Hon. Mr. Haig:** I am just making provision so that a meeting can be called.

**Hon. Mr. Isnor:** Perhaps the chairman does not wish to call a meeting tomorrow morning. If that is so, what will happen?

**The Hon. the Speaker:** The motion is for adjournment of the Senate until tomorrow at 3 o'clock.

**Hon. Mr. Pouliot:** Honourable senators,—

**The Hon. the Speaker:** I declare the debate out of order. A motion for adjournment is not debatable. I have allowed this debate to go on to see if certain honourable senators could agree on the matter, but they have not done so.

Honourable senators, is it your pleasure to adopt the motion?

**Hon. Mr. Pouliot:** On division.

The motion was agreed to, on division.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Wednesday, January 15, 1958

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

Prayers.

### BEECHWOOD POWER PROJECT BILL

#### REPORT OF COMMITTEE

**Hon. Salter A. Hayden**, Chairman of the Standing Committee on Banking and Commerce, presented the report of the Committee on Bill 243.

The report was read by the Clerk as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (243) intitled: "An Act to authorize a Loan to the Government of New Brunswick in respect of the Beechwood Power Project", have in obedience to the order of reference of January 14, 1958, examined the said bill, and now report the same without any amendment.

The report was adopted.

#### THIRD READING

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

**Hon. Mr. Haig:** I move the third reading now.

**Hon. Jean-François Pouliot:** Honourable senators, before this bill is read for the third time I would like to express my views about it. It is a kind of legislation that applies to one province with the understanding that there is another bill for the benefit of the other Atlantic provinces. In the course of his remarks the honourable Leader of the Government (Hon. Mr. Haig) said that something might be done also for the province of Saskatchewan, meaning probably by that the often-heard-of South Saskatchewan River Dam. What is particularly interesting in this kind of legislation is that its purpose is not to enable a province to do a work but to lend money after the work has been nearly completed—to use the words of the honourable Minister of Finance before the committee this morning.

Honourable senators, if the same thing is not done for each province of Canada it will constitute a very dangerous precedent. I have no objection at all to any province being helped by the Government of Canada, but in this case a province has been singled out from the others in order to have a monetary advantage of some kind. And the

"kind" is big money—it is \$30 million. Now, honourable senators, I find that this needs thought. One may have any view about the value of money, but when we come to \$1 million, it takes some time to count it; \$2 million, it is still more; \$10 million, it is still more; and \$30 million, it is much more. I am very glad that this demonstration seems to be agreed to by you, my honourable colleagues.

Now, the Province of New Brunswick is a beautiful province, and a province which has tremendous possibilities. Actually, the term "poorer provinces" has not been used by the honourable Leader of the Government (Hon. Mr. Haig), although I have heard it very often from the time of the Rowell Report. There was a distinction between the self-supporting provinces and the so-called poorer provinces. I wonder what my honourable friends from New Brunswick would say if we called them "our poor colleagues", or "our country cousins"?

**Hon. Mr. Roebuck:** Poor relations.

**Hon. Mr. Pouliot:** Poor relations, country cousins. I will never use such an expression. The Almighty has been most generous to not only one part of Canada, but to every part of Canada. And it was absurd for the representatives of those provinces which may be smaller in area and in population, but just as great in resources and good men as any other province in Canada, to be designated as poorer provinces. I protest very strongly against such a designation being applied to sturdy Canadians belonging to a beautiful part of the country, wherever it is, and I find it most unreasonable and unjust.

If we had called those representatives of the poorer provinces—to use their own language—beggars, they would have been insulted. But it was the expression that they chose themselves, to get more financial aid from the Government of Canada.

The Rowell Report was drafted many years ago and is covered with dust. But on the other hand, the financial arrangements which were made in virtue of it still exist. In the minds of some people, they come to Ottawa as to a wealthy relative, ignoring the fact that the money paid out by Ottawa comes from the same individuals who pay provincial taxes. This is just as true and well-founded in fact as the demonstration I made about the increasing amounts of money, going to \$30 million.

Now, some people may say: "Senator Pouliot is opposed to a grant to that great old province of New Brunswick. Is it not a shame?" This will be the reaction on the part of some newspapers and even in the minds of some so-called intelligent persons.

In my view, honourable senators, all Canadians should be on a footing of equality, and all provinces should be on a footing of equality—the provinces of the east, the provinces of the west and the central provinces—especially after the most illuminating speech that was made by our honourable and dear friend the senator from Westmorland (Hon. Mr. Taylor). What he said has left many question marks in my mind. I wonder how it is that the Government of New Brunswick comes to Ottawa and gets a guarantee of \$30 million for a work that has been, to use the words of the Government, nearly completed.

This morning at the meeting of the committee I was most interested to listen to what the honourable the Minister of Finance had to say about the project. When I told him what happened, and that there were three big books published by the Government about the same matter—naturally, they were mimeographed, but nevertheless they were books just the same, and big ones—he did not seem to know anything about it.

Honourable senators, I will tell you what is behind this scheme. As one of my distinguished colleagues pointed out, "What is the use of spending so much money building a power house if there are no water storage facilities?" And if anyone in this chamber knows about that problem, well, in all modesty and humility I may say that I am the one, because those natural storage facilities are located precisely in the county of Témiscouata which I had the honour to represent for 31 years in the House of Commons.

And what happened? When the Premier of New Brunswick asked the Government of Canada for a study to be made of the water storage capacity in that area, countless engineers, not only from the International Joint Commission but also from the Department of Mines and Technical Surveys, from the Department of Natural Resources and from the Department of Public Works were sent to the county of Témiscouata to take possession of the land. And when General McNaughton came there, he came as a conquistador to take possession of the soil on behalf of the International Joint Commission. I had to protest. It was my duty to protect the interest of my people, as much as I could, because years before, in 1928, after the Conservative Government of New Brunswick had sold that wealth,—the Grand Falls power—to the International Paper Company, there was an understanding that the county of Témiscouata could buy 1,500 horse power at the boundary of New Brunswick at the same rate as paid by consumers in New Brunswick. That would have permitted us

to electrify the whole county of Témiscouata a long time before it was done.

Well, honourable senators, that never came about. The provincial Government of the time—30 odd years ago—refused to accede to that request, which was the request of the county council of the whole county of Témiscouata, who wanted to have that in compensation for water storage rights that were already given.

We must be very careful about it, because I do not see that one part of the country should be exploited, without due compensation, for the benefit of any other part of the country. I could speak at great length and explain what was done with regard to the Thomas Seigneury, which bordered to a depth of two leagues—approximately six miles—Lake Témiscouata, which is 27 miles long and two miles wide.

All who have travelled between Rivière du Loup and Edmundston have seen the Madawaska River—which is the outlet of Lake Témiscouata—jammed with logs originating in the county of Témiscouata, P.Q., being floated down to the Fraser Company's mill at Edmundston, N.B.

New Brunswick has received tremendous advantages from the county of Témiscouata. All the pulp and paper that was and is still manufactured at Edmundston came out from the forests of Témiscouata. Many of you, honourable senators, have crossed the county from north to south and from south to north. You have seen in summertime the Madawaska River jammed with logs, and the huge piles of pulpwood which are adjacent to the mill at Edmundston. These were cut on private property; and some years ago I insisted that the seigniori be expropriated by the Quebec Government. I would have liked to have had the land divided between forest reserves and farms, so that the farmers of the old parishes alongside Lake Témiscouata would have their children near them, and established on the good farmlands of the seigniori. Nothing was done, but that was not my fault. There is no use of crying over spilt milk; it is a thing of the past. But unfortunately the fact was never taken into consideration that the county of Témiscouata and the province of Quebec have supplied with their own products the paper industry at Edmundston.

I will summarize my argument, honourable senators, by saying that what is good for New Brunswick should be good for each and every province. I do not see why, if the Government is willing to advance large sums of money to New Brunswick, the same thing should not be done in respect of the hydro projects of the province of Ontario,

nor why Manitoba, the native province of the Leader of the Government in this chamber (Hon. Mr. Haig) should not receive a refund of its expenditures for power purposes; nor why the same consideration should not be given to the provinces of British Columbia and Alberta.

Coming to the old province of Quebec: recently I have been to Labrieville and Labrieville Sud and I have seen the tremendous works which have been done by the Quebec Government and the enormous business development there. There is a power house under a mountain of 850 feet; there is a tunnel seven miles long which brings water from Lake Cassé to that power house, and which will develop shortly two million horsepower. Work is now proceeding at Lake Ste. Anne, in the same region, on another project which will develop four million horsepower. Well, what help has the province of Quebec received from the Government of Canada for these developments? None at all. The work was done by the province. The project must be a paying proposition, otherwise it would never have been undertaken. According to available figures, current interest rates are lower than the rate set out in the bill; so I do not see what will be the advantage to New Brunswick of having this amount of money at its disposal, especially after the works are completed.

To summarize what I have said; unless I have an assurance from the Government that the same treatment which is accorded New Brunswick will be given to all the provinces I shall, with great regret, have to oppose the bill. Mark you, honourable senators, I shall not do so because I have any grudge against New Brunswick, which is a neighbour of Quebec; but I am convinced that the policy reflected in the bill is unjust and unfair. All provinces should be treated on an equality. Honourable senators know my views; I wonder if they are shared by any of my colleagues. I am sure that in the last analysis it will be realized that what I am asking for, not only on behalf of the province of Quebec but of all those provinces which have been ignored by the Government, is only fair and just. Moreover, the provinces have many other undertakings—for hospitals, for schools, for roads. Is the federal Government now ready to refund, by way of guarantee or otherwise, to the provinces all the money they have spent, not only on powerhouses and dams, but for education, for roads, for hospitals, et cetera, et cetera, et cetera?

**Hon. J. W. de B. Farris:** Honourable senators, in view of the vote yesterday, which, rather to my surprise, ended in a recorded vote on which some honourable senators went on record as opposed to the reference

of this matter to a committee, I think it only fair that it should now be recorded that this morning we had a very full discussion, lasting at least an hour and a half, at which both the Minister of Finance and the Deputy Minister were present. I am sure that my honourable friend the Leader of the Government in this house (Hon. Mr. Haig) will agree that the adjournment and the discussion this morning were fully worth while.

**Some Hon. Senators:** Hear, hear.

**The Hon. the Speaker:** Honourable senators, the question is on the motion of the Honourable Senator Haig for the third reading of the bill. Is it your pleasure to adopt the motion?

**Some Hon. Senators:** Carried.

**Hon. Mr. Pouliot:** On division.

**The Hon. the Speaker:** I declare the motion for third reading carried, on division.

The motion was agreed to, and the bill was read the third time, and passed, on division.

## ADJOURNMENT

**Hon. Mr. Haig:** Honourable senators, I move that when this house rises today it stand adjourned until Tuesday, January 21, at 8 p.m.

The motion was agreed to.

## NATURAL GAS PRICES, EXPORT AND DOMESTIC

### NOTICE OF INQUIRY

**Hon. Thomas Reid:** Honourable senators, yesterday when I endeavoured to place certain questions on the Order Paper I was ruled out of order by His Honour the Speaker. I realize now that I had overlooked certain rules of parliamentary procedure by asking those questions. I should have known better after all the years I have been in Parliament. I trust that His Honour the Speaker will believe me when I say that I support him in all such rulings so long as the rules of this honourable chamber are carried out impartially.

I now give notice that on Tuesday next, January 21, it is my intention to ask the Government the following three questions—and I trust this notice will not meet with any objection today:

1. Are there regulations governing the sale of natural gas?
2. Is Westcoast Transmission Gas Company selling to purchasers or users in the United States?
3. Is natural gas produced in the province of Alberta being sold at a lesser price to purchasers or users of natural gas in the United States than to purchasers or users of natural gas in Canada, by Westcoast Transmission Company or by any other company?

**Hon. Mr. Brunt:** Under the same conditions?

**Hon. Mr. Reid:** The questions are plain and they can be answered.

**NATIONAL GALLERY**

TRUSTEES, DIRECTOR, PURCHASES—  
INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Pouliot:

1. Who were the members of the Board of Trustees of the National Gallery of Canada from the fiscal year 1955-56 inclusively, until the present time?

2. What were the qualifications of each one of them in the arts of (a) painting, (b) drawing, (c) etching, and (d) sculpture?

3. How many paintings, drawings, etchings and sculptures made by each one of them are there in any museum of Canada or any other country, and what and where are they?

4. During the period mentioned in No. 1, how many times did they meet and where?

5. How much was paid to each one of them for their remuneration and their travelling expenses?

6. When was the present incumbent appointed the Director of the National Gallery of Canada, and at what salary?

7. What total amount has been paid to him, from the date of his appointment, for his salary and his travelling expenses?

8. Is he entitled to a commission on the purchases for the National Gallery of Canada and, if so, what is it?

9. What price was paid for each one of the purchases for the National Gallery of Canada, from the date of the appointment of the present incumbent as its director, what was each one of them, with its catalogue number, and from whom was each one bought and when?

**Hon. Mr. Haig:** Honourable senators, this inquiry has to stand. I may say that I inquired from the officials but I have not got an answer yet.

**Hon. Mr. Pouliot:** Thank you.

**NEWSPAPER ARTICLE**

QUESTION OF PRIVILEGE

On the Orders of the Day:

**Hon. Jean-François Pouliot:** Honourable senators, before the Orders of the Day are proceeded with I have to rise on a question of privilege about a news item that appeared in *La Presse* of Montreal yesterday. It may not seem of great importance, but you will acknowledge, honourable senators, that there is a great difference between liberty in theory and liberty in fact. I believe in the motto of

the Liberal party, which is "Unity, Liberty and Security". I put the accent on liberty. I am surprised that a paper of the importance and circulation of *La Presse* has published that news item, which appears on page 13. It starts by mentioning that the Honourable Mr. Grothé, Legislative Councillor for Quebec and a leading industrialist of Montreal, has been excluded from the bosom of the provincial Liberal party of Quebec because he disagreed with their views.

Now, they have said the same thing about me on different occasions, but how could they exclude me when I have never been a member of their organization? I was out by myself. I was not interested in them, and what made them very sorry was that when they wrote me to ask me to share my wisdom with theirs—excuse me, honourable senators, but that was their own language—I did not answer their letter. I simply threw it in the wastepaper basket.

Honourable senators, my contention is that a member of the Senate and a member of the House of Commons should enjoy the same freedom of speech and of thought as any other citizen of this country. There is a question of loyalty to my own party. I belong to the Liberal party of Canada, and with regard to the other group I am perfectly independent. If you will permit me I will read to you a paragraph from a speech delivered by no less a person than the Right Honourable Mr. St. Laurent, Leader of the Liberal party, at a gathering which was attended by some of my colleagues who are now in the Senate with me, and which was reported in *Le Canada* on December 13, 1945. I regret to have to quote it, but sometimes it is necessary to do so, and I find it one of the finest testimonials that I got and one of the finest expressions of true liberality that has ever come from the lips of the leader of the party. I quote:

Mr. St. Laurent recalled that Mr. Pouliot has remained an ardent Liberal, even if he has at times disagreed with the majority. If his views have not always been to the liking of his leaders, they have nevertheless benefited everybody because they were always those of a man whose sincerity, loyalty and frankness are not questionable.

The Senate adjourned until Tuesday, January 21, at 8 p.m.

## THE SENATE

Tuesday, January 21, 1958

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

Prayers.

### ATLANTIC PROVINCES POWER DEVELOPMENT BILL

#### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill 244, to provide Assistance in respect of Electric Power Development in the Atlantic Provinces.

The bill was read the first time.

#### SECOND READING

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

**Hon. William R. Brunt:** Honourable senators, I move that this bill be read the second time now.

I would like first to make a few general observations, and then briefly to go over the bill clause by clause. As honourable senators are aware, this particular bill is known as an act to provide assistance in respect of electric power development in the Atlantic provinces.

When the present Government decided that it would aid in the development of power in four provinces, namely, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland, which provinces are defined in this bill as the "Atlantic Provinces", it set up four main points under which it hoped the plan of federal aid would be worked out.

Last week this house dealt with the first main point when it passed a bill authorizing the federal Government to make a loan to the Government of New Brunswick in order to reorganize and complete the financing of the Beechwood hydro-electric project. Under that bill Parliament made it possible for the Government of New Brunswick to borrow money at lower interest rates, which of course resulted in a reduction of the cost of producing power.

This bill deals with the second, third and fourth points in the plan of the federal Government. Briefly, these points are as follows:

(a) Aid in the building of steam generation plants.

(b) Aid in the building of transmission lines under which a provincial distribution system for power can be set up by any of the Atlantic provinces.

(c) Subsidizing Maritime coal at a rate whereby its price to the provincial power commissions or the provincial governments will be the same as that paid for United States coal bought and used by the Ontario Hydro-Electric Power Commission. This is a most important part of the bill. We all know that the responsibility for providing electric power is one that belongs to the provinces, the municipalities and private industry. However, there are in Canada areas, such as the Atlantic region, which do not enjoy the same good fortune as other parts of Canada for the production of low-cost electric power in quantity. Such being the case, the present Government has recognized that some form of assistance is required, and such assistance for the Atlantic provinces is provided by this bill.

Under the provisions of the bill now before this honourable house for its consideration three things would be done.

First, the dominion Government would build for and sell to such Atlantic provinces as desire such aid, thermal plants for the production of electric power.

Secondly, the dominion Government would build and sell to provincial power commissions or provincial Governments main or trunk line transmission facilities, as may be agreed upon between the dominion Government and each province.

Thirdly, this bill makes provision for the granting of a subvention on all coal produced in the Atlantic provinces and consumed for the production of power in the said provinces. This subvention would be so calculated as to eliminate, as far as possible, the differential in price between coal produced and used in the Atlantic provinces for production of power and coal imported from the United States and used in the province of Ontario for production of power. The cost of each would as far as possible be exactly the same.

I understand the Government has received from the provinces of New Brunswick and Nova Scotia their estimates of the cost of the construction program for the fiscal years 1957-58 and 1958-59. For the province of Nova Scotia the estimated cost of this program is about \$3.4 million, and for the province of New Brunswick it would amount to approximately \$9.3 million, making a total of approximately \$12.7 million in order to carry out the program which these two provinces have in mind for the two fiscal years that I have mentioned.

Now, in addition, in order to carry out and complete the immediate program that has

been embarked upon by these two provinces it would appear that it would cost another \$3.5 million for the province of Nova Scotia and an additional \$8.5 million for the province of New Brunswick, making a further total of \$12 million. So in all, the total foreseeable expenditure in connection with the development of thermal power and the erection of trunk transmission lines for the provinces of New Brunswick and Nova Scotia would amount to approximately \$25 million at the present time.

The bill provides that all the moneys expended by the federal Government on the construction program of thermal plants and transmission lines will be refunded with interest. This phase of the scheme is self-liquidating, so that in the final analysis it will not cost the federal Government anything.

There is no doubt that in the future other programs for the development of thermal plants and the building of transmission lines will be submitted, not only by the provinces of New Brunswick and Nova Scotia—the only two provinces which have submitted plans up to the present—but also by the remaining two Atlantic provinces, namely, Prince Edward Island and Newfoundland. The extent of the future programs in these provinces cannot be estimated at this time. However, the rate at which plants and transmission lines are built will depend upon the extent and rate of industrial development in the Atlantic area.

I mentioned that the bill provides for a subvention on coal produced in the Atlantic provinces and used for the production of thermal electric power there. The annual cost of such subvention is currently estimated to amount to approximately \$1.7 million. This cost will, of course, vary from year to year, depending upon the actual amount of coal that is used in the production of power.

**Hon. Mr. Isnor:** As to the figure of \$1.7 million which you just mentioned, is that for the two provinces or just one?

**Hon. Mr. Brunt:** That is for the two provinces, according to the information that has been given to me.

Any moneys that the federal Government spends as a subvention on coal will not be recovered directly and paid back to the Government. The moneys expended on thermal plants and transmission lines are really only a loan and will be repaid, but the moneys spent for subvention on coal are a direct expenditure, and no provision is made for repayment in any way to the dominion Government of moneys so spent. Nevertheless,

the present Government feels that the industry promoted and developed by this subvention, which of course leads to the providing of cheaper electric power in all the Atlantic provinces, will be worth many times the amount of money so expended, in view of the fact that it will give these provinces an opportunity to bid for industry and compete with such provinces as Quebec and Ontario, where power is now provided at cheaper rates.

The bill which is before the house will not in itself appropriate the expenditure of any specific sums of money. Rather, it may be classed as enabling legislation, since under it agreements between the federal Government and the various Atlantic provinces can be made for the carrying out of the program I have outlined. The funds required each year in order to carry out the program for that particular year will be sought from Parliament in the normal fashion and included in the estimates of the proper department. Furthermore, the Minister of that department shall, at the end of each fiscal year, provide Parliament with a full report of all proceedings taken and agreements made under this particular measure.

To deal specifically with the provisions of the bill,—

**Hon. Mr. Isnor:** Would the honourable senator, before he deals in detail with the bill, answer two simple questions on matters about which I am not quite clear? As I recall, he said, in substance, that all coal produced and used for the production of power in these provinces is included. That is settled, is it?

**Hon. Mr. Brunt:** The coal must be produced by and used in the provinces.

**Hon. Mr. Isnor:** So long as it is used for power purposes the subsidy is paid.

**Hon. Mr. Brunt:** That is correct.

**Hon. Mr. Isnor:** Whether it is for the province, the commission, or a private company. Secondly, how does the honourable senator arrive at the figure of \$1.7 million?

**Hon. Mr. Brunt:** That is the information given me by the Department of Northern Affairs and National Resources, which will administer the act, and by whose Minister the bill was introduced, in the other place.

**Hon. Mr. Isnor:** Yes, but how is the amount arrived at?

**Hon. Mr. Brunt:** I cannot give the honourable senator that information. That was the figure given me. I propose that the bill shall go to committee, where it should be

possible to have the Minister in attendance, with experts who have studied this particular subject.

**Hon. Mr. Isnor:** Thank you.

**Hon. Mr. Brunt:** The bill is not a long one. The first section simply provides a name for the act—the Atlantic Provinces Development Act.

The second section is an interpretation section and one which is very necessary to the act. In this section you will find a definition of "Atlantic provinces", which are referred to throughout the bill. They are the four provinces of Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland. The section also defines "Eastern coal," which is a very important definition because that is the fuel used to produce the thermal power. The word "minister" and the term "power project" are also defined. These definitions are necessary because all these words are used throughout the act, and it is important that we know just what they refer to.

**Hon. Mr. Hayden:** Would the honourable senator permit me to ask a question?

**Hon. Mr. Brunt:** Yes.

**Hon. Mr. Hayden:** If Nova Scotia coal is used for the development of power in New Brunswick, would that coal qualify for the subvention under the act?

**Hon. Mr. Brunt:** That is correct.

**Hon. Mr. Reid:** May I also ask a question before the honourable senator passes to another section of the bill? In the explanatory notes the words "in a suitable quantity and at lower cost" are used. In view of the assistance to be given, has it been worked out to what extent the price will be lower compared with the cost of electricity being produced at present?

**Hon. Mr. Brunt:** I understand that in working out the price they are going to endeavour to work out a plan so that the cost of coal used for producing power in the Atlantic provinces will not exceed that which is paid by the Hydro-Electric Power Commission of Ontario for American coal. I think that is what they are aiming to do, as far as possible.

**Hon. Mr. Bouffard:** The price of coal used in Ontario must vary. The price must be quite different for coal used in one part and coal used in another.

**Hon. Mr. Brunt:** I think you will find that in Ontario our big thermal plants—and the honourable senator from Toronto (Hon. Mr. Hayden) will correct me if I am wrong—are located on or very close to the lake. For

instance, there is a big thermal plant in Toronto. The coal is brought across Lake Ontario by boat, as will be the coal for a big thermal plant that is being built in Hamilton. This is the price the Government has in mind in trying to arrive at a price for coal for use in the thermal plants in the Atlantic provinces.

**Hon. Mr. McKeen:** Is it the cost of the electricity at the thermal plant or the cost of the electricity to the Ontario consumer? The cost at the thermal plant will naturally be higher than the cost of hydro power.

**Hon. Mr. Brunt:** I do not think the Government is going to do anything to try to directly fix the cost of power. What it will do is to provide the thermal plants in the Atlantic provinces with coal at the same price that is paid for coal in Ontario.

**Hon. Mr. Isnor:** That is American coal.

**Hon. Mr. Brunt:** Yes, coal that is brought into Ontario from the United States.

**Hon. Mr. Isnor:** Will the same apply to American coal landed at an Atlantic port?

**Hon. Mr. Brunt:** No. I think it is recognized that thermal power is produced in Ontario more cheaply than in any other part of Canada on account of the fact that we are able to bring coal across the lake in large quantities. That is the price the Government is going to endeavour to set up for coal used in thermal plants in the Atlantic provinces.

**Hon. Mr. Barbour:** I would like to ask the sponsor of the bill a question. The Maritime Electric Company covers practically all of Prince Edward Island. I do not think any additional plants will be built there. They are using oil at the present time. Would these plants qualify for this coal and, if so, would the price of the coal in Prince Edward Island be the same as that paid for coal in the plant near Nova Scotia, or would it be higher?

**Hon. Mr. Brunt:** It should be the same. That is the purpose of this subvention, to provide a uniform cheap price for coal.

**Hon. Mr. Barbour:** But Prince Edward Island would not qualify for that?

**Hon. Mr. Brunt:** Oh, yes, very definitely. Any plant in the Atlantic provinces would qualify, and Prince Edward Island is classed under the act as an Atlantic province. Prince Edward Island would very definitely qualify.

**Hon. Mr. Crerar:** Is that the case whether a plant is privately owned or publicly owned?

**Hon. Mr. Brunt:** Oh, yes. They are all treated the same. They must be put on the same basis for the production of power,

because if you did this only for publicly-owned plants it would be just a short time before the privately-owned plants were forced out of business.

**Hon. Mr. Molson:** May I ask the honourable senator if the price for coal is the price per ton, or does the price take into account the B.T.U.'s and the different qualities of coal?

**Hon. Mr. Brunt:** I will be frank and admit that I cannot answer that question. That will have to be asked in committee.

**Hon. Mr. McKeen:** I think I may be able to help a little on that.

**Hon. Mr. Brunt:** All right.

**Hon. Mr. McKeen:** Usually coal supplied to power plants is sold on the basis of B.T.U.'s, and I think the comparative price in this case would be based on the same thing. If there were fewer B.T.U.'s the price would have to be lower.

**Hon. Mr. Brunt:** Thank you.

**Hon. Mr. Bouffard:** There is one point I would like to have clarified. The sponsor of the bill has said that this subvention will be for the benefit of all plants whether privately-owned or publicly-owned. I have a doubt about that for section 3(1) of the bill reads:

With the approval of the Governor in Council, the Minister may, on behalf of the Government of Canada, enter into an agreement with the government of any of the Atlantic provinces to provide assistance to the province . . .

It does not appear from that that the bill would in any way apply to any privately-owned plants.

**Hon. Mr. Robertson:** I think you will find that section 3(2)(e) covers that.

**Hon. Mr. Bouffard:** I do not think so. It does not look that way to me. I would like to find out if it is applicable to all these plants, no matter whether they are constructed by a province or by a private company.

**Hon. Mr. Brunt:** It was my understanding that the bill applies to all plants, whether privately-owned, municipally-owned or provincially-owned.

**Hon. Mr. Hayden:** And whether they are built or are being built?

**Hon. Mr. Brunt:** Yes; but I do not think—and I say this subject to correction—there are any thermal plants in operation now. Does any senator know of any? What I think you will find is that all the plants that are being built or that will be built will be constructed by provincial power corporations.

**Hon. Mr. Robertson:** No.

**Hon. Mr. Brunt:** Well, then, the subvention will have to apply. It cannot be otherwise or all the private plants would be forced out of business.

Subsection 1 of section 3 gives the Government the necessary power to enter into an agreement with provincial power commission and/or with provincial governments.

Subsection 2 of section 3 sets out in some detail the various provisions and clauses which are to be included in any agreement entered into between a provincial authority and the federal Government.

Under paragraph (a) of subsection 2 the matter of the construction of power projects by the Dominion Government and the transferring of such power projects to the provinces upon the provinces undertaking to pay the cost of the project is dealt with.

Under this act the Dominion Government can build a power project, then after it is built it is turned over to the province and the province pays for it. The province does not have to pay a cash lump sum; payment can be spread over a number of years, so that the profits derived from the operation of the plant or of the transmission system in time would pay off the cost of it.

**Hon. Mr. Wall:** May I ask the honourable senator a question? What does the word "cost" include? Can the honourable senator define the word "cost"?

**Hon. Mr. Brunt:** The cost will be the entire cost of any plant; it cannot mean anything else. You start out on the basis that the purchase of the land will be so much, the erection of the building will be added to it, and then the cost of the equipment will be added.

**Hon. Mr. Wall:** The actual cost?

**Hon. Mr. Brunt:** The entire cost of erecting any plant or of building any transmission line.

Paragraph (b) of subsection 2 of section 3 deals with the extension and completion of power projects and the payment thereof.

Under paragraph (c) the province is compelled to give an undertaking to operate the power project so constructed.

**Hon. Mr. Farris:** Where is the power given to operate a private corporation?

**Hon. Mr. Brunt:** Well, the act is for all plants producing thermal power.

**Hon. Mr. Farris:** Then why is (c) necessary?

**Hon. Mr. Brunt:** Any province must come into this, whether the thermal plant in question is built by the province or by private industry. The government will deal with the

province, and the province in turn will have to deal with the private industry that builds the plant.

**Hon. Mr. Farris:** It does not say so.

**Hon. Mr. McKeen:** It is referred to in subsection 2 (e) of section 3.

**Hon. Mr. Bouffard:** I am not yet convinced. That paragraph does not touch the construction of the plant.

**Hon. Mr. Brunt:** If I may continue: paragraph (d) deals with the matter of the payment by the dominion Government to the province of a subvention which is paid on all coal which is used to produce the power.

Paragraph (e) provides for an undertaking by the province that any subvention which is paid with respect to coal used for the production of power will be fairly distributed among the operators of power projects; and I would think that that would include private industry.

**Hon. Mr. Bouffard:** Yes, in so far as the distribution of coal is concerned, it is all right. But I do not believe that is true in so far as the construction of the plants is concerned; there is no provision for that.

**Hon. Mr. Brunt:** The honourable senator may be quite correct, in that the subvention payments are to be applied right across the board, no matter who owns the power plant. That of course would have to be done, otherwise private industry would go out of business.

**Hon. Mr. Bouffard:** Sure.

**Hon. Mr. Brunt:** And if I gave the impression that the dominion Government was going to assist private industry to build power plants, all I can say is I am sorry, because I feel the power plants in whose construction the dominion Government is going to assist are those which are built by provinces or by provincial power commissions which operate under a provincial government.

**Hon. Mr. Bouffard:** That is what I thought.

**Hon. Mr. Isnor:** In other words, if I understand correctly what you have just said, you are going to subsidize provincial commissions, that is, electric power commissions, owned by the provinces, as against privately owned companies?

**Hon. Mr. Brunt:** We are only going to subsidize them in this respect, that the dominion Government will provide money to build these plants and to build the transmission lines, then they will be turned over either to the provincial government or to a provincial commission under an agreement by which the amount of money which has been

spent on the particular plant or transmission line will be repaid with interest at a fair rate.

**Hon. Mr. Hayden:** Yes, but a private power plant may not get any Government assistance for extensions.

**Hon. Mr. Brunt:** I would say they would not. This is a bill that has been passed to assist the Governments of the Atlantic provinces to develop cheap power.

**Hon. Mr. Hayden:** Cheaper power.

**Hon. Mr. Brunt:** All right, cheaper power.

**Hon. Mr. Crerar:** Could my honourable friend give an explanation of the Northern Canada Power Commission? Is it a federal commission, and when was it incorporated?

**Hon. Mr. Brunt:** Yes, I understand it is a federal commission. I shall come to that in a minute.

**Hon. Mr. Crerar:** Thank you.

**Hon. Mr. Brunt:** Paragraph (f) of this particular subsection is what I call the usual catch-all section. It provides that the agreement shall contain such other terms and conditions as the minister considers necessary or desirable to give effect to the provisions of this bill. In case he has overlooked anything, it comes in under paragraph (f).

**Hon. Mr. Wall:** Before the honourable senator proceeds further, may I ask him a question concerning paragraph (e)? Line 36, on page 2 of the bill contains a phrase which would make me feel that the subvention for power will have an effect on the price of electricity for industrial purposes only, and not for domestic uses. Paragraph (e) says that the subvention

—will be fairly distributed, . . . and that the province will take steps to ensure that the amount thereof will be taken into consideration in the setting of rates charged for electric energy produced by such projects and used for industrial purposes.

So the benefit of the subvention will not flow to the domestic user.

**Hon. Mr. Brunt:** It would appear not to go to the domestic user. It would appear that the lower rates are being put into effect for the benefit of the industrial user. However, that is a point that can be cleared up when the bill is considered in committee.

**Hon. Mr. Hayden:** Will the honourable senator permit a question? I notice that paragraph (d) of subsection 2 of section 3 provides that the province is entitled to collect the subvention in relation to all coal used in the generation of power, whereas in paragraph (e) of that subsection the undertaking that the provinces may give as to

paying the operators is only in relation to the use of coal for industrial purposes.

**Hon. Mr. Brunt:** Yes.

**Hon. Mr. Hayden:** Is that what is intended?

**Hon. Mr. Brunt:** The last portion of paragraph (d) reads:

... including provisions for establishing the amount of the subvention and prescribing the method of calculation.

Under that clause I do not think it could be limited to industrial users.

**Hon. Mr. Hayden:** I do not agree.

**Hon. Mr. Bouffard:** How will the two be separated?

**Hon. Mr. Brunt:** If they are to be separated I think it would be done on the basis of the amount of horsepower used by industry and the amount used in the domestic service. All companies which produce electric power charge a different rate for industrial users than for domestic users. That is true of Ontario. However, that is an engineering question and it would have to be answered by an engineer qualified on the subject.

**Hon. Mr. Hayden:** Would the honourable senator tell me, does the province that receives the subvention have to disburse the full amount of it in the year in which it is received?

**Hon. Mr. Brunt:** I have no information as to when it would have to disburse it.

I now go on to subsection 3 of section 3, which is an important part of the bill, since under this clause the construction, extension or completion of a power project in any province cannot be proceeded with until the minister has, first, approved of the need for the project—that would prevent the indiscriminate construction of power plants when they were not needed; secondly, until the minister has approved of the location of the plant; thirdly, until he has approved the use and type of the project; and finally, until he has approved the time of construction, extension or completion of the project.

Under this subsection the federal Government really controls the construction of power plants in the Atlantic provinces. If the Government feels at any time that such a plant is not necessary, the minister will withhold his approval, no agreement can be made and no money will be advanced.

**Hon. Mr. Isnor:** Would my honourable friend be good enough to enlarge on the two words "need for"?

**Hon. Mr. Brunt:** I think it goes further than the need of any province. It might even get down to the need of a particular locality. For instance, if the Government of

Nova Scotia requests that a plant be built in Halifax, and upon a survey being made it was found that no additional power was needed in that area, the minister would not consent.

**Hon. Mr. Hayden:** There would be no need for it.

**Hon. Mr. Brunt:** That is right. A survey would have to be completed by competent engineers.

**Hon. Mr. Isnor:** Can the honourable gentleman tell us whether an application for energy to a customer in the province of Nova Scotia has ever been denied?

**Hon. Mr. Brunt:** I could not possibly answer that question. One would have to know the entire history of the production of electric power in the province of Nova Scotia, and that is something I do not know.

**Hon. Mr. Roebuck:** May I ask the honourable gentleman, does this section cover the soundness of the proposition with respect to sufficient quantities of water and the flow of water?

**Hon. Mr. Brunt:** That does not enter into the consideration of this bill, because the bill deals only with thermal power, which is produced by coal. In this measure we do not run into the criticism which was raised in connection with the Beechwood Project Bill.

Section 4 of the bill provides that two commissions—the Northern Canada Power Commission, which I understand is a commission set up by the federal Government, and the Dominion Coal Board—shall have the necessary power to carry out and enforce all agreements which are entered into between the federal Government and any of the provincial Governments or provincial commissions in the Atlantic region.

**Hon. Mr. Crerar:** When was the Northern Canada Power Commission organized?

**Hon. Mr. Brunt:** We will have to get that information when the bill is considered in committee.

**Hon. Mr. Crerar:** I think I am familiar with various Crown companies that have been set up around the country by the federal Governments of the past, but this is the first time I have heard of this one.

**Hon. Mr. Brunt:** I can assure my honourable friend we can get an answer to his question when the bill goes to committee.

**Hon. Mr. Taylor (Westmorland):** Honourable senators I notice that the Minister of Northern Affairs and National Resources at the previous session, when he proposed the federal offer at that time, said:

Honourable members will recall that at the last session of Parliament—

That would be the session in 1956, I presume—  
—an amendment to the Northwest Territories Power Commission Act was passed changing the name of the commission to the Northern Canada Power Commission.

That amendment was, I believe, made at the session of 1956.

**Hon. Mr. Brunt:** Does that answer the honourable senator's question?

**Hon. Mr. Crerar:** All right.

**Hon. Mr. Brunt:** Section 5 of the bill gives authority to the Parliament of Canada to make all of the necessary expenditures involved in carrying out any of the agreements to be entered into under this bill.

Section 6 of the bill requires that an annual report shall be made by the minister, who in this case is the Minister of Northern Affairs and National Resources, and that such annual reports shall be made to Parliament.

Honourable senators, that is all I have to say on the bill. If there are any further questions I shall endeavour to answer them, but I will not promise to do so.

**Hon. Mr. Crerar:** I should like to ask a question. Will the advantages of this bill to the Maritime provinces be available to any other province in Canada, should it request it?

**Hon. Mr. Brunt:** The answer is no, because this bill specifically provides assistance in respect to the development of electric power in the Atlantic provinces, and under the bill "Atlantic provinces" is clearly defined as Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.

Someone just said "and not Manitoba"?

**Hon. Mr. Haig:** We don't need it.

**Hon. Mr. Wall:** Honourable senators, in view of the fact that this bill is to provide for all Atlantic provinces, would the honourable senator care to comment on the possibility that one of the provinces, namely Newfoundland, which generates about 92 per cent of its power now from hydro-electric projects, and which in the near future is not likely to develop thermal plants, will benefit from this legislation?

**Hon. Mr. Brunt:** I can project into the future and say that possibly industry will develop so rapidly in Newfoundland that within five years time they may need thermal plants because they will not be able to develop sufficient power by water.

**Hon. Mr. McKeen:** Honourable senators, I would like to ask a question.

**The Hon. the Speaker:** Order. The honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill).

**Hon. G. Percival Burchill:** Honourable senators, New Brunswick has been concerned with the question of electric power for upwards of half a century. Provincial Governments over the years have given this subject first priority and have recognized the vital importance of a supply of power at reasonable cost for the development of our industries. The problem has been the subject of much study by many engineers and by the New Brunswick Electric Power Commission, whose chairman is a member of the provincial Government.

My colleague the honourable senator from Westmorland (Hon. Mr. Taylor) in his remarks on Bill 243 on Tuesday, January 14, touched on the early beginnings of power development in the province and brought honourable senators up to date on current happenings. It is not my purpose tonight to enlarge upon what he said but I want to refer to a moment to some remarks made by my honourable friend—he has gone out of the chamber—the honourable senator from De la Durantaye (Hon. Mr. Pouliot) on the motion for the third reading of that bill.

I hope the honourable gentleman was not serious when he questioned the justification of New Brunswick's claim for assistance. I know he is too wise and intelligent about Canadian affairs not to realize that we in the Atlantic provinces are on a different level of economic activity as compared with the whole of Canada.

I am not going to take up the time of this chamber tonight by talking about Maritime economy. Parliament is well aware of the situation on the Atlantic seaboard. Commission after commission has been appointed—the White Commission, the Duncan Commission, the Rowell-Sirois Commission and, recently, the Gordon Commission—all of which, after thorough investigation, made unanimous reports to federal authorities which show beyond any question of doubt the lower level of earnings and income in the Maritimes and Atlantic provinces as compared with the Canadian level, and the resultant exodus of our young men and women all through the years to seek their living in other parts of Canada and in the United States. Federal authorities of all shades of politics are aware of that condition and have recognized, I think, by public statements, the claims of the Atlantic provinces.

In 1926 the average per capita income of people in the Atlantic region was 38 per cent below the national average. In 1955, 30 years after, the per capita income of the Atlantic region was 37 per cent below the national average for Canada.

**Hon. Mr. Howard:** That was an improvement.

**Hon. Mr. Burchill:** Surely I need say no more. I wish my honourable friend from De la Durantaye was present just now, for surely he needs no more convincing evidence that the Atlantic provinces have a strong case for aid and assistance in that they lag behind the rest of the nation and have a lower standard of living.

In the matter of power, the average in 1955 in New Brunswick was about .26 horsepower per capita, while the average for Canada was 1 horsepower per capita. How different, honourable senators, might that picture have been and how different might the story of New Brunswick's history have been if the plans of the Honourable Peter Veniot, Premier of the province of New Brunswick in 1925, and father of our distinguished colleague the honourable senator from Gloucester (Hon. Mr. Veniot), for the development of power had materialized. He envisioned a great power development at Grand Falls on the Saint John River estimated by engineers of that day to have a potential of 300,000 horsepower, based on water storage facilities in the province of Quebec and in the state of Maine. The cost of the development was to be \$10 million. The rights to develop Grand Falls were to be purchased from the International Paper Company for \$1,250,000 and an agreement was made with the Province of Quebec providing water storage areas for the sum of \$10,000, which was to be paid in gold.

These plans, however, did not materialize, because opposition developed, and the people voted in the general election of 1925 on an alternative plan, put forward by our friends of the Conservative party, who at that time induced the late Honourable J. B. M. Baxter, then federal Minister of Customs, to come down to New Brunswick and lead the opposition. The opposition consisted in an offer by the International Paper Company to develop the falls themselves; to build a paper mill in New Brunswick; reserve certain blocks of power for the Fraser Companies to enable them to build a pulp mill, and at the same time provide the New Brunswick Electric Power Commission with power needed for general domestic use in the province. The people voted on that proposition and accepted it. They put the Conservatives in power, and Mr. Veniot's plans "went down the drain". The company went ahead with its plans and power was developed, but instead of 300,000 horsepower the installed capacity is 80,000, and during the winter months of low water production drops, I believe, to 20,000 horsepower. I understand that in one instance it went as low as 11,000 horsepower. All this, on account of the fact that the storage facilities on which the Premier had depended, vanished, and private interests took over the

construction of Grand Falls. Industry in the province of New Brunswick was therefore obliged to turn to steam-generating plants, and the New Brunswick Electric Power Commission, in order to take care of the demands of domestic users, also developed coal-burning plants across the province to generate power.

However, as the honourable senator from Westmorland (Hon. Mr. Taylor) told us the other day, the Saint John River, with its potential water power sites, has been ever since then the subject of study and examination. He has told you the story of the efforts over the years of the McNair administration in New Brunswick, of which he was so long a member; of the development on the Tobique, and of their plans for storage areas in the state of Maine through the International Joint Commission—which facilities, if secured, would restore to our great waterway its original power potential, and more, through the use of additional sites along the river for multiple developments.

The result of all this is that the electric power plan of New Brunswick is an integrated system of thermal and hydro on a basis, for the last few years, of about 60 per cent thermal and 40 per cent hydro. We have coal-burning plants at Minto, Saint John and Chatham, producing about 132,500 horsepower, and hydro developments at Musquash, Tobique and Beechwood—all commission-owned plants—producing 36,000 horsepower, plus the new development at Beechwood, which has an installed capacity of 90,000 horsepower.

In addition, there are private sources of power for industrial plants which also sell power to the commission when power is available. These plants generate 113,000 horsepower from hydro and 87,000 horsepower from thermal.

New Brunswick's normal increase in demand for power has been about 10 per cent per annum over and in addition to that of late years. The mining development in the northern section of the province, if it is to benefit the province at all, will require substantial blocks of power. The bill before us is enabling legislation permitting the Government to make certain agreements with any of the Atlantic provinces to produce power by steam-generating plants and to construct transmission lines.

As the honourable senator who introduced the bill has told us, it also sets out to provide a subvention on coal used in the plants. The estimated cost of construction will be \$12.7 million in the next two years, and another \$12 million to complete the program. The Northern Canada Power Commission, acting on behalf of the federal Government, will

construct the plant and the transmission lines, but the operation is to be in the hands of the provincial hydro-electric commissions, and the plant and lines, when completed, will be purchased by the provinces, which will be given,—as was stated, I understand, by a member of the Government in the other house—a term of 60 years to pay for them.

The original legislation proposed by the late administration was different in that the plan covered by that legislation was designed to permit the Northern Canada Power Commission to operate these plants and sell the power to the commission, but under the present plan the operation is in the hands of the provincial commissions, who will own the plants. From reading the debates in the other house I understand that the reason for the change is that the provincial Governments and the hydro commissions want the project to be set up that way. They desire to hold and operate their plants. If that is the case, why should I object?

As a representative of the province of New Brunswick, I support this bill. Evidently its terms are satisfactory to the present New Brunswick Electric Power Commission. I know something of the work of the commission and of the job they have done over the years in our province. Being interested in the telephone business, I have some knowledge of the difficulties and problems which any transmission body, be it power or communication, experiences in operating in our province, with its few large centres of population and its wide-open unoccupied areas over which lines have to be carried.

For that reason I know something of the cost and the hazards; and I welcome this legislation as being helpful to New Brunswick and to those of us who are interested in providing industry for our people there.

**Hon. Wishart McL. Robertson:** This legislation, honourable senators, is most welcome, has interesting possibilities and is most timely. As honourable senators know, it is intended to assist in the industrial development of the Atlantic provinces by the provision of cheaper power.

When this proposal was first mooted, a year or so ago, I was not impressed. That it would be of some assistance to existing industries goes without saying. On the other hand, as long as the fiscal and trade policies of Canada remain substantially as they are now, and as they have been for as long as I can remember, it would take more than a reduction in power costs to make any material difference. In a Canada that sought to be self-contained industrially, the simple truth is that Nova Scotia is too far from the centres of population to attract industry seeking only to

serve the Canadian market. Despite various efforts to make water flow uphill, disappointments have followed disappointments. Problems of distance and transportation have provided insurmountable barriers, and the proof of it has been that during the past ten years while new industries and capital in untold billions have been flowing into Canada they have largely passed us by. The number of new industries establishing in Nova Scotia could be counted on the fingers of one hand; nor under existing circumstances is there a much brighter prospect for the future. There is growing evidence that as a result of the boom conditions of recent years the establishment of secondary industries in Canada has been overdone. The Gordon Report says that as a result of corporate rivalries in the United States, a more rapid expansion of the manufacturing facilities of subsidiaries has taken place than the size of the Canadian market would warrant. Already some of them are camping on the Government's doorstep, seeking increased tariff protection to maintain their very existence.

But from now on, honourable senators, the situation may be quite different. The rapidly changing conditions as respects international trade are such that I believe the possibility is that in the not far distant future Canada and Great Britain will have entered into a trade agreement to gradually remove the trade barriers between the two countries. As this develops, Nova Scotia will gradually move from a position geographically on the fringe of a trading area of 17 million people into the very centre of one of 70 million. Halifax is about equidistant from Vancouver and London. Both of the major political parties in Canada have agreed to give the British proposals careful consideration, and on reflection I believe they will decide that our need of markets is such that these proposals cannot be turned down.

I need hardly remind the house how strategically placed Nova Scotia is, under a trade arrangement such as this, to attract British industry interested in both the Canadian and export markets. Its ports are ice-free the year around; they are near the great trade routes of the north and south Atlantic; we have coal, and vast deposits of iron ore immediately adjacent. Already there are evidences that these potential advantages are being appreciated. British capital has recently acquired the controlling interest in DOSCO, our huge steel and coal corporation. The Atlantic provinces have recently decided to appoint jointly a representative in London to point out the great advantages of the Atlantic provinces for British capital. I

repeat, this legislation is most timely and all that is needed now is larger quantities of cheap power.

However, there still remains one feature, the question of supplying the cheapest possible power, that may or may not have escaped the notice of the Government. In case it has I would like to draw it to the attention of the Leader of the Government in this house (Hon. Mr. Haig). The Prime Minister in announcing these power projects stated that the basis of paying subventions on coal used to produce energy is to equalize the cost as between the producer in the Atlantic provinces and those in Ontario.

This basis of equalizing the cost of power as between the two areas seems reasonable, but under existing circumstances there is another factor that materially increases the price to the user in Nova Scotia at least, as compared with Ontario. In Ontario the price to the user does not include any element of corporation tax paid to the federal Government, whereas in Nova Scotia it does, for two-thirds of the power generated and distributed there is done by corporations.

I do not know the exact figures, but it is my guess that the federal Government is currently collecting from these corporations an amount of upwards of \$1 million a year, which of course must be passed on to the users. It is true that as partial compensation the federal Government is rebating half of this amount to the Government of Nova Scotia, but these amounts are simply taken into the consolidated fund of the province and form no relief whatever to the consumer in the way of lower rates.

My proposal is that the federal Government increase the rebate from 50 per cent to 100 per cent in order to place us on the same basis as Ontario, but on condition that the province not only pass it back to the corporations concerned but see to it the rate-making authorities take it into consideration in making the rates.

**Hon. Mr. Isnor:** Hear, hear.

**Hon. Mr. Brunt:** Would the honourable senator permit me a question?

**Hon. Mr. Robertson:** Yes, certainly.

**Hon. Mr. Brunt:** Would you not have to limit, then, the profits of these private companies that are producing power? Would they not have to be limited as to what they are making now? Otherwise, the companies themselves might derive quite a benefit that would not be passed on to the people who purchase the power.

**Hon. Mr. Robertson:** These matters are controlled by the Public Utilities Board. All

I know is that the federal Government collected \$1 million from the users of electricity. This money does not come out of the air. It comes from the users. What I am suggesting is that the amount of rebate of 50 per cent be increased to 100 per cent, that it not go into the Consolidated Revenue Fund of the province but go back to the corporations from which it originally came, and that the rate-making authorities see to it that ultimately the users get the benefit.

**Hon. Mr. Bouffard:** In Nova Scotia is the rate paid by consumers on electric power produced by private companies different from that paid on electric power produced by public utilities?

**Hon. Mr. Robertson:** We have a very convenient arrangement in Nova Scotia, at least it is convenient to some. All of the power in the larger areas, what are called the more profitable areas, is distributed by private corporations, and the Nova Scotia Power Commission distributes power only to the outlying regions. I do not think you could draw any comparison.

May I point out to my honourable friend the Leader of the Government (Hon. Mr. Haig) that unless this is done his Government will be in a most awkward position. The subventions that they contemplate paying, I would think, from the figures my honourable friend (Hon. Mr. Brunt) gave, are in order of \$1 million, as far as Nova Scotia is concerned. If with one hand they pay these subventions to reduce costs, but with the other hand take \$1 million in corporation income tax out of the pocket of the users, they will be in the position of an "Indian giver". I confidently hope they will see the point and make the necessary arrangements. This legislation has great possibilities, and as far as I am concerned, the sooner it becomes law the better.

**Hon. Austin C. Taylor:** Honourable senators, I do not intend to take up very much time to discuss this matter in detail now. I think it will be remembered that I discussed briefly some aspects of it a few days ago when the other bill was before us. However, I would like at this time to make one or two general observations, and also to ask a few questions of the sponsor of the bill.

First of all, may I say that I am in favour of the proposed legislation, but I regret that, like the earlier proposal by the former Government of Canada, the development of hydro projects is not included in this program. I regret it exceedingly, because in our province we have on the Saint John River a great potential of power that has not been developed. For instance, down the river below

Grand Falls, we have the Morrell, Beechwood, and Hawkshaw sites with close to a half-million horsepower, at an estimated cost of approximately \$50 million. While it is true that at the present time the full potential of those three sites cannot be utilized by reason of the fact that no substantial storage is provided above Grand Falls, I recognize the difficulty, or perhaps the impossibility, of developing adequate storage at the present time. I am referring to the province of Quebec, the state of Maine, and the inter-provincial waters. Sooner or later—and it may be sooner than we expect—there is a possibility of a development on a branch of the Saint John River in Maine on the site known as Rankin Rapids where the dam itself can provide a million acre feet of storage. With that provision, and with the other three sites I have mentioned, cheap power could be produced. For that reason I regret very much that hydro is not included in this program. I am not criticizing this Government any more than the former Government, because the same provision was made in the proposal of the former Government, but I hope that, if not during this session, then probably during a subsequent session, provision may be made for the extension of this offer and that hydro may be included.

There is one aspect of this proposal in the bill before us which I think is superior to the former one, that is the provision for coal subventions. I think that is an improvement, and I congratulate the government and the sponsor of the bill in relation thereto. However, the sponsor of the bill indicated that this was not going to cost the Government of Canada a cent.

May I repeat that I regret very much that the terms of this loan, and the Beechwood loan as well, will be based on the rate of interest of the borrowings of the Government of Canada.

I think honourable senators will agree with me, as I indicated, I believe, a few days ago, that the three engineering bodies that gave a complete study of the Saint John River potentialities, namely, the Shawinigan Engineering Company, the H. G. Acres Company, and the Power Corporation of Canada, estimated the Beechwood project on the run of the river basis, as follows: If money could be secured at 5 per cent interest, even on the run-of-the-river basis, the cost of power per kilowatt hour is estimated at 6.92 mills. If the money could be secured at  $2\frac{1}{2}$  per cent interest the cost would be reduced to 4.76 mills. If interest-free money was available, the cost would be only 2.61 mills. These costs are based on power delivered to load centres.

That is just one reason why I do not agree that this is quite as favourable a proposal as that of the former government, in that the Province of New Brunswick must pay the entire cost of all of the development, plus interest charges. Under the former proposal, as I understand it, the Northern Power Commission of Canada would operate these plants, build the transmission lines, and build the plants and operate them at cost to the province; they would sell to the province at any time on a depreciated basis, which means that if the province was not in a position financially to start paying the loan or paying the cost of these power developments they might buy the power. The former Government of New Brunswick tried to negotiate with the Province of Quebec to buy power, and I do not see that any autonomy was taken away from the province. If you buy power from Quebec or from the Commission, I do not think this proposal is quite as good as the other. However, to me the bill has possibilities, and I am hopeful that in years to come, in the not too distant future, amendments might be made to provide for the things I have mentioned.

There are one or two questions I should like to ask. First of all, is there any limit to the amount of money that will be spent on these projects in the Atlantic provinces? Secondly, what will be the cost to the provinces when they begin to pay, and on what terms will they have to meet the payments?

I understand that the operation of the coal subsidy will be negotiated as between the bodies in the Atlantic areas and the federal Government by the Dominion Coal Board, and that the power development itself, or the project, will be handled by the Northern Power Commission. With this arrangement I heartily agree.

Again, honourable senators, I say that I regret exceedingly that hydro developments have not been included in the bill, and I do not want it to be thought that I am saying this because I was a member of a provincial Government for so many years. The hydro power possibilities of the Saint John river have been very close to my heart for a great number of years. If storage is provided there are great power potentialities, and cheaper power will be available.

**Hon. Mr. Howard:** And it would save subsidies.

**Hon. Mr. Taylor:** According to the Montreal Engineering Company's report, if there is interconnection between New Brunswick and Nova Scotia the cost through these thermal plants will be slightly cheaper than if each province goes on its own. May I ask a question on this point? Is there a possibility of

arrangements being made for the interconnection of the two systems in the province of New Brunswick and the province of Nova Scotia? If negotiations have not been carried out in this respect, I think every effort should be made to do so, because it will mean cheaper power for both provinces.

Honourable senators, I do not intend to speak further on the bill at this time. There are some other questions which I should like to ask, but I realize the honourable senator who sponsored the bill cannot answer them all. He has had a good many thrown at him tonight. I shall ask my questions in committee.

**Hon. Gordon B. Isnor:** Honourable senators, I shall be very brief in my remarks because the honourable senator from Shelburne (Hon. Mr. Robertson) has placed the position of Nova Scotia very fairly before us. As he and the senators from New Brunswick who spoke said, we in the Maritimes are in accord with the thought back of this bill, and naturally we intend to support it.

I am glad to hear that the sponsor of the bill intends to refer it to a committee, because we had a very good discussion on a previous bill the subject-matter of which was closely associated with this one. No doubt this bill also will be referred to the Banking and Commerce Committee. If that is so, I would like to ask whether the sponsor intends to have a public hearing and to call expert witnesses. This is a very important piece of legislation, by reason of the benefits which I hope will accrue from it with respect to coal subventions. As you know, Nova Scotia produces coal, and we in that province want to make the best possible use of that product.

I can quite understand that the senator from Northumberland-Miramichi (Hon. Mr. Burchill) is strongly in favour of the bill, because it means for his province an expenditure of \$17.8 million for construction, as compared with \$6.9 million in the province of Nova Scotia. I asked the question earlier as to how those figures were arrived at, and I shall ask the question again in committee. I am wondering whether that total amount will be necessary.

I was particularly pleased to learn that this measure does not only make provision for power commission projects, but that its benefits will be extended to private companies which to a large extent supply power to the important centres of Nova Scotia. I have been assured that the bill will treat the private companies on the same footing as the provincial power commission.

I may have something further to say in committee and on the motion for third reading of the bill. In the meantime perhaps the

sponsor of the bill (Hon. Mr. Brunt) would assure me that he proposes to have a public hearing in connection with the consideration of this bill so that experts will be on hand to give their opinions on it. My honourable friend shakes his head. If he is not going to have experts called to express opinions, then perhaps he would be good enough to table before the committee meeting the report made by the Montreal Engineering Company, so that we could study it and be in a position to ask intelligent questions when the bill is in committee.

**Hon. Mr. Brunt:** Honourable senators,—

**The Hon. the Speaker:** I must remind honourable senators that if the honourable senator from Hanover (Hon. Mr. Brunt), the sponsor of this bill, speaks again, it will have the effect of closing the debate.

**Hon. Mr. Isnor:** Mr. Speaker, I have simply asked a question in connection with the functioning of the committee. Would my honourable friend be good enough to answer it?

**Hon. Mr. Brunt:** If any other senator desires to speak on the bill, I have no desire to close the debate at this time. But with respect to the question of referring the bill to a committee, I will propose that it be referred to the Standing Committee on Banking and Commerce, where we will have a hearing similar to the one we had on the Beechwood Power Project bill. I think in that way we can accomplish what is necessary, and I see no necessity for having a public hearing. The Government is most anxious to get the bill through Parliament and into operation.

**Hon. Mr. Isnor:** When the Beechwood bill was considered we had only the Minister of Finance before the committee. On a bill as important as this one, we should hear from someone who knows about power.

**Hon. Mr. Brunt:** I am quite willing to advise the minister that he should bring with him whatever experts are available to give information with respect to this bill.

**Hon. Mr. Emerson:** The minister concerned with this bill would be the Minister of Northern Affairs and National Resources, not the Minister of Finance.

**Hon. Mr. Isnor:** Yes, he is the minister concerned with this bill. The Minister of Finance appeared in respect to the Beechwood Power Project Bill.

**Hon. Jean-François Pouliot:** Honourable senators, the purpose of this bill is to empower the Government to give some subsidies to the eastern provinces. I am not

now expressing an opinion on the bill; I shall wait until we are before the committee and we have a little more information about it. But I do not see what help the experts can be in this matter, because it is not a question of technical information; it is simply a question of giving money. All the applications made by the four eastern provinces were for subsidies. The Government seems ready to pay certain sums of money to each province to help them carry on the undertakings.

**Hon. Mr. Isnor:** It is very much broader than that. The coal subsidies are estimated at \$1,700,000, while the expenditures in connection with this development for the provinces of New Brunswick and Nova Scotia would amount to \$24.7 million.

**Hon. Mr. Pouliot:** Well, it is more important, and we must go much deeper into our study of the legislation. I am pleased that my honourable friend has been so outspoken and sincere in expressing his views. I did not ask him the question but, like a mind reader, he realized what I had in mind and what I wanted to know. Certainly \$20 million odd is much more than \$1,700,000.

I do not criticize the help that is given any province, but here again it could be done without the expenditure of one cent from the Government at Ottawa. If the taxation powers of the Maritime provinces were restored they would then have the right to impose their own taxation.

My honourable friend from the Maritime provinces will remember that some 20 years ago I opposed gift legislation. I mean by that, that the expenditures made by each Government should come from taxes collected by that Government. I find that the policy of granting to the provinces moneys that have been collected by the Government of Canada is bad, because all the odium of taxing is a burden to the Parliament of Canada, and to senators and members of the House of Commons as well.

In this respect the very eloquent address recently made by the honourable senator from Churchill (Hon. Mr. Crerar) was illuminating. He expounded the problem so well that I shall not pursue it further. I must tell honourable senators that I am open minded with respect to assistance given to the sister provinces, to all of them. But there is a certain way of accomplishing the same end which would be more beneficial to the provinces themselves and would not be so exacting for the Canadian Parliament.

**Hon. Mr. Monette:** Honourable senators, my understanding of the bill is that it provides for temporary assistance to the Atlantic provinces, at the minimum possible cost, but they

will have to refund the money advanced to them. So the money will not be definitely granted to the provinces, and therefore the bill does not establish any principle of federal Government or Parliamentary interference in the rights of the provinces.

**Hon. Mr. Howard:** Question.

The motion was agreed to, and the bill was read the second time.

#### REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, the bill was referred to the Standing Committee on Banking and Commerce.

#### NATIONAL GALLERY

##### TRUSTEES, DIRECTOR, PURCHASES— INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Pouliot:

1. Who were the members of the Board of Trustees of the National Gallery of Canada from the fiscal year 1955-56 inclusively, until the present time?

2. What were the qualifications of each one of them in the arts of (a) painting, (b) drawing, (c) etching, and (d) sculpture?

3. How many paintings, drawings, etchings and sculptures made by each one of them are there in any museum of Canada or any other country, and what and where are they?

4. During the period mentioned in No. 1, how many times did they meet and where?

5. How much was paid to each one of them for their remuneration and their travelling expenses?

6. When was the present incumbent appointed the Director of the National Gallery of Canada, and at what salary?

7. What total amount has been paid to him, from the date of his appointment, for his salary and his travelling expenses?

8. Is he entitled to a commission on the purchases for the National Gallery of Canada and, if so, what is it?

9. What price was paid for each one of the purchases for the National Gallery of Canada, from the date of the appointment of the present incumbent as its director, what was each one of them, with its catalogue number, and from whom was each one bought and when?

**Hon. Mr. Haig:** Honourable senators, I would ask that this inquiry stand. I have made application to the department for the information. They are a little slow, but I am getting it as quickly as I can.

**Hon. Mr. Pouliot:** I thank the honourable gentleman. I do not doubt his interest in the matter, but the previous inquiry that I made was kept for nearly a month in the desk of a so-kind official in the department of the National Gallery. I am very sorry, but the honourable leader (Hon. Mr. Haig) will have to repeat his request for information until the answer is given by the department. I am very sorry for him but these people who are there are very stubborn and neglectful.

**The Hon. the Speaker:** The inquiry stands.

**NATURAL GAS PRICES, EXPORT AND DOMESTIC**

**INQUIRY STANDS**

On the notice of inquiry by Hon. Mr. Reid:

1. Are there regulations governing the sale of natural gas?
2. Is Westcoast Transmission Gas Co. selling gas to purchasers or users in the United States?
3. Is natural gas produced in the Province of Alberta being sold at a lesser price to purchasers or users of natural gas in the United States than to purchasers or users of natural gas in Canada, by Westcoast Transmission Co. or by any other company?

**Hon. Mr. Haig:** Honourable senators, I am not ready yet to answer this inquiry, although I have made some progress and I expect in a few days to be able to answer it.

**The Hon. the Speaker:** The inquiry stands.

**HON. MR. ASELTINE**

**FELICITATIONS ON RETURN TO SENATE CHAMBER**

On the Orders of the Day:

**Hon. Cyrille Vaillancourt:** Honourable senators, before the orders of the day are called, may we extend to our good friend the honourable senator from Rosetown (Hon. Mr. Aseltine) a very hearty welcome on his return to our midst, and say that we are happy indeed to see him again in good health.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Vaillancourt:** For some weeks past we were very sorry not to see you in your accustomed place and we worried about you. We are delighted by your return. We hope that you have fully recovered from your illness and that you will long be here to work with us in the same spirit as in the past.

**Hon. Senators:** Hear, hear.

**Hon. W. M. Aseltine:** Honourable senators, I appreciate very much the kind welcoming remarks of the Acting Leader of the Opposition (Hon. Mr. Vaillancourt). I know he is most sincere in his remarks, as were the many members of this chamber who have greeted me since I came back to Ottawa yesterday. I appreciate the fact that I was probably missed a little bit, and I hope to be able from now on to resume my place in this chamber and do my part.

I may tell honourable senators that I did not know about the contents of the cablegrams that were sent from India about my health until I saw them for the first time last Sunday night. I do not wonder that my

friends were worried about my illness; indeed, when I read the reports I almost had a relapse.

Let me say also that I was mighty glad to step off the plane in Montreal the day before Christmas. I was reminded of the poem in the old Ontario school reader about love for one's native land:

Breathes there the man, with soul so dead,  
Who never to himself hath said,  
This is my own, my native land!  
Whose heart hath ne'er within him burn'd  
As home his footsteps he hath turn'd,  
From wandering on a foreign strand?

I repeat, I was mighty glad to be back.

I want to say this also to honourable senators. We people in Canada think we have all kind of troubles, trials and tribulations, and we complain about this and that, but you only have to go to the countries which I visited and learn of their problems to come to the conclusion that our troubles do not amount to anything at all. You will return to thank God that you live in a place like Canada.

**Hon. Senators:** Hear, hear.

**BUSINESS OF THE SENATE**

**Hon. Mr. Haig:** I move that the house adjourn.

**Hon. Mr. Vaillancourt:** Will the honourable Leader of the Government state what is the work for tomorrow?

**Hon. Mr. Haig:** To tell you the truth, I do not know. I think the house should sit because certain committees are to meet tomorrow morning. I understand that the Banking and Commerce Committee will not be able to meet before Thursday, so the Senate will have to sit on that day. The leader in the other place said he thought that more bills will be passed tomorrow, but as to this I am not sure; however, I shall give the house notice as soon as I can. There may be legislation before us tomorrow, and almost certainly there will be on Thursday, but that depends on the progress made in the House of Commons, as to which the judgment of other members is as good as mine, and perhaps better.

**Hon. Mr. Hayden:** I should tell the honourable Leader of the Government (Hon. Mr. Haig) that the Banking and Commerce Committee will try to convene tomorrow morning to consider the bill which has just been referred to it.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Wednesday, January 22, 1958

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

Prayers.

### ATLANTIC PROVINCES POWER DEVELOPMENT BILL

#### REPORT OF COMMITTEE

**Hon. Arthur L. Beaubien**, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the report of the Committee on Bill 244.

The report was read by the Clerk as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (244) intitled: "An Act to provide assistance in respect of Electric Power Development in the Atlantic Provinces", have in obedience to the order of reference of January 21, 1958, examined the said bill, and now report the same without any amendment.

The report was adopted.

#### THIRD READING

**Hon. William R. Brunt**: Honourable senators, I move that the bill be read the third time.

**Hon. A. B. Baird**: Honourable senators, before the bill is read the third time I would like to say a few words regarding it.

We in Newfoundland, unfortunately, have no coal. A few years ago we thought there was a potential at South River, close to Port aux Basques. Honourable senators all know Port aux Basques: it is a place very close to North Sydney. A great deal of money has been spent on it. Indeed, we have a ship named the *William Carson* which we are still unable to make use of there. While we do not have coal, we have a water power potential at Grand Falls, on the Hamilton River, and we hope that in the near future that potential will be developed. With such a development we would hope to be able to sell power as far west as Montreal, as well as supplying it to Newfoundland and undoubtedly to New Brunswick and Nova Scotia.

The provinces of New Brunswick and Nova Scotia are very fortunate in having coal. This bill indicates that they are mighty good salesmen, and they have made a good sale of their present and future coal potential.

I am in favour of the bill, but I would not like to think that Newfoundland, with its immense water-power resources, would be the only province that did not benefit from

the measure. Undoubtedly we shall be heard from later on. As the minister outlined at the committee meeting this morning, he had had an inquiry from the Premier of Newfoundland, who was anxious to know if the proposed scheme included hydro power, to which the minister replied that it did; in fact, he said the development of hydro power would be given consideration. I hope that eventually the Newfoundland Government will avail itself of the opportunity presented by the bill.

As I have stated, honourable senators, I am in favour of the bill.

**Hon. Mr. Aseltine**: I would like to ask the honourable senator a question before he sits down. Can he tell us if the province of Newfoundland has not sold or given away to a large company the rights to develop the Grand Falls on the Hamilton River?

**Hon. Mr. Baird**: Yes, that is so, but to what extent they have been given I do not know. I presume that these rights will still be beneficial to Newfoundland when power is developed.

**Hon. Mr. Aseltine**: How could you expect the Parliament of Canada to give to this private company money to develop those resources there?

**Hon. Mr. Baird**: That is being done in the other provinces.

**Hon. David A. Croll**: Honourable senators, I listened to the speech made yesterday by the honourable senator for Shelburne (Hon. Mr. Robertson), but did not get the full import of what he said until I read the speech in *Hansard*. As a result a question comes to my mind which I would like to raise at this time.

I quote the honourable senator from yesterday's *Hansard*, at page 503:

The Prime Minister in announcing these power projects stated that the basis of paying subventions on coal used to produce energy is to equalize the cost as between the producer in the Atlantic provinces and those in Ontario.

A little farther on he said:

In Ontario the price to the user does not include any element of corporation tax paid to the federal Government, whereas in Nova Scotia it does, for two-thirds of the power generated and distributed there is done by corporations.

I continue to quote:

I do not know the exact figures, but it is my guess that the federal Government is currently collecting from these corporations an amount of upwards of \$1 million a year, which of course must be passed on to the users.

Now, a final quote:

My proposal is that the federal Government increase the rebate from 50 per cent to 100 per cent in order to place us on the same basis as

Ontario, but on condition that the province not only pass it back to the corporations concerned but see to it that the rate-making authorities take it into consideration in making the rates.

Then:

Hon. Mr. Isnor: Hear, hear.

What then occurred to me,—although, as I was not sure it was a proper question, I did not ask it,—was this: When the honourable gentleman was asking for this subvention, did he give consideration to the obvious and assured remedy for existing conditions, namely, public ownership?

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Robertson: I recognize the force of the honourable gentleman's observation, but I have no intention at this stage of being drawn into an argument about it.

Hon. Paul H. Bouffard: Honourable senators, I do not intend to speak at length, but I want to state that I am very much in favour of the bill. This morning a discussion took place in the committee on clause 6 of the bill, and it nearly happened that an amendment was moved to provide that any agreements made between the federal Government and any of the Atlantic provinces would be produced in Parliament, not merely dealt with in the annual report. Had the committee approved such an amendment the bill would have had to be returned to the Commons. The minister stated this morning that he had no objection to the amendment; in fact, that he would bring down an amendment to this effect next session. On the faith of his promise I shall not move an amendment of this nature and will consent to the passing of the bill; but as there was no report of the committee's proceedings I thought it would be well to put the facts on *Hansard*.

If, then, the bill is amended in accordance with the promise of the minister, well and good; if not, it will be open to someone to propose the amendment. I repeat, however, that I rely on the minister's promise that the bill will be amended to provide that the agreements will be not merely a subject-matter of the annual report laid before Parliament, but that they, or copies of them, will be produced.

Hon. Austin C. Taylor: Honourable senators, I intended to rise on a point of privilege, but I believe I am in order in speaking on the motion for third reading. I am not speaking against the bill. This morning there was a thorough discussion of it in the Banking and Commerce Committee. The Minister and one or two of his senior officials were there and gave a clear explanation of and valuable information about the bill. I am not a member of the committee, but as no other committees of which I am a member were sitting I took

the opportunity to be present. I think we came away from the meeting reasonably well satisfied, but there is no verbatim report of the proceedings and honourable senators who did not attend are deprived of the information that the rest of us received. True, there has been a little debate on the bill here this afternoon, but in my opinion the discussion that took place in committee this morning was very important and pertinent, especially to the principle of the bill, and I am indeed sorry there is no record to which honourable senators might refer in the future.

Now I come to the point that I want to make. It frequently happens that after a bill is introduced and read the first time in the Senate it is—just as was the bill before us—given second reading on the same day and then referred to a committee—say, the Banking and Commerce Committee or the Committee on Natural Resources. The bill may have to do with something about which many honourable senators know very little, but members of the committee are then in a position to obtain information on all the details of the bill and so can ask intelligent questions about it. I believe a verbatim report should be made of these committee meetings, so that every honourable senator may know exactly what takes place there. At present, as we are all aware, many bills are reported back to this house from various committees and given third reading when some of us know scarcely anything about them. I feel this is a matter to which this honourable house, and especially the Leader of the Government (Hon. Mr. Haig), should give serious consideration. It would be of tremendous value to us if we had for reference purposes a verbatim record of committee proceedings relating to important bills such as the one we are now dealing with.

Some Hon. Senators: Hear, hear.

Hon. William M. Wall: Honourable senators, after careful study of the debates concerning this bill in the House of Commons and in the Senate and after listening to explanations of it in the Banking and Commerce Committee this morning, I do wish to put on record these observations to indicate the bill's lack of comprehensiveness; in other words, that it does not do as well as we might expect from what its title and its explanatory notes might suggest. Furthermore, this lack of comprehensiveness—especially as it affects possible power projects of the hydro type, and especially in one of the four provinces, Newfoundland—becomes more apparent as we examine the policy context which this bill has been designed to meet.

There is a linear relationship between this policy context and the bill as we have it, but

I submit that this relationship is limited and it will not benefit all Atlantic provinces equally.

I wish to explain briefly what this policy context is. In the Throne Speech the present Government stated:

My ministers believe that a national development policy carried out in co-operation with the provinces, and in the territories, is needed to enable all regions of Canada to share in the benefits to be realized in developing the resources of this great nation.

On November 14, 1957, the Prime Minister made in the other house an official Government policy pronouncement respecting this national development policy in regard to the power situation in general, and in particular the attitude of this Government toward the situation in Nova Scotia and New Brunswick. As I understand it, the policy of the Government subscribes to the concept that national financial resources should be utilized in a general national development plan to ensure proper, adequate and orderly development of our natural resources in all provinces of Canada, and that action be taken—I quote from the Commons *Hansard*, page 1101:

to improve the economic well-being of those parts of Canada which, through no fault of their own, have not fully shared in the economic growth of this country in recent years. The Atlantic provinces are among these areas.

One of the factors which have retarded this economic growth has been insufficient power for industrial use in adequate quantity and at low price. The Prime Minister went on to say, as reported on page 1101:

It seems only fair and equitable that the Government of Canada should take measures to assist in meeting this basic requirement of the Maritime provinces for industrial growth, particularly since it is possible to do so on a basis that is largely self-financing and self-liquidating.

The statement goes on to develop the actual projects that are going to be undertaken. I will not enter into them.

This morning the minister's explanations to the Standing Committee were very welcome indeed, and we had a very profitable discussion of the bill's basic principles and its probable future specific applications. We were pleased to note that this general enabling legislation—I want to stress the words "general enabling legislation"—was extended to include all four Atlantic provinces, that is, the larger logical concept of potential future developmental needs in this whole region prevailed. In other words, the intention of this bill is to try to give to this whole area of Canada cheaper power in adequate quantity to attract industrial development.

This larger concept looks toward probable developments of nuclear power projects which,

because they will be of a thermal character, will be an integral part of this enabling legislation. But, as this legislation now stands, and because its definition of power projects is delimited to thermal projects, it may not in fact do what its title suggests. The title reads: "An Act to provide assistance in respect of electric power"—it does not say what kind of electric power—"development in the Atlantic Provinces". Then the explanatory note says:

The purpose of this bill is to assist in making available in the Atlantic provinces electric power for industrial purposes in a suitable quantity and at lower cost.

I regret that it does leave me with the conviction that, as general enabling legislation whose stated purpose is to give a broad framework for new power development policy in the whole Atlantic region, it does not go far enough, because it leaves out hydro development projects, which also are very expensive to build for these Atlantic provinces, and which also can be used to provide electric power for industrial purposes in a suitable quantity and at lower cost. Its likely effective effect does seem to be that no effective assistance can in fact be given to at least one of these Atlantic provinces, Newfoundland, whose foreseeable future power projects are likely to be in the hydro-electric field. In this sense, because of this exclusion of hydro projects in the definition of "power project", there is a danger that the bill will discriminate, in a relative and comparative sense, against this particular province, which will not be in a position to avail itself of the kind of national financial help being provided.

I want to make myself perfectly clear. I accept the principle of this bill, and I support its provisions as far as they go, but because the bill is of a general, long-range enabling legislation nature to meet the general policy context which I have briefly indicated, I regret that it does not, in my opinion, complete effectively the linear relationship which I had previously mentioned.

**Hon. Gordon B. Isnor:** Honourable senators, just a word in support of the point raised by the honourable senator from Westmorland (Hon. Mr. Taylor). I made a motion in committee in support of his contention, because I felt that this bill was so important that we should have a record of the committee's proceedings. That is why I bring up the question again. Unfortunately, perhaps in its wisdom, the committee decided otherwise, on a recorded vote. I think that in future whenever an important bill is sent to a committee we should have a verbatim report of the committee's proceedings. In the other house, as also in this house when we are in doubt,

Government bills are referred to the Committee of the Whole, and a very frank discussion takes place so that all members will have the benefit of expert opinion, particularly that of the minister in charge of administration of the Act.

Honourable senators, I think that in future, when an important bill is under consideration by a standing committee, the committee's proceedings should be recorded, and I should like the honourable Leader of the Government (Hon. Mr. Haig) to bear this suggestion in mind.

The motion was agreed to, and the bill was read the third time, and passed.

### ADJOURNMENT

**Hon. Mr. Haig:** Honourable senators, I move, seconded by the Honourable Senator Aseltine, that when this house adjourns today it stand adjourned until Tuesday next, January 28, at 8 p.m.

The motion was agreed to.

### NATIONAL GALLERY TRUSTEES AND DIRECTOR

#### INQUIRY STANDS

On the notice of inquiry by Hon. Mr. Pouliot:

1. Who were the members of the Board of Trustees of the National Gallery of Canada from the fiscal year 1955-56 inclusively, until the present time?

2. What were the qualifications of each one of them in the arts of (a) painting, (b) drawing, (c) etching, and (d) sculpture?

3. How many paintings, drawings, etchings and sculptures made by each one of them are there in any museum of Canada or any other country, and what and where are they?

4. During the period mentioned in No. 1, how many times did they meet and where?

5. How much was paid to each one of them for their remuneration and their travelling expenses?

6. When was the present incumbent appointed the Director of the National Gallery of Canada, and at what salary?

7. What total amount has been paid to him, from the date of his appointment, for his salary and his travelling expenses?

8. Is he entitled to a commission on the purchases for the National Gallery of Canada and, if so, what is it?

9. What price was paid for each one of the purchases for the National Gallery of Canada, from the date of the appointment of the present incumbent as its director, what was each one of them, with its catalogue number, and from whom was each one bought and when?

**Hon. Jean-François Pouliot:** Honourable senators, I am in a very conciliatory mood. There are nine questions under the same heading, and to facilitate the task of the Government, I will answer two right away myself.

Question No. 2, referring to the members of the Board of Trustees of the National Gallery, reads:

What were the qualifications of each one of them in the arts of (a) painting, (b) drawing, (c) etching, and (d) sculpture?

The answer is, nil.

Question No. 3 reads:

How many paintings, drawings, etchings and sculptures made by each one of them are there in any museum of Canada or any other country, and what and where are they?

The answer there also, is nil.

Therefore, question No. 4 should be renumbered No. 2, No. 5 should be No. 3, No. 6 should be No. 4, No. 7 should be No. 5, No. 8 should be No. 6 and No. 9 should be No. 7.

I regret very much to be unable to answer question No. 1 and these other questions, and I would like the answers.

**The Hon. the Speaker:** The inquiry stands.

### UKRAINIAN NATIONAL REPUBLIC

#### FORTIETH ANNIVERSARY OF DECLARATION OF INDEPENDENCE

On the Orders of the Day:

**Hon. William M. Wall:** Mr. Speaker, with the consent of honourable senators I would like to bring to the attention of this house the fact that today, January 22, marks the fortieth anniversary of a signal event in the glorious and tragic history of the Ukrainian people, an event which is celebrated by freedom-loving and politically free Ukrainian people throughout the world. For on January 22, 1918, there was issued by the Government of the Ukrainian National Republic a declaration, somewhat akin to the American Declaration of Independence, which stated:

As of today the Ukrainian National Republic becomes the independent, free, and sovereign state of the Ukrainian people.

I believe that the Ukrainian Canadians living in Canada would have me stress how vitally important it is that the peoples of the free world know the historical record of the momentous events which preceded and followed this Ukrainian declaration of sovereignty and independence, so that the true hopes and aspirations of those submerged peoples be not glossed over or sublimated by, shall we say, incomplete and misleading communist propaganda.

A few weeks ago prominent Soviet leaders journeyed to Kiev, Ukraine's ancient capital, to help celebrate the anniversary of communist rule in Ukraine, and in so doing they might have given the impression that the present communist Government of Ukraine is a genuine political expression and democratic

creation of the Ukrainian people, and that the Ukraine is truly free and independent within the U.S.S.R.

Honourable senators, it does not require extensive documentation to show that the present "Ukrainian Soviet Government" in Kiev is not what we understand by the words "national republic", because its constitutional competencies and practical governmental acts prove it to be really a provincial colony within the U.S.S.R. Nor does it require much imagination to realize that Soviet authorities fear the continuing internal and external challenge to further liberalization of their form of minority and colonial government. The dynamics of the existing national liberation ideals—before which Moscow's centralism is on a continuing defensive—can be assessed in the light of the recent announcements of the Praesidium of the Soviet Communist Party of further measures of decentralization, the granting of more powers to the national republics of the U.S.S.R., and repeated declarations about their ostensible sovereignty. For the forces of democratic and Christian-oriented nationalism that brought to the Ukrainian people a taste of freedom forty years ago are by no means extinct. In the hearts of these valiant peoples this yearning for liberty lives on and will not be denied for ever.

January 22, 1918—Ukrainian National Republic—Declaration of total independence and separation from Russia. Lest we forget!

**Hon. Mr. Haig:** Honourable senators, I did not want to raise a question while the honourable senator from Winnipeg (Hon. Mr. Wall) was speaking, but I wish to raise it now. As I understand the rules, if an honourable senator wants to raise a question such as this—and I am glad to hear him raise it—it should be done on the Orders of the Day.

**Hon. Mr. Horner:** He did raise it on the Orders of the Day.

**Hon. Mr. Haig:** We had not come to the Orders of the Day. Furthermore, no notice was given. When no notice is given, an honourable senator is required to ask for the consent of the house.

**Hon. Mr. Howard:** He did ask for the consent of the house.

**Hon. Mr. Haig:** No; I was about to get up to move adjournment of the house.

**The Hon. the Speaker:** The honourable gentleman was quite in order. The Orders of the Day had been called and he had obtained the consent of the house.

**Hon. Mr. Pouliot:** And he did it beautifully.

**The Hon. the Speaker:** Quite.

**Hon. Mr. Haig:** Before I move adjournment of the house I want to be sure no other senator wants to speak. Very well, I now move, seconded by the Honourable Senator Aseltine, that the house do now adjourn.

The Senate adjourned until Tuesday, January 28, at 8 p.m.

THE SENATE

Tuesday, January 28, 1958

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

Prayers.

LIBRARY OF PARLIAMENT

CIVIL SERVICE COMMISSION REPORT

**The Hon. the Speaker:** Honourable senators, I have the honour to inform the Senate that I have received a report from the Civil Service Commission.

The report was read by the Clerk as follows:

To the Honourable the members of the Houses of Parliament.

The Civil Service Commission, in accordance with the provisions of sections 11 and 62 of the Civil Service Act, is pleased to join with the Library of Parliament in recommending the following change in compensation, effective January 1, 1958:—

**Hon. Mr. Macdonald:** Dispense.

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

**Hon. Mr. Macdonald:** Next sitting.

**Hon. Mr. Roebuck:** Let us hear the figures now.

**Hon. Mr. Macdonald:** It occurs to me that if consideration of this report stands until tomorrow we will at that time have the full text of the report in our records and can study it. However, if any honourable senator wishes to hear the figures read at this time, I have no objection.

**Hon. Mr. Roebuck:** Let us hear them now.

**The Clerk (Reading):**

CHIEF CATALOGUING LIBRARIAN

which is at present:

Annual: \$5,910 6,060 6,210 6,360

be revised to read:

Annual: \$5,820 6,060 6,300 6,540

**Hon. Mr. Haig:** Honourable senators, I understand it has been the practice in the past to refer these reports to the Joint Committee on the Library of Parliament. If so, I would so move.

**Hon. Mr. Brunt:** Honourable senators, I move that this report be considered at the next sitting of the Senate.

The motion was agreed to.

AGRICULTURAL STABILIZATION BILL

FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the

House of Commons with Bill 237, to provide for the stabilization of the prices of agricultural commodities.

The bill was read the first time.

SECOND READING

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

**Hon. Arthur M. Pearson:** Honourable senators, I move the second reading now.

Tonight I have the privilege of sponsoring a bill which in the opinion of the Government will be a great help to the farmers. This Canada of ours has made tremendous strides in the past 50 or 60 years, and the great developments in any line, whether mining, forestry, building, manufacturing, or farming, tie in each with the other, for all of them are branches of our way of life. In the past 10 years we have gone ahead at a rate undreamed of in history. But in making this great advance we are in many ways leaving agriculture behind, especially in so far as prices are concerned. This to my mind is a very serious situation and we cannot allow it to continue too long. Agriculture must receive its fair share of the national income or it will become very inefficient and, in the end, there will not be food enough for all in our own country. No one yet has found a way to eat refrigerators or cars or tractors, and so we must bring our farm economy up to the same level as the rest of our economy. The imbalance of any one line of activity in our dominion will eventually adversely affect all other activities. For that reason the present Government has introduced Bill 237.

Honourable senators, before explaining the bill I want to point out some of the problems which continue to beset agriculture. In 1955, at a conference of agricultural economists held in Helsinki, Finland, Mr. J. E. Bellerby, of the Agricultural Economics Research Institute of the United Kingdom, had this to say, in part:

In the exchange between agriculture and industry, the income received by agriculture has been relatively low per head at all times except during war and periods of scarcity caused by war.

In other words, all through Europe and in North America agriculture has more or less been dragging behind other activities. Is that not just what has been taking place here in Canada? Honourable senators, if you have not been too engrossed with your work here in this city or in the cities from which you come, you have seen that happen in all parts of Canada. But, honourable senators, this disparity of income has become much greater due to the tremendous expansion

that has taken place in industry. Labour, through its unions, has been able to keep up with the industrial expansion and get a fair share of the wealth created. This, however, has left the farmer in the very awkward situation of having his implements of production leap up in price, in keeping with the products of other industries, since those who manufacture farm equipment must receive an equal share of the wealth with other labourers.

So, honourable senators, we see two main things confronting the farmer in Canada. One is that his cost of production is high. Some of the items entering into the cost of production are the farmer's implements, repairs, farm fuel, oil, freight rates and taxes. The second main item is farm labour. It is getting more difficult to hire and keep a man for work on a farm where there necessarily have to be irregular and long hours. This is due to stiff competition for labour by industry, where the hours of work are shorter and where there usually are better living conditions and greater security through pensions, unemployment insurance, etc.

People who process or handle farm commodities are living in this age of high economy and necessarily are receiving a high wage comparable to that of other wage earners. They live at a very much higher standard than they did ten or fifteen years ago, and so they buy the primary products from the farm as cheaply as possible and then have to raise the prices before they reach the consumer, so that they can keep up with the rest of our people whose standard of living is high. On the farm you get a slow expansion of agricultural products, but when industry starts to expand it does so rapidly. The same pertains to prices. Prices of agricultural products are slow in rising, but the prices of industrial products rise fast. Then the same thing happens in reverse. Industry can contract rapidly—for instance, it can close down or reduce the output of paper mills, mines, and so on, and thus prevent a surplus from being built up; but agriculture, having expanded, finds it very hard to slow down, and continues to build up an unwieldy surplus, as may be witnessed in western Canada's present wheat situation.

In western Canada, in the great cereal growing areas, a great transition is taking place today; the western farmer is overcoming the handicap of the hired man by mechanization, and is purchasing larger and fewer types of machinery. Depending on the size of the machinery and the kind of work he is engaged in, a farmer today can usually

handle 50 acres per day alone. As in business, so in farming in western Canada, the man who hustles and plans at the same time has been able to make a success of farming. One man of this type who gets out early in the morning and hustles can handle between 800 and 1,200 acres of land in a season. That may sound a little exaggerated, but it is being done in western Canada today. Of course, he has to put in long hours, and has to be a good manager as well as a mechanic. Over the years he has bought more land from the smaller farmer who for a variety of reasons has had to sell out. By and large, the farmer in western Canada is making progress, and, like people in all lines of business, he is adjusting himself to the new conditions. He has two main problems now: first, markets; secondly, a price spread in the other products besides cereal grains. This has all been taking place in the area designated as the "Canadian Wheat Board Act area".

Where a farmer must use a more intensive type of cultivation, due to topography, type of soil or cost of land, or the kind of products to be raised, he must have more modern machinery. In fact, he has to become as nearly mechanized as possible to overcome the difficulty of having to hire help. A hired man needs much higher wages than formerly, but in most cases the farmer's sale price for his products is not sufficient to enable him to offer the same wages and living conditions that a man can get from industry, nor to enable him to modernize his farm operations where he is farming a small acreage.

The farmer must now use a great deal of fertilizer as his land gets older, and especially in cases where the fertility of soil is running out.

The farmer over the whole country is much alive to his needs. He knows he has to pay more for his land, more for machinery to modernize his farm, more for his help, more to keep up the fertility of his soil, and finally he needs more markets and better prices for his commodities, if he is to survive.

Now, in Bill 237 the present Government is taking steps to clear away some of the farmer's difficulties. Let me emphasize the word "some", because this bill does not pretend to cure all the farmer's troubles; it is, however, a further step forward and a very good step, in farm legislation.

This bill supersedes the Agricultural Prices Support Act of 1944, which was a first step in this type of legislation and probably served its purpose. At the same time, most people could see that there were a number of weaknesses in the old Agricultural Prices Support Act, which weaknesses Bill 237 will attempt to overcome.

Honourable senators, I would like to give you some figures set up by the Canadian Federation of Agriculture in a brief submitted by them on March 5, 1956, to the Royal Commission on Canada's Economic Prospects. This has to do with the estimated total consumer expenditure for Canadian produced-food and the estimated total cash received by the farmer for this food. The information I have gives the total consumer expenditure for four years, but does not include expenditures for fish. It is as follows:

Year	Total consumer expenditure not including fish (Millions)	Farmer's share of consumer dollar Amt.	
		(Millions)	Percentage
1951 .....	\$2,649	\$1,617	61
1952 .....	2,871	1,560	54
1953 .....	2,956	1,495	51
1954 .....	3,066	1,533	50

From that table honourable senators can see that the farmer's share of the consumer dollar is getting less as the years go by. I understand it is now down to about 49 per cent.

**Hon. Mr. Euler:** May I ask my friend a question? Who received the difference between the 50 per cent and the 100 per cent of the consumer's dollar?

**Hon. Mr. Pearson:** It would be received by the distributors all the way along the line from the farm until the products were placed on the retailers' shelves.

**Hon. Mr. Euler:** Can you give the percentages?

**Hon. Mr. Pearson:** No. These figures are comparable to similar data prepared in the United States; and, while they are not absolutely accurate, the trend is exactly the same in that country as it is in Canada.

This tendency shows a continuing lessening of the share of the consumer dollar going to the primary producer. That is why the present Government, in consultation with farm organizations and others, formulated the bill now under discussion.

The principle of Bill 237 is to establish a flexible agricultural price stabilization program which will provide, first, a guaranteed yearly price for any agricultural commodity, for which such a guaranteed price may be required; secondly, an ultimate security feature which will ensure that, so far as the nine key agricultural commodities are concerned, a mandatory floor will be in effect at all times. Both these levels of support, guaranteed prices and mandatory floor, are to be related to a moving average formula.

This moving average formula is based on a ten-year average price and forms what

is called a base price. This is the first difference between this bill and the Agricultural Prices Support Act.

The second difference is that this legislation provides for an advisory board, composed of a chairman and from six to nine members, made up of farmers or persons from farm organizations; so the members of the advisory board must all be farmers. It is mandatory that they meet twice a year. Under the old act the advisory board consisted of 19 members, 10 of whom were appointees from provincial Governments, and the balance were farmers. They did not get paid for their services, they met on a voluntary basis.

The third difference in this legislation is a guaranteed set price within the first three months of the year, to hold for the ensuing twelve months. Under the old act the price was set when there was a meeting of the advisory board, and they decided that some particular agricultural product should be supported.

The fourth difference provides for ultimate security by establishing a mandatory floor under nine named commodities.

Now, if honourable senators wish to ask any questions, we shall endeavour to answer them. For your benefit, possibly, we would like to have this bill considered in committee. This, we think, is quite within reason.

**Hon. Mr. Barbour:** I understood the promoter of this bill to say that the price would be set in the first three months of the year. Is that the fiscal year or the calendar year?

**Hon. Mr. Pearson:** The base price of a commodity will be the average price of a product over a ten-year period. Taking the years 1948 to 1957, inclusive, and working out the average price of a product over those years would give you the base price for 1958, and the price would be set as near as possible to January 1 of the calendar year. There are, however, some exceptions. In an emergency situation, when a particular agricultural product needs special support it can be supported, accordingly as the advisory board suggests.

**Hon. Mr. Barbour:** As I understand the legislation, an advisory stabilization board consisting of three persons is set up, and there is also to be set up an advisory committee consisting of seven or more persons,

**Hon. Mr. Brunt:** Six or more.

**Hon. Mr. Barbour:** But none of these bodies have any authority under the bill? It is the Governor in Council which has all the authority under the bill, and he may or may not listen to the advisors, is that right?

**Hon. Mr. Pearson:** Yes, I think your statement is quite right. The Governor in Council has the final say, and it must necessarily be so because the Government is spending the money.

However, there is one point on which the board can act in an emergency without reference to the Governor in Council, but only one point.

**Hon. Mr. Barbour:** There is another matter I would like to ask about. In my province, Prince Edward Island, potatoes form a very important part of the cash income of our farmers, and that is so also in the province of New Brunswick. Why are potatoes not included with the other products mentioned in the bill?

**Hon. Mr. Pearson:** Potatoes are covered in this bill. They are referred to as a designated commodity. In the interpretation section of the bill, on page 1, clause 2, subparagraph 1, (a), (ii) reads:

In this Act, "agricultural commodity" means any other natural or processed product of agriculture designated by the Governor in Council as an agricultural commodity for the purpose of this act, hereinafter called "designated commodity".

And that includes potatoes. Now, if potatoes happen to become a product which is not saleable the advisory board brings this matter to the attention of the Governor in Council.

**Hon. Mr. McDonald:** Does that term include apples?

**Hon. Mr. Pearson:** That includes apples.

**Hon. Mr. McDonald:** I wonder if the honourable member could explain to us just what price is going to be arrived at here. Eighty per cent of the average over a term of ten years is mentioned, and it is proposed to set a price near 80 per cent of that average. Where will it be set? Under the Agricultural Prices Support Act it could go up as high as the present prices are or in fact as high as there is money in the treasury to pay for the goods.

**Hon. Mr. Pearson:** The information contained in your question is not quite correct. The 80 per cent has reference to a base price. Now, 80 per cent has to do with only the nine key products called the named commodities; those are cattle, hogs, sheep, butter, cheese, eggs, wheat, oats and barley not produced in the designated area as defined in the Canadian Wheat Board Act. If the commodity is a designated product, like apples, there is no limit to that, either up or down; there is no percentage of 80 per cent earmarked with regard to a designated commodity.

**Hon. Mr. McDonald:** I understand that there were some amendments made to Bill 237 in the other place.

**Hon. Mr. Haig:** Those amendments are included in the bill before us.

**Hon. Mr. Pearson:** The amendments made in the House of Commons are included in this bill. I checked that this morning.

**Hon. Thomas Reid:** Honourable senators, may I ask a question with regard to this 80 per cent base price? On page 2 of the bill it is stated that "prescribed price" means,

(i) in relation to a named commodity, eighty per cent of the base price thereof, or such higher percentage of the base price thereof as the Governor in Council prescribes . . .

Does that mean that the Governor in Council may set a price higher than 80 per cent?

**Hon. Mr. Brunt:** Absolutely.

**Hon. Mr. Pearson:** That is right. Eighty per cent is only a sort of security to underwrite the base price of the product, but the Governor in Council can set a higher price for the product.

**Hon. Mr. McDonald:** Why, then, do you insert in the bill a percentage figure?

**Hon. Mr. Pearson:** As a security figure, so that the base price cannot get below that.

**Hon. Mr. Golding:** I would like to know if honey is included in the products mentioned in this bill?

**Hon. Mr. Pearson:** Yes; it comes under items referred to as designated products.

**Hon. Mr. Barbour:** I understand, the original bill that was presented in the House of Commons had a number of amendments made to it, perhaps nearly a dozen in all. I wonder if that 80 per cent has any relation to parity prices which we have heard a great deal about in the last year.

**Hon. Mr. Pearson:** I do not know how anybody could answer that question in relation to parity prices. What is parity? Eighty per cent of an average price, yes, that can be arrived at; but there are four, five or ten different types of parity. Which one do you refer to?

**Hon. Mr. Barbour:** When the Prime Minister went through the Maritimes last spring he promised the farmers parity prices. As he is the Prime Minister I would think he would want to have parity prices here in some relation to what he is going to pay the farmers.

**Hon. Mr. Pearson:** I have in my hand a copy of the policy of the Prime Minister since 1949, and there is nothing in it regarding parity prices.

**Hon. Mr. Golding:** 1949?

**Hon. Mr. Pearson:** That is when it was originally started. It was announced last year.

The question of parity prices has been under discussion by all types of organizations, not only in relation to food production, but nobody has been able to give a definition of a parity price, and it is not referred to in this program here.

**Hon. Mr. Farris:** I should like to ask my honourable friend a question concerning clause 10. Subclause (1) reads:

(1) Subject to and in accordance with any regulation that may be made by the Governor in Council, the board may

(a) purchase any agricultural commodity at the prescribed price;

Does that mean that the board may purchase from one farmer and refuse to purchase from his neighbours?

**Hon. Mr. Pearson:** No: "commodity" relates to the commodity as a whole and covers the whole of it.

**Hon. Mr. Farris:** Cannot the board purchase only from Liberals and refuse Conservatives?

**Hon. Mr. Pearson:** Paragraph (a) of subclause 1 of clause 10 is exactly the same as is contained in the Agricultural Prices Support Act. It worked well there, so it should work here.

**Hon. Mr. Farris:** Of course we had a Liberal Government then.

**Hon. Mr. Pearson:** Then it should work better now than it did before.

**Hon. Mr. Euler:** The senator from Lumsden (Hon. Mr. Pearson) made what seemed to me a rather startling statement. I understand that under the bill prices may not fall below 80 per cent.

**Hon. Mr. Brunt:** For the named commodities only.

**Hon. Mr. Euler:** But the Government may raise the price of any of these commodities 150 per cent if it so desires. That is pretty big power to give the Governor in Council. The Government can set any prices it likes; the sky is the limit. Am I not right?

**Hon. Mr. Pearson:** There is no limit.

**Hon. Thomas A. Crerar:** Honourable senators, of course it would be wholly inappropriate, and a disappointment to you, if I did not have something to say about this bill.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Crerar:** The honourable senator from Lumsden (Hon. Mr. Pearson) talked a good deal about the plight of the farmers,

their difficulties, the handicaps they are under in comparison with other sections and industries in the community. But I am bound to say that he did not discuss, even in a general way, the principle upon which this bill is based, if indeed a principle can be found for that purpose. This bill is of a like character to a good deal of other legislation that Parliament has passed since the end of the war. There was the Agricultural Prices Support Act, which was adopted in 1944. But that act, which by the way is repealed by this legislation, was for a purpose and had a provision entirely different from anything that can be found in the present bill. At the very outset of the discussion on that measure, the reason given for it was that it was needed for the support of the prices of agricultural products during the transition from war to peace. It will be borne in mind that the Agricultural Prices Support Act was passed before the war ended. There was a very good reason for it. Prices of agricultural products had been under firm and strict control from the autumn of 1941 until after the end of the war, and farmers were deprived of any gain which they might have secured through the higher prices which naturally would have risen under war conditions. That legislation has operated until the present time. It was left with the Governor in Council to name the farm products which under the Agricultural Prices Support Act could be supported. I recall at the moment only four, namely, hogs, butter, cheese and eggs. There may have been more.

**Hon. Mr. Haig:** Skimmed milk.

**Hon. Mr. Crerar:** This bill is supposed to go and does go a great deal further than the agricultural prices support legislation did.

**Hon. Mr. Pearson:** Hear, hear.

**Hon. Mr. Crerar:** The honourable senator from Lumsden applauds, and I have no doubt that other honourable senators sitting directly opposite may feel like applauding too.

What does this bill do? It puts a regulation into the marketing of certain agricultural products; and indeed, all agricultural products can be included. It is true that in the definition clause—

(a) "agricultural commodity" means

(i) any of the following commodities produced in Canada, namely, cattle, hogs and sheep; butter, cheese and eggs; and wheat, oats and barley not produced in the designated area as defined in the Canadian Wheat Board Act . . .

That is, all wheat, oats and barley produced in the three Prairie provinces and in a small part of British Columbia are exempt from the operation of this act.

That is one definition, and for the life of me I cannot understand why it is set out

in that way. But the bill goes further and states that any other products, natural or processed, of agriculture may be brought under the act by the Governor in Council; and such products are called "designated commodities". Under this section the potatoes of Prince Edward Island, in which the honourable senator from Prince (Hon. Mr. Barbour) is interested, can be brought under the umbrella. And not only potatoes, but everything which directly or indirectly can be described as a product of agriculture.

Now, when one comes to the basis for setting the price, one finds a little distinction. The named commodities, that is, the nine commodities mentioned—cattle, hogs, sheep, butter, cheese, eggs, wheat, oats and barley not produced in the designated area as defined in the Canadian Wheat Board Act—have a formula upon which the act operates.

**Hon. Mr. Brunt:** Only as to the base price.

**Hon. Mr. Crerar:** And the formula is that the base price shall be determined by taking a ten-year average of prices on these named commodities. The base price then is fixed in the legislation at 80 per cent.

**Hon. Mr. Aseltine:** The floor price.

**Hon. Mr. Crerar:** Yes, I am wrong. As a matter of fact I very often am. The base price is determined in the way I stated a moment ago, that is, on the ten-year average. The board then may pay up to 80 per cent of that base price.

**Hon. Mr. Aseltine:** That is the floor price. You can't go below that.

**Hon. Mr. Crerar:** Yes.

**Hon. Mr. Euler:** But they can go away up.

**Hon. Mr. Crerar:** We will get that point clear. The mode of determining the base price is set out in section 8(2), which reads as follows:

The base price of an agricultural commodity—

That is, these nine already mentioned—

—shall be the average price at representative markets as determined by the board for the ten years immediately preceding the year in which the base price is established.

**Hon. Mr. Brunt:** That not only includes the nine named products, but all agricultural products. You use the ten-year average to determine the base price.

**Hon. Mr. Crerar:** Yes, certainly, but the designated products can come in only on the say-so of the Governor in Council.

**Hon. Mr. Macdonald:** That is right.

**Hon. Mr. Brunt:** That is right, but you must use this formula.

**Hon. Mr. Crerar:** The others are in the law, the act. I think I can make it clear in this way. Let us assume that in the leading markets of Ontario the average price of oats for ten years was \$1 a bushel. Under this legislation the board is obliged to take the oats at 80 cents a bushel even if the market declines to 60 cents a bushel. That is clear. The same rule applies to all the other commodities mentioned.

**Hon. Mr. Brunt:** The named commodities.

**Hon. Mr. Crerar:** The commodities mentioned and described as agricultural commodities.

**Hon. Mr. Brunt:** No, just to the named commodities. The 80 per cent does not apply to designated commodities.

**Hon. Mr. Euler:** He does not say that.

**Hon. Mr. Crerar:** Where is that?

**Hon. Mr. Brunt:** Look at the bill and see how the price of designated commodities is fixed and you will find that the 80 per cent does not apply.

**Hon. Mr. Power:** Then, the definition is wrong.

**Hon. Mr. Brunt:** If you look at the third page of the bill you will see the prescribed price and you will find—

**Hon. Mr. Hayden:** Page 2.

**Hon. Mr. Brunt:** You will find the prescribed price, being fixed at 80 per cent, and it relates to named commodities. There are only nine named commodities in the act. Section 2(e)(ii) of the bill reads:

—in relation to a designated commodity, such percentage of the base price thereof as the Governor in Council prescribes.

**Hon. Mr. Crerar:** That is what I was endeavouring to say, in my rather clumsy fashion. You take a designated commodity like potatoes, for example. They establish a base price on the same formula as the others.

**Hon. Mr. Brunt:** That is right. The ten-year average is used.

**Hon. Mr. Crerar:** But then the Governor in Council can fix the price at which the board will take over potatoes in relation to the base price.

**Hon. Mr. Brunt:** That is right.

**Hon. Mr. Crerar:** I think that is clear.

**Hon. Mr. Brunt:** But the floor is not necessarily set at 80 per cent, whereas it is for the nine named commodities.

**Hon. Mr. Crerar:** Quite right. As a matter of fact, it could be sky-high if they wanted to make it sky-high. Under this legislation the latitude given to the Governor

in Council exceeds anything that I have ever known in all my experience in Parliament. How will this work out in practical application? After all, I do think it is the business of Parliament to try to pass clear, understandable, workable legislation. I think the preamble to the bill is worth reading. It commences:

Whereas it is expedient to enact a measure for the purpose of stabilizing the prices of agricultural commodities in order to assist the industry of agriculture to realize fair returns for its labour and investment, and to maintain a fair relationship between prices received by farmers and the costs of the goods and services that they buy, thus to provide farmers with a fair share of the national income; . . .

If that has any meaning at all at least it answers the question of the honourable senator for Prince (Hon. Mr. Barbour) who was talking about the establishment of a parity price. We have borrowed this term "parity price" from the United States. That is where it originated. I think honourable senators are familiar with it, but very briefly the parity principle in the United States was established in this way. After the end of the last war an agitation for the stability of prices was raised by United States farmers, and their economists worked out a formula. They took the prices of a considerable list of the necessities that farmers required to purchase between 1910 and 1914 and they made an index of this. Then they took the prices farmers received for all their main agricultural production during the same period and they made an index of this. Then they established a parity between those two prices. After the war the ingenious economists of the United States farmers said, "we want that parity established now". And it was established. I dare say it is a natural feeling of human nature, to which this Government is no more immune than any other, that the question of votes comes into the matter.

**Hon. Mr. Aseltine:** No!

**Hon. Mr. Horner:** Surely not!

**Hon. Mr. Crerar:** Both parties in the United States vie with each other in support of the parity principle, and votes are the main consideration. We have had a demonstration, not greatly different from that, in recent days in this country.

Now, this legislation establishes first that certain commodities are protected. The board will take over the agricultural commodities, as defined, at 80 per cent of their value on the ten-year average, should prices decline below this point. The price may go 50 per cent below that, but the board still has to take it over. That is why the board must have the powers given to it under this bill,

the powers not only to act as the agent of Her Majesty, but to purchase, that are set out in section 10, which was referred to by the honourable senator from Vancouver South (Hon. Mr. Farris).

Honourable senators, what will be the result of this? Let us consider it for a moment. The prices that farmers in the Prairie provinces get for barley, oats and wheat have no guarantee behind them at all—none.

**Hon. Mr. Brunt:** They have received initial payment that is made each year; they are sure of the initial payment that is fixed by the Wheat Board at the beginning of each crop year.

**Hon. Mr. Crerar:** Fixed at \$1.40.

**Hon. Mr. Brunt:** That is right, and it does not go below that figure during the year.

**Hon. Mr. Crerar:** Just a moment. Supposing the Wheat Board operated at a loss for the last year, and under the legislation the Governor in Council had to fix the base price for wheat, or the advance price as it is called, for the following year, do you think they would fix it at \$1.40?

**Hon. Mr. Brunt:** Well, I think the Wheat Board has fixed the price in the past years at a loss.

**Hon. Mr. Crerar:** There is no authority in the act for them to do so; there is no suggestion of guarantee on prices, absolutely none. But in this proposed legislation farmers are guaranteed a price, except those farmers who produce wheat, oats and barley in the Prairie provinces. If the average price over the last ten years is, say, \$1 a bushel for oats, the Ontario farmers are guaranteed 80 cents a bushel under this legislation, no matter what quantity of oats they produce or to what point the price falls. If the oats from western Canada invade Ontario and the market declines below the guaranteed price, then the Board pays the difference to the fortunate Ontario oat growers.

**Hon. Mr. Brunt:** But if the average price for the last ten years of oats in Ontario was 50 cents a bushel, then he is guaranteed only 40 cents per bushel, which is below the price guaranteed to western farmers.

**Hon. Mr. Crerar:** Quite true, if that were the case. But let us face the facts. The prices of these commodities are at the lowest in ten years. Anybody who knows anything about the market knows that. The honourable senator from Blaine Lake (Hon. Mr. Horner) is aware of that.

**Hon. Mr. Horner:** Not the prices of these commodities in eastern Canada.

**Hon. Mr. Crerar:** Well, it is unfortunate that we are not going to have the opportunity to get the information regarding the ten-year average, but the effect of that will be inevitably, in my judgment, the piling up of surpluses in Canada. Supposing the guaranteed price for oats is a better price than the market price, do you not think the Ontario farmers will grow it in preference to anything else? What do the United States farmers do? Just that. When they piled up huge agricultural surpluses the Government of Washington devised something called a "soil bank".

**Hon. Mr. Horner:** May I put a question to the honourable gentleman? Is it not so that in this bill the provision is for one year only, that it is not going to continue into future years?

**Hon. Mr. Crerar:** My honourable friend is quite right in the sense that this is a moving average. As each year passes the base price will be on a descending scale; I quite agree with that. But what happened in the United States? The Department of Agriculture there said, "We will have a soil bank". They first guaranteed the farmers a price under the parity principle; then when the agricultural surpluses piled up they said, "Now we will buy them off; we will give them money to take land out of production to lower the acreage of wheat production, particularly, and put it into grass." This was the soil bank. The farmers took the money, and what did they do with it? The honourable senator from Blaine Lake knows what they did with it: they bought fertilizer and used it on their good land and grew more wheat than ever.

**Hon. Mr. Brunt:** Will the honourable senator permit a question? If he will look at section 7 of the bill he will find that these prices are tied in to the cost of production. Is the honourable senator arguing that the farmer is not entitled to a price that is tied to the cost of production?

**Hon. Mr. Crerar:** My honourable friend from Hanover does not for a moment, I hope, think he is going to catch me on that kind of a question. I say to him, as I say to the house, that you cannot determine any reliable cost of production. You can have one farm here, and another farm there, with the sun shining and the rain falling on both alike and each having soil that is alike, and there will be all the difference in the world between the cost of production on those two farms. Those are intangible factors. My honourable friend shakes his head, but those are intangible factors, and that is why it is utterly impossible for the government or any board to carry out with any degree of accuracy at all the

provisions laid down in the preamble of this bill. It just cannot for practical purposes be done.

Of course, this proposed legislation will go through, and I dare say it will be acceptable, but I point out to my honourable friends and to the house that this is a departure entirely from the old pricing system. If we are going to give protection to farmers in this respect, are we going to deny it to others who may need it? I may be old fashioned, and I may be out of step with modern notions altogether, but I do believe this, that legislation should be based on some principle that is applicable to all. What about the 2,000 bankruptcies—the little merchants, and others, who failed in business last year because they found competition too keen? Is the Government not entitled under this principle to come to their assistance? What about the little sawmills up in northern British Columbia which had to shut down, and some of which sold out because they were bankrupt? If Parliament accepts the principle that it is the social responsibility of government to come to the assistance of any who are in distress, whether they are farmers or others, then I say that sooner or later that principle must have general application.

That is my main quarrel with legislation of this kind: it does away with the age-old laws. As a matter of fact, the principle upon which this legislation is based, if it can be called a principle, is found in the Marxist philosophy. My honourable friend shakes his head. One of the things that Marx taught was that the price system was one of the devils of capitalism and had to be destroyed; and along with that he taught that all religions were an opiate of the people and had to be destroyed. Are we here not taking a long step forward in a socialistic experiment?

**Hon. Mr. Horner:** Marx did not believe in the devil.

**Hon. Mr. Crerar:** Now, take the honourable senator from Blaine Lake (Hon. Mr. Horner), there was a great free enterpriser! I thought he was a pillar of free enterprise—

**Hon. Mr. Horner:** I hope so.

**Hon. Mr. Crerar:**—but here he is supporting these nebulous, socialistic doctrines. And as for my old friend the Leader of the Government (Hon. Mr. Haig), I know his views—or at least I knew what they were—on the socialistic theories. I am not so sure that I know what his views are now.

Admittedly the farmer has serious problems, but they are due more to inflation than to anything else. The farmer who bought a farm tractor 18 years ago paid only half

what it would cost him today. He has been caught in a squeeze between the price of the things he sells and what he pays for the things he buys.

**Hon. Mr. Aseltine:** We are trying to rectify that situation.

**Hon. Mr. Crerar:** The only sound basis for a solution is to attack the cause of the trouble. What are we doing about it? What are the causes of inflation? I would say, first, the tendency on the part of companies, if they have the opportunity—and many have—to secure an unreasonable margin of profit on the handling of their goods. It is only human nature—

**Hon. Mr. Horner:** There is more to it than that.

**Hon. Mr. Crerar:** —to get as large a degree of profit as possible. Next, an important cause of inflation are the increases in wages that powerful labour unions are able to secure, and that I suppose is human nature too.

**Hon. Mr. Brunt:** How would you correct that?

**Hon. Mr. Crerar:** You see it reflected in many ways. The railway men get an increase in wages, the railways get a boost in freight rates, and that is reflected in every store and shop, large or small, throughout the whole of Canada, and apparently we cannot avoid it.

The next cause is the huge government spending we have meekly accepted. I criticized the late Liberal administration on more than one occasion in this house because of its spending, as my honourable friends here will recall. But what are we to say today in the face of Government expenditures? Supplementary estimates amounting to \$226 million were brought down today. Our total budget expenditures this year are very nearly \$5,800,000,000. I ask this house in all seriousness, how in the world can we ever control inflation or hold it in check if we are going to have Government spending maintained at this high level and the almost certain deficits that will follow? It just cannot be done without higher taxation, and who wants that?

Let me tell you what will happen. This legislation may give a little palliation for the moment, but if the inflationary processes continue, believe me, it is not going to satisfy. What must be done with a problem of this kind is to attack it at its source. If we could have had control of inflation, even moderately, over the past 20 years we would not have had all the troubles we have today. But when you think of the fact that a suit of

clothes that a man could have purchased in 1939 for a certain price will cost him twice that amount today—and the price of every commodity has increased proportionately—one can see what the inflationary process has meant to the multitude of our people who have done the useful job of saving and are dependent on their savings.

Where is this inflation going to end? That is the important question. I feel strongly that the farmers of this country are caught in a squeeze, but I believe in the end they will find the wise and sensible way out of that trouble. This legislation will of course go through. But unless Providence in His wisdom gives us crop failures or something of that kind, it is going to bring in its wake a trail of trouble.

I very much dislike making predictions, but I look with grave doubt indeed on creating conditions in this country even in a modified way, that will reproduce conditions existing in the United States today, where they have more than \$8 billion invested in surplus agricultural products by the Commodity Credit Corporation, at a cost of more than \$1 million a day in carrying charges. With our budgets where they are today, honourable senators, we cannot afford and should not take any chance of landing in a similar situation in this country.

**Hon. W. Ross Macdonald:** Honourable senators, we have indeed listened to an outstanding address by the honourable senator from Churchill (Hon. Mr. Crerar). He has made certain predictions as to what will happen in the future. From his vigour and vitality, both physical and mental, I am sure he will be here ten years from now to see whether the predictions he has made tonight come true.

**Hon. Senators:** Hear, hear.

**Hon. Mr. Macdonald:** I should like to congratulate both honourable senators who have explained this bill. I am sure we all have a better understanding of the purpose of the legislation than we had when we came into the house. However, there was not much excuse for our not understanding it, since the bill was debated in the other place for at least a week. Personally, I had plenty of time to follow the debates there, and no doubt other honourable senators did too. A number of amendments were moved—I think about nine altogether—three of which are incorporated in the bill. When the debate was concluded the bill, as amended, met with unanimous approval in the other house. That does not necessarily mean that it should meet with unanimous approval here.

I for one will insist that this bill go to a committee. Questions have been raised in

this house by the honourable senator from Churchill and other senators which have not been satisfactorily answered. We are entitled to full answers to these questions. The honourable senator from Lumsden (Hon. Mr. Pearson), who sponsored the bill, intimated that he would not oppose a motion to send the bill to a committee. I hope he will make the motion himself.

The honourable senator from Churchill is an experienced man in agricultural matters, and there are other members of this house who have wide experience in that field. We have in the Senate a number of members who were ministers of agriculture in their provinces, and they understand this problem as well as any members of any other legislature or of the House of Commons. Therefore, I will not presume to take the time of this house, by discussing the bill in detail—although, after having been in the House of Commons for 18 years and in the Senate for five years and having heard many debates on wheat and agriculture, even a lawyer must have some knowledge of farmers' problems.

**Hon. Mr. Roebuck:** Hear, hear.

**Hon. Mr. Macdonald:** The sponsor of the bill stated that the advisory committee must be composed of farmers. Well, honourable senators, in reading clause 5 I find that that information is not quite correct. The clause reads as follows:

5. (1) The minister shall appoint an advisory committee, consisting of a chairman and at least six, but not more than nine, other members composed of farmers and . . .

Notice this, honourable senators.

—representatives of farm organizations.

**Hon. Mr. Pearson:** That is what I said.

**Hon. Mr. Macdonald:** My honourable friend says that is what he said, but he actually said they had to be farmers. However, if a farm organization appoints a lawyer as its representative, he will be eligible to sit on the committee.

**Hon. Mr. Pearson:** Do you think they will do that?

**Hon. Mr. Macdonald:** I do not know, but if appointed he would be eligible to sit on the committee.

Honourable senators, in Ontario one man cannot farm such large tracts of land as he can in some other part of the country. The honourable senator from Lumsden, if I heard him correctly, said that one man can farm anywhere from 800 to 1,200 acres. Well, I will say that in Ontario one man cannot farm anywhere near that acreage in mixed farming.

**Hon. Mr. Asetline:** He was not referring to mixed farming.

**Hon. Mr. Macdonald:** He was talking about farmers.

**Hon. Mr. Pearson:** I was talking about the cereal growing areas in western Canada.

**Hon. Mr. Macdonald:** When my honourable friend made the statement he was speaking generally about farmers. Now, honourable senators, in only very few provinces can one man farm land to that extent. Even a lawyer knows it is impossible elsewhere than in the Prairie provinces for any one man to farm anything like 800 to 1,200 acres of land.

The honourable senator from Churchill pointed out that this bill repeals the Agricultural Prices Support Act. As he said, that act was put on the Statute Book by the former administration in 1944, and the purpose of the act was to assist in maintaining prices at a reasonable standard during the transition from war to peace. Well, that took a long time. Indeed, it occurs to me that probably we are not completely at peace yet. The present is certainly a cold-war period. Prices are not pegged now as they were during the days of the actual war, but we are still living in very difficult times.

I know something of the problems which the farmer has to face and I think every honourable senator is anxious to help the farmer. But, honourable senators, does this bill actually help the farmer? The honourable senator from Lumsden said that it is not a cure-all for the farmers' troubles, but in his speech he intimated that it is almost a cure-all for the farmers' problems. He said the bill would be a great help to the farmers. Well, if that is so I think we should stop now and say, "Yes, we will put it through." But, he did not convince me tonight that it is going to be a great help to the farmers. I am not sure that it is any better than the present legislation, and I do not think he persuaded many members of this house that it is. This is one reason why the bill should be referred to a committee where experts can be examined.

**Hon. Mr. Pearson:** We are going to refer it to a committee, there is no argument about that.

**Hon. Mr. Macdonald:** One question that I will ask the experts to answer is, in what way this bill is a better piece of legislation than the present act is for helping the farmers. I am not the only one who is concerned with this problem. This bill has not been accepted generally. The sponsor (Hon. Mr. Pearson) gave the impression that this bill has met with the general approval of the Canadian Federation of Agriculture. Well, I have not seen anything to that effect in the

press. I know that before the bill was amended many members of the Federation of Agriculture opposed the bill and I have not yet read that they have approved of it. I read with some concern the Canadian Press dispatch that appeared in this morning's papers and I am going to quote it now to show the honourable senator that there are many people in Canada, including some who have an expert knowledge of farming, who are very concerned about the effect of this bill. The article, which is dated Montreal, January 27, states:

The Canadian Poultry industry was warned bluntly today to avoid pressure for a higher egg support price.

The existing one of 38 cents a dozen wholesale—set in 1950—"may or may not be an incentive price" Professor J. B. Cavers of the Ontario Agricultural College, Guelph, told a Canadian Federation of Agriculture luncheon.

Now, honourable senators, he is a man recognized as an expert in agricultural matters, a member of the faculty of the Ontario Agricultural College at Guelph, and he made that statement in speaking to the Canadian Federation of Agriculture.

The article continues.

But in 1957 the floor price was no longer a sufficient deterrent to over-production and an egg glut had lasted up to seven months in some areas, he said.

Professor Cavers, head of the college department of poultry husbandry, said in his view a higher floor price would be a disservice to the industry. Purchases of egg-laying stock had not been cut back with the result that fresh egg supplies prevented sales of surplus stocks acquired under the federal plan inaugurated in 1950.

Later he suggested that more flexibility be injected into the floor price to discourage seasonal additions of laying stock.

These are the closing words:

"I beg you to modernize your thinking," the professor told representatives of farm groups, urging that any trend towards the creation of surpluses should be resisted strongly.

**Hon. Mr. Horner:** But he had nothing to say against this bill.

**Hon. Mr. Macdonald:** Oh, yes; what he was saying was against the bill.

**Hon. Mr. Horner:** Not a word. I read the report.

**Hon. Mr. Macdonald:** The whole article is against the principle of the bill.

I should like to have experts here from the federal Department of Agriculture to answer the professor from the Ontario Agricultural College. Is the professor right or wrong? Is there a danger in this bill? Or is there not a danger? For my part, honourable senators, I think we should consider with great care the conclusions involved in this measure. The only way that can be done is to have it sent to committee, and there to

have not too limited a discussion, not to rush the bill through committee, but let it be considered very carefully to make sure that, if passed, it will be in the interests of the farmers.

**Hon. Mr. Aseltine:** The only objection I have heard to the bill is that it does not go far enough.

**Hon. Mr. Horner:** I want to correct one statement made by the honourable Leader of the Opposition (Hon. Mr. Macdonald) with regard to one farmer handling 800 to 1,200 acres. In western Canada methods are entirely different from those down here. One man would crop only half his acreage each year; the other half would be in summer fallow, prepared and ready for seeding the next year. The practice is different from that in Ontario.

**Hon. Mr. Reid:** In the interpretation section, commodities include "any other natural or processed product of agriculture". Does that mean that the Government can declare as such products canned tomatoes or canned beans?

**Hon. Mr. Brunt:** If necessary, yes.

**Hon. Mr. Reid:** God help this country, that is all I say.

**Hon. Mr. Euler:** Can margarine be included?

**Hon. Mr. Macdonald:** Is it a farm product?

**Hon. Mr. Euler:** Why not, if it is made of milk?

**Hon. Arthur W. Roebuck:** Honourable senators, I wish to speak on the bill, and the sponsor also may want to say something in reply before it receives second reading.

I am from a city. I am not a farmer, and I do not profess to have any expert knowledge of agriculture. It is true that I spent a considerable part of my boyhood on a farm. Please do not smile when I tell you that a year ago I bought a farm; and in the short time I have had it I have seen some of the difficulties which farmers face. I bought a farm of 86 acres, and I have about 70 acres in hay, that is timothy and clover. This year we took off the phenomenal crop of 4,049 bales.

**Hon. Mr. Brunt:** How many tons?

**Hon. Mr. Roebuck:** That is a big crop. We sold about three-fourths of it in the field at 10 cents per bale. If we had disposed of the entire amount at that price the farm output would have realized \$400.

**Hon. Mr. Aseltine:** This bill should help you a lot.

**Hon. Mr. Roebuck:** I do not want that kind of help.

These remarks about my own experience are aside from what I hope to say before I sit down. I appreciate the problems of the farm and of the farmer. His business is developing, it is in transition, and he has been up against the problem of keeping up with the times. Old methods have gone by. Now a large acreage, with very expensive agricultural machinery, is needed, whereas formerly a man with a very small investment and couple of horses, and perhaps a wife and some children, could carry on a business which at least gave him a living. Today it is very questionable whether the small farmer can keep going. Certainly he cannot do so with only field crops; he must carry on mixed farming as well.

This I have said merely to express my interest in the farmer and my knowledge of the problems he faces. But what I want to speak about today is the principle of this bill. I come from the cities, and I know something of the problems of the towns as well as of the country.

The honourable senator from Churchill (Hon. Mr. Crerar), in the magnificent speech he gave us, referred to the number of bankruptcies which have taken place in recent times. I know very well the position of the men in the cities who face keen competition, high prices for the things they buy and low prices for the things they sell. I say that the principle of this bill is all wrong. It is, in my view, no function of government to take from those in business who make a profit in order to give profit to those who show a loss. That course is disastrous as far as the whole community is concerned. So I object to the bill in that it is intended to give to the Government, or a committee proposed or appointed by them, power to arbitrarily set prices and then tap the public treasury to increase, to a figure they set, the normal competitive price. It is all wrong.

We in this chamber have had a little experience of interference of that kind. The issue is not entirely political. Both parties have attempted to woo—or otherwise—the farmer by interference with natural laws. My criticism is not political, it is economic. We recall when the Government attempted to set the exchange price of the dollar as between Canada and the United States. I opposed that proceeding from the first, and continued to do so until at last it was forced upon the attention of Parliament that the country, by this foolish arrangement, was losing money hand over fist. When the war ended we had American gold to the value of a billion and a half dollars in the treasury. By arbitrarily fixing the price of the dollar,

and paying the difference when importations were allowed, we poured more than a billion dollars down the drain in the course of a couple of years. Finally these very smart men in the Department of Finance realized that this proceeding had to come to an end, so they imposed a number of import restrictions, which handicapped trade with our best customer. But even that wore out and finally they did what they should have done in the first instance, relied upon freedom and the good sense of our people in their competitive efforts. Well, it was a rather disastrous experiment we conducted at that time and I should think it would have been enough to teach us to keep our fingers out of private business. We should allow businesses which make a profit to go on and prosper; and those which cannot justify their existence by making a profit should either change their methods or go out of business. The usual answer is to change the method.

The honourable senator from Churchill blamed inflation for the difficulty in which the farmers find themselves. I do not follow him in that. Of course, there are so many meanings attached to the word "inflation" that I do not know whether I am thinking of the same thing that he was. I understand inflation to be a change in the purchasing power of the dollar, and I should point out that that has not always been to the detriment of the farmer. Sometimes it has been to his benefit. I do not want to go into this subject at length tonight, though I should like to do so at some future time. What I think the honourable senator from Churchill had in mind was the phrase he used later when he talked about the high price the farmer pays for the things he buys and the low price he gets for the things he sells; and he suggested we should attack the cause of these things rather than try to correct their result. One reason for the high price that the farmer pays for goods is that he buys in a protective market. The price of everything the farmer buys is increased by our protective tariffs.

**Hon. Mr. Brunt:** I don't agree with the honourable senator.

**Hon. Mr. Roebuck:** That is all right.

**Hon. Mr. Brunt:** Does he realize there is no tariff on farm implements of any kind? That is a big item.

**Hon. Mr. Roebuck:** But is there a tariff on the things that go into the manufacture of farm implements?

**Hon. Mr. Brunt:** Well, we produce our own steel right here.

**Hon. Mr. Roebuck:** We have a high tariff on steel, yet we import steel in the face of that tariff. The price of steel in Canada is increased by our tariff.

**Hon. Mr. Brunt:** Well, if farm implements are cheaper in the United States they can come in here without the payment of any duty.

**Hon. Mr. Macdonald:** There is a drawback on steel going into the manufacture of farm implements.

**Hon. Mr. Roebuck:** Oh, yes. At the same time the prices of a great many other things that go into the making of farm implements are increased by tariffs.

**Hon. Mr. Brunt:** Would you please elucidate and name them? What are they?

**Hon. Mr. Roebuck:** Are you asking me to enumerate them?

**Hon. Mr. Brunt:** Yes.

**Hon. Mr. Roebuck:** It is beyond the power of anybody when making an offhand speech to enumerate such things. I would say that the price of everything the farmer buys, from toothbrushes to shoes, is increased by tariffs, just as is the case with a great many of the items that go into the manufacture of farm implements. My honourable leader (Hon. Mr. Macdonald) called my attention to the fact there is a drawback on steel. Well, there are many other items that increase the cost of manufacturing implements and everything else. I know that my friends across the way are high-tariff men. They are protectionists, and they were simply appalled at the suggestion that we decrease tariffs between ourselves and the United Kingdom, notwithstanding the fact that they indulged in all kinds of oratory on the platform about increasing trade between Canada and the United Kingdom.

One way in which to decrease the price of the things the farmers buy would be by removing protective tariffs. In the things he sells the farmer has to compete with world prices, but he has not the same freedom in the buying of the things that he requires. This creates a jug-handled situation so far as farmers are concerned. Aside from all that, I am totally opposed to interference by government in business in this way, taking money from those who make a profit and giving it to those whose business does not pay. What is the result? The honourable senator from Churchill made it clear. It means that these commodities which are favoured by this board will sell at a higher price by reason of the board's favour; then the competitive price will be on the things

that the farmers produce in greatest profusion, and we will have in Canada exactly the same results as we read about in the United States: great surpluses, serious depletion of the treasury and piling up of unused commodities in government storehouses. Then, perhaps, there will be interference between nations when we try to dispose of these unused commodities—as occurred when the United States gave away wheat and interfered greatly with Canadian trade.

Honourable senators, I am a free trader. I believe in freedom always, and the right of the individual to guide his own business to make a profit by his wisdom and skill, and not to draw his profits from the public treasury. So, as a matter of principle, I am opposed to this bill, and this is the time to state my opposition, on the second reading stage, when we consider the principle of the bill, not the detail.

As I said at the outset, I am not in a position to discuss agricultural problems, for I am not a farmer nor am I engaged in agricultural pursuits. But I do know principles when I see them. I see a bad principle in this bill and I am opposed to it.

**Hon. Mr. Pearson:** Honourable senators, I move—

**The Hon. the Speaker:** Honourable senators, I would remind the house that if the honourable senator from Lumsden (Hon. Mr. Pearson) speaks now he will close the debate.

**Hon. Mr. Pearson:** Honourable senators, I move, seconded by the honourable senator from Hanover (Hon. Mr. Brunt), that this bill be now read a second time.

**The Hon. the Speaker:** Honourable senators, the question is on the motion of the Honourable Senator Pearson, seconded by the Honourable Senator Brunt, for the second reading of the bill. Is it your pleasure to adopt the motion?

**Some Hon. Senators:** Carried.

**Hon. Mr. Roebuck:** On division.

The motion was agreed to, and the bill was read the second time, on division.

REFERRED TO COMMITTEE

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

**Hon. Mr. Pearson:** Honourable senators, I move, seconded by the honourable senator from Hanover (Hon. Mr. Brunt), that this bill be referred to the Standing Committee on Banking and Commerce.

**Hon. Mr. Croll:** May I make one observation before the motion is adopted? I understood from a recent discussion in this house that if any honourable senator wished a stenographic report to be made of a committee meeting he would be accommodated. Will this be done?

**Hon. Mr. Haig:** I will answer that. First of all, I want to extend an invitation to every member of the house to be present at tomorrow's committee meeting, and I can assure them that they will be free to ask questions of the witnesses. The Deputy Minister of Agriculture and his two leading officials will be present tomorrow morning at 10.30. Tomorrow afternoon at 2.30 the minister himself will be available. He cannot be earlier because he has to address the Canadian Federation of Agriculture, in Montreal, at its annual meeting tomorrow morning.

**Hon. Mr. Farris:** What about the stenographic report?

**Hon. Mr. Haig:** I will try to have that arranged; thank you, very much.

**Hon. Mr. Croll:** No—not try.

**Hon. Mr. Haig:** Arrangements will be made to have the committee reported tomorrow morning.

**Hon. Mr. Macdonald:** Until what time shall we be adjourning tomorrow? I understood the Leader of the Government to say that the minister would be present at the committee at 2.30.

**Hon. Mr. Haig:** The minister gets in at 2.30 tomorrow, and will be present at the opening of the other house. At 3 o'clock he will be with us. I ask honourable senators if they will agree to, say, four o'clock, or half past four, if that is reasonable. Of course, I am in the hands of this house. I am especially anxious that the minister should be there. First, he had intended to go away by train, but he agreed instead to go and return by air, in order to be at our meeting tomorrow. May I ask the Leader of the Opposition (Hon. Mr. Macdonald) if 4 o'clock will be all right?

**Hon. Mr. Macdonald:** I have no objection. I was going to ask if there are other bills before the house at the present time.

**Hon. Mr. Haig:** No, there are none.

**Hon. Mr. Davies:** Are we to understand that the house is to adjourn until 4 o'clock tomorrow afternoon, or that the committee is to meet at that time?

**Hon. Mr. Macdonald:** It has been suggested that the Minister of Agriculture appear before the Banking and Commerce Committee at about 3 o'clock tomorrow afternoon.

Accordingly, it has been suggested that this house should reassemble at 4 o'clock instead of 3 o'clock in the afternoon, so as to give honourable members an opportunity to hear the minister in committee.

The motion of Hon. Mr. Pearson for reference of the bill to the Standing Committee on Banking and Commerce was agreed to.

## NATIONAL GALLERY

### TRUSTEES, DIRECTOR, PURCHASES— INQUIRY AND ANSWER

**Hon. Jean-François Pouliot** inquired of the Government, pursuant to notice:

1. Who were the members of the Board of Trustees of the National Gallery of Canada from the fiscal year 1955-56 inclusively, until the present time?

2. What were the qualifications of each one of them in the arts of (a) painting, (b) drawing, (c) etching, and (d) sculpture?

3. How many paintings, drawings, etchings and sculptures made by each one of them are there in any museum of Canada or any other country, and what and where are they?

4. During the period mentioned in No. 1, how many times did they meet and where?

5. How much was paid to each one of them for their remuneration and their travelling expenses?

6. When was the present incumbent appointed the Director of the National Gallery of Canada, and at what salary?

7. What total amount has been paid to him, from the date of his appointment, for his salary and his travelling expenses?

8. Is he entitled to a commission on the purchases for the National Gallery of Canada and, if so, what is it?

9. What price was paid for each one of the purchases for the National Gallery of Canada, from the date of the appointment of the present incumbent as its director, what was each one of them, with its catalogue number, and from whom was each one bought and when?

**Hon. John T. Haig:** Honourable senators, I have the answer to the honourable gentleman's inquiry. I would like to suggest to him that he should be made a member of this board. This is a very important matter, and it takes a great deal of time to deal with it.

*For text of answer see appendix to today's Hansard, p. 528.*

## NATURAL GAS PRICES, EXPORT AND DOMESTIC

### INQUIRY AND ANSWER

**Hon. Thomas Reid** inquired of the Government, pursuant to notice:

1. Are there regulations governing the sale of natural gas?

2. Is Westcoast Transmission Gas Co. selling gas to purchasers or users in the United States?

3. Is natural gas produced in the Province of Alberta being sold at a lesser price to purchasers or users of natural gas in the United States than to purchasers or users of natural gas in Canada, by Westcoast Transmission Co. or by any other company?

**Hon. John T. Haig:** I have the following answer to the honourable gentleman's inquiry:

1. The sale of gas within Canada is subject to the regulation of the province within which it is produced or sold as the case may be. Export sales of gas are subject to the Exportation of Electricity and Fluids and Importation of Gas Act, the regulations thereunder, and the conditions established for the permit which is required under that act for any export of natural gas.

2. Westcoast Transmission Company Limited is selling gas to Pacific Northwest Transmission Company at Huntingdon, British Columbia, on the United States border.

3. The Government of Canada has no official information on or control over the prices charged for Canadian gas in the United States by companies which purchase such gas from Canadian transmission companies at the United States border. The relationship of export prices to domestic prices is governed by regulation 9 under the Exportation of

Electricity and Fluids and Importation of Gas Act which reads as follows:

**Export Price**

9. The price charged by a licensee for power or gas exported by him shall not be lower than the price at which power or gas, respectively, is supplied by him or his supplier in similar quantities and under similar conditions of sale for consumption in Canada.

The application of this regulation in relation to existing export permits and internal prices charged by holders of such permits is presently under scrutiny by the legal officers of the Crown.

**ADJOURNMENT**

**Hon. Mr. Macdonald:** May I suggest that the house adjourn until 3 o'clock tomorrow afternoon, and then it can adjourn at pleasure?

**Hon. Mr. Haig:** All right. I move that the house adjourn.

The Senate adjourned until tomorrow at 3 p.m.

## APPENDIX

(See p. 526)

## NATIONAL GALLERY—TRUSTEES, DIRECTOR, PURCHASES

## ANSWER TO INQUIRY BY HON. MR. POULIOT

1. Who were the members of the Board of Trustees of the National Gallery of Canada from the fiscal year 1955-56 inclusively, until the present time?

Answer:

## NATIONAL GALLERY BOARD OF TRUSTEES

Name	Date of Appointment
Jean Chauvin, F.R.S.C., Montreal .....	September 17, 1946
Lawren S. Harris, LL.D., Vancouver .....	January 7, 1950
C. P. Fell, LL.D., Toronto ..	April 22, 1952
Mrs. H. A. Dyde, Edmonton	April 22, 1952
W. T. Ross Flemington, O.B.E., M.A., B.Paed., D.D., Sackville .....	April 22, 1952
Cleveland Morgan, Montreal	April 22, 1952
Jean Raymond, Montreal ..	April 22, 1952
John A. MacAulay, Q.C., LL.D., Winnipeg .....	July 15, 1952

2. What were the qualifications of each one of them in the arts of (a) painting, (b) drawing, (c) etching, and (d) sculpture?

Answer:

Dr. Lawren Harris is the only artist member of the Board.

3. How many paintings, drawings, etchings and sculptures made by each one of them are there in any museum of Canada or any other country, and what and where are they?

Answer:

The National Gallery has 30 paintings and 3 drawings by Dr. Harris in the permanent collection, all acquired prior to 1950. Dr. Harris has replied in answer to a telegram "I have paintings in nearly every public gallery in Canada".

4. During the period mentioned in No. 1, how many times did they meet and where?

Answer:

Six regular semi-annual meetings of the Board of Trustees held in Ottawa.

One meeting of Executive Committee of the Board of Trustees held February 3rd, 1956, in Montreal.

5. How much was paid to each one of them for their remuneration and their travelling expenses?

Answer:

No remuneration paid.

Total travelling expenses paid on behalf of each member of the Board are as follows:

Mr. C. P. Fell .....	\$1,886.16
Mrs. H. A. Dyde .....	1,785.35
Mr. Jean Chauvin .....	274.85
Dr. W. R. T. Flemington .....	516.73
Mr. Lawren S. Harris .....	1,810.09
Mr. F. Cleveland Morgan .....	268.69
Mr. J. A. MacAulay .....	1,357.68
Mr. Jean M. Raymond .....	84.47

6. When was the present incumbent appointed the Director of the National Gallery of Canada, and at what salary?

Answer:

Appointed Director May 2, 1955; salary \$12,000 per annum.

7. What total amount has been paid to him, from the date of his appointment, for his salary and travelling expenses?

Answer:

Salary .....	\$32,833.65
Travelling Expenses .....	6,846.53
Total .....	\$39,680.18

8. Is he entitled to a commission on the purchases for the National Gallery of Canada and, if so, what is it?

Answer:

No.

9. What price was paid for each one of the purchases for the National Gallery of Canada, from the date of the appointment of the present incumbent as its director, what was each one of them, with its catalogue number, and from whom was each one bought and when?

Answer: See pp. 529-39.

Accession No.	Medium	Artist	Title	Date of Acquisition	Source	Cost
6327	Oil on canvas.	Graham Bell.	Whitfield Street Baths.	18.5.55	M. Secker & Warburg, London.	£125
6328	"	Martin Bloch.	From Colorado to Mexico.	"	Beaux-Arts Gallery, "	105 gns
6329	"	"	In St. Mary Abbot's Hospital.	"	"	150 gns
6330	"	William Brooker.	Chiswick Mall.	"	A. Tooth & Sons,	£200
6331	"	Puvis de Chavannes.	The Arts of Peace.	"	"	£1,400
6332	"	Robert Medley.	St Stephen's Fulham Road	"	M. Secker & Warburg,	£100
6333	"	"	The Coal Tip, Gravesend.	"	"	£100
6334	"	Robert Annand	Family Group.	"	The artist,	£100
6335	Oil on masonite.	Paraskeva Clark.	Cance Lake Woods.	"	Truro, N.S.	\$350
6336	"	A. C. Collier.	Ore Car, Delmit Mine.	"	"	\$400
6337	Tempera.	Alexander Colville.	Four Figures on a Wharf.	"	"	\$200
6338	Oil on canvas.	Stanley Cosgrove.	Landscape.	"	Sackville, N.B.	\$500
6339	Oil on masonite.	Sidney Goldsmith.	Man in Boat.	"	Ottawa.	\$150
6340	"	Thomas Hodgson.	Red Lanterns.	"	Toronto.	\$400
6341	"	Roy Kiyooka.	The City, My City.	"	Calgary.	\$350
6342	"	John Korner.	Triple Image.	"	Vancouver.	\$300
6343	"	Jack Markell.	King David.	"	Winnipeg.	\$200
6344	"	Alexander Millar.	Burnt Bush.	"	Erindale, Ont.	\$500
6345	"	Janet Mitchell.	Moon Over Mountain Village.	"	Calgary.	\$150
6346	"	Gordon Smith.	Structure with Red Sun.	"	Vancouver.	\$200
6347	Oil on canvas.	Jacques de Tomancour.	Girl Seated.	"	Montreal.	\$375
6348	"	Harold Town.	Beach Fire, No. 2.	"	Toronto.	\$200
6349	"	E. Earl Bailly.	Men Against the Sea.	"	"	\$250
6350	"	Lionel Thomas.	Recollection of the Forest.	"	Lunenburg, N.S.	\$200
6351	Oil & tempera.	B. C. Binning.	Theme Painting.	"	"	\$300
6352	Oil on canvas.	P.-E. Borduas.	Retour d'anciens signes emprisonnés.	"	Passedoit Gallery, New York.	\$700
6353	"	Emily Carr.	The Clearing.	"	Ira Dilworth, Toronto.	\$2,500
6354	"	Samuel Gerry.	Winter in New Brunswick.	"	Old Print Shop, New York.	\$280
6355	"	Donald Jarvis.	A Section of the Populace.	"	The artist, Vancouver.	\$300
6356	"	J. W. Morrice.	At the Front.	"	J. A. MacAulay, Winnipeg.	\$2,000
6357	"	Albert A. Robinson.	Moonlight, St Tite-des-Caps.	"	Watson Gallery, Montreal.	\$650
6358	"	Robert Whale.	Landscape.	"	Berry-Hill, New York	\$750
6359	"	"	Landscape with Figures.	"	"	\$750
6360	"	Kazuo Nakamura.	Hillside.	"	The artist, Toronto	\$250
6361	Oil on board.	William Ronald.	A Nearness and a Clearness.	"	"	\$400
6362	"	Gordon Smith.	Pruned Trees.	"	Vancouver.	\$150
6363	Oil on canvas.	"	Still Life.	"	"	\$150
6364	Oil on panel.	Gentile Tondino.	"	18.5.55	The Artist, Montreal.	\$200

Accession No.	Medium	Artist	Title	Date of Acquisition	Source	Cost
6365	Oil on canvas.	David B. Milne.	Flowers of the Maple.	18.5.55	Douglas Duncan, Toronto	
6366	"	"	Snowbound.	"	"	
6367	"	"	White Church.	"	"	
6368	"	"	Whiteface at Sunset.	"	"	
6369	"	"	Young Poplars among Driftwood.	"	"	
6370	"	"	The Big Dipper.	"	"	
6371	Water colour.	"	Beginning of Spring.	"	"	
6372	"	"	Budding poplars.	"	"	
6373	"	"	Doorway of the Painting House.	"	"	
6374	"	"	Fire in the Swamp, No. 1.	"	"	\$2,800
6375	"	"	Jerome Avenue, The Bronx.	"	"	
6376	"	"	Reflected Pattern.	"	"	
6377	"	"	Roofs.	"	"	
6378	"	"	Shelter at Night.	"	"	
6379	"	"	Shore Clearing: Blue Water.	"	"	
6380	"	"	Reflections.	"	"	
6381	"	"	United Church, Toronto.	"	"	
6382	Bronze.	Florence Wyle.	Bust of A. Y. Jackson.	"	The artist, Toronto.	\$2,000
6383	"	"	Bust of F. H. Varley.	"	"	\$1,800
6384	"	Jacob Epstein.	Head.	"	A. Tooth & Sons, London.	£185
6385	Oil on canvas.	Raoul Dufy.	Vence.	21.1.55	S. G. Osborne, St. David's, Ont.	\$7,000
6386	"	E. J. Hughes.	The Car Ferry at Sidney, British Columbia.	"	"	\$400
6387	"	Duncan Grant.	View of the Backs, Cambridge.	"	Dominion Gallery, Montreal.	
6388	"	Victor Pasmore.	Spiral Motive in Black and White: The Wave.	"	Presented by Sir Leigh Ashton, London	
6389	Pastel.	W. R. Sickert.	Blackmail.	"	Redfern Gallery, London.	\$1,260
6390	Oil on canvas.	Edmund Alley.	Portrait de femme.	"	A. Tooth & Sons, London.	\$1,400
6391	"	"	La Ville.	"	The artist, Quebec.	\$175
6392	"	"	Mountains of Taormina.	"	"	\$250
6393	"	Stephen Andrews.	Le Port de Matane.	17.10.56	"	\$200
6394	Water colour.	Suzanne Bergeron.	November Roses.	"	London.	\$200
6395	Oil on canvas.	Paraskeva Clark.	Landscape.	"	The artist, Quebec.	\$125
6396	Gouache.	Maurice Cullen.	Le Chat.	"	Toronto.	\$650
6397	Oil.	J.-P. Dallaire.	Femme assise.	"	Berry-Hill, New York.	\$75
6398	Oil on canvas.	John Fox.	Umbrellas, Côte-des-Neiges.	"	Robertson Gal., Ottawa.	\$750
6399	"	Robert Harris.	Portrait of Charles Melville Hays.	"	Watson Gallery, Montreal.	\$350
6400	Oil on panel.	A. Y. Jackson.	Stream Bed, Lake Superior Country.	2.11.55	Presented by Mrs. L. H. Grier, Montreal	\$100
6401	Oil on canvas.	Ozias Leduc.	Endymion et Sélène	"	The artist, Manotick, Ont.	\$150
6402	"	"	Le Repas du colon.	"	Mlle G. Messier, St-Hilaire.	\$450
6403	"	Arthur Lismer.	Georgian Bay.	"	Dominion Gallery, Montreal.	\$150
6404	"	John Little.	Lower Town, Quebec.	"	Presented by the artist, Montreal.	\$150
6405	"	John Lyman.	Purple Lilacs.	"	Watson Galleries, Montreal.	\$350
6406	"	"	Barnston Pinnacle.	"	Dominion Gallery, Montreal.	\$200
6407	"	Thomas R. MacDonald.	Night Street, Hamilton.	"	"	\$200
6408	"	David Milne.	Maple Leaves.	"	The artist, Hamilton.	\$400
	"	"	"	"	Picture Loan Society, Toronto.	

6409	"	Janet Mitchell	Celestial Night	"	H. Buchanan, Lethbridge	\$110
6410	"	Kazuo Nakamura	Landscape	"	Picture Loan Society, Toronto	\$150
6411	"	Ernst Neumann	Top of Mount Royal	"	The artist, Montreal	\$250
6412	"	Claude Picher	Le Iran	"	" Quebec	\$200
6413	"	Witold Preyss	Gore Park, Hamilton	"	" Hamilton	\$175
6414	board	J. L. Shadbolt	Birds in a Rock Face	"	" Vancouver	\$120
6415	Water colour	Henry Walter Smith	Old House, Winter	"	" Hamilton	\$125
6416	"	Jori Smith	Mr McRobbie	"	" Montreal	\$500
6417	"	P. H. Surrey	Plaza Café	"	Picture Loan, Art Gal. Hamilton	\$75
6418	"	Takao Tanabe	Landscape of an Interior Place	"	Robertson Gal. Ottawa	\$125
6419	"	J. de Tonnancoeur	Laurentian Landscape	"	The artist, Montreal	\$450
6420	board	Gerald Troffier	Medieval Images	"	Robertson Galleries, Ottawa	\$200
6421	Bronze	Louis Archambault	Femme assise	"	The artist, Montreal	\$450
6422	Marble	Jean Arp	Sculpture from Cyprus	"	Curt Valentin Gallery, New York	\$1,800
6423	Bronze	Charles Despiau	Tête de M. Armand	"	" "	\$600
6424	"	Alberto Giacometti	Diego	"	Galerie Maeght, Paris	\$1,972
6425	"	Anne Kahane	Queue	"	The artist, Montreal	\$250
6426	Wood	Jacques Lipschitz	Seated Figure	"	Curt Valentin Gallery, New York	\$3,000
6427	Bronze	Gerhard Mareks	Litiguard	"	" "	\$650
6428	"	Henri Matisse	Grosse tête	"	The Prince of Liechtenstein	\$1,800
6430	Tempera on panel	Simone Martini	St Catherine	2.2.56	" "	\$850,000
6431	Oil on panel	P. P. Rubens	The Entombment of Christ	"	" "	
6432	"	J. B.-S. Chardin	La Gouvernante	"	" "	
6433	"	"	La Pourvousse	"	" "	
6434	"	Marc Chagall	La Tour Eiffel	23.5.56	P. Matisse Gallery, New York	\$16,000
6435	"	André Derain	Nature morte	"	Leicester Gal., London	\$22,000
6436	Oil	Terry Frost	Blue and Yellow	"	Arts council of Great Britain	150 gns
6437	Oil	William Gear	Sculpture Project	"	Curt Valentin Gallery, New York	\$250
6438	Oil on board	Barbara Hepworth	Painting, 1947	"	Curt Valentin Gallery, New York	\$125
6439	"	John Piper	Survivors	"	Lefevre Gallery, London	\$180
6440	"	Gino Severini	Rowlstone Carving with Lamp	"	Curt Valentin Gallery, New York	\$350
6441	"	Graham Sutherland	Le Chat noir	"	Saidenberg Gallery, New York	\$7,000
6442	"	William Armstrong	Head, 1951	"	Curt Valentin Gallery, New York	\$250
6443	"	Maxwell Bates	The Gate	"	Waldorf Gallery, Montreal	\$200
6444	"	F. M. Bell-Smith	Still Life	"	The Artist, Calgary	\$125
6445	board	"	Breezy Day at Limehouse	"	Dominion Gallery, Montreal	\$300
6446	"	"	Sunny Sandown, Isle of Wight	"	" "	\$300
6447	canvas	P.-E. Borduas	Froissements délicats	"	Galerie Agnès Lefort	\$850
6448	"	Can. School, 19thC.	Portrait of a Man	"	Robertson Galleries, Ottawa	\$75
6449	"	"	Portrait of a Young Man	"	" "	\$75
6450	board	F. Carmichael	Grace Lake	"	Miss Blodwen Davies, Toronto	\$100
6451	canvas	Maurice Cullen	The Mill, Moret	"	Watson Galleries, Montreal	\$450
6452	"	"	Portrait	"	Nearly New Shop, Montreal	\$75
6453	"	Can. School, 19thC.	Portrait of Notary Doucet	"	M. Louis Carrier, Montreal (with 6459)	\$2,000
6454	"	J. A. Fraser	In the Rockies	"	Laing Galleries, Toronto	\$1,750
6455	panel	Clarence Gagnon	Canal Boat	"	Mr. H. Lutz, Palo Alto, Calif	\$100
6456	canvas	A. Y. Jackson	October, Twin Butte	"	Watson Galleries, Montreal	\$850
6457	"	Paul Kane	Mauza-Pan-Kan	"	Laing Galleries, Toronto	\$1,500
6458	"	Ernest Lawson	Newfoundland Coast	"	J. E. Shaw, Palm Beach, Florida	\$900
6459	"	Joseph Légaré	Fête-Dieu au Nicolet	"	M. Louis Carrier, Montreal (with 6453)	\$2,000
6460	"	Jean-Paul Lemieux	La Fête au convent	"	The artist, Quebec	\$700
6461	board	J. E. H. MacDonald	Farm at Thornhill	"	Watson Galleries, Montreal	\$115
6462	"	"	Poplar and Pine	"	Mrs G. H. Read, Sackville	\$150
6463	canvas	J. W. Morrice	Dordrecht	"	Continental Gal., Montreal	\$2,500

Accession No.	Medium	Artist	Title	Date of Acquisition	Source	Cost
6464	Oil on canvas.	Jean-Paul Mousseau	Indien.	23.5.56	M. F. Lamy, Montreal.	\$400
6465	"	Kazuo Nakamura	Prairie Towers.	"	The artist, Toronto.	\$600
6466	"	L. R. O'Brien	Oat Harvest.	"	Robertson Galleries, Ottawa.	\$400
6467	"	Robert W. Pilot	Houses, St John's, Newfoundland.	"	Continental Gal., Montreal.	\$750
6468	"	"	Rue des Jardins, Quebec.	"	The artist, Montreal.	\$700
6469	"	J. Plaskett	Le Peintre émerveillé devant le monde	"	" Vancouver.	\$400
6470	"	J.-P. Riopelle	Composition No. 3188.	"	P. Matisse Gal., New York.	\$600
6471	"	Horatio Walker	Première Neige.	"	Mrs P. Baldwin, Ottawa.	\$100
6472	Bronze.	Giacomo Manzù	Seated Girl.	"	J. N. Streep, New York.	\$7,500
6473	"	Auguste Rodin	L'Age d'airain.	"	Dr Fritz Nathan Gallery, Zürich.	\$15,000
6474	"	Eugenie Berlin	Head of Dr Marius Barbeau.	"	Robertson Galleries, Ottawa.	\$500
6475	Wood	Ann Kahane	Summer White.	"	Dominion Gallery, Montreal.	\$210
6476	Bronze (sketch)	R. Tait McKenzie	Crouching Figure.	"	Mrs J. A. MacKenzie, Ottawa.	\$100
6477	relief.	A. de F. Suzor-Côté	The Logger.	"	Mrs F. G. Venables, Toronto.	\$1,000
6478	Oil on paper.	William Ety	Nude Figure.	"	Presented by Miss M. MacLaughlin, Ottawa	
6479	Water colour.	Sir Arresby Brown.	Blakeney, Norfolk.	"	Presented by Mrs Eric Brown, Ottawa.	
6480	Oil on canvas.	A. Y. Jackson	Lieven, March, 1918.	"	Presented by Dr A. Y. Jackson, Manotick, Ont.	
6481	Water colour.	Peter Haworth	Driftwood.	"	Diploma.	
6482	Bronze.	H. McRae Miller	October Light.	"	"	
6483	"	Orson Wheeler	Head of a Girl.	"	"	
6484	Silk handscroll.	Li Lung-mien	Seven Immortals.	"	C. T. Loo Co., New York.	\$10,000
6485	Silk roll.	Chiu Ying	The Emperor Kuang Wu Fording a River.	"	"	
6486	Paper roll.	Chu Ta.	Quince and Poem.	17.10.56	"	\$7,200
6487	Limestone.	French Gothic 15C.	The Virgin and Child.	"	"	\$5,600
6488	Oil on canvas.	Albert Marquet	La Petite Place.	"	E. Jonas, Paris.	\$10,000
6489	"	Nicolas de Staël	Port de Sicile.	"	Mme Marquet, Paris.	\$5,000
6490	"	Edouard Vuillard	Le Salon de Tristan Bernard.	"	Jacques Dubourg, Paris.	\$8,600
6491	"	R. P. Bonington	Le Palais des Doges.	"	"	\$27,500
6492	"	William Brooker	The Green Settee.	"	A. Tooth & Sons, London.	\$5,500
6493	Tempera on bd.	Edward Burra.	Rossi.	"	"	£200
6494	Oil on canvas.	D. H. Fraser	Yellow Landscape.	"	A. Jeffress, London.	£135
6495	Tempera & oil.	Josef Herman	Two Miners	"	Gimpel Fils, London.	£250
6496	Oil on canvas.	Ceri Richards	Bee-keeper No. 2	"	The artist, London.	£200
6497	"	William Scott	Still Life, Blue.	"	Redfern Gallery, London.	£175
6498	Bronze.	Sir Jacob Epstein	Rock Drill.	"	A. Tooth & Sons, London.	£360
6499	Stone	Henry Moore	Reclining Woman.	"	The artist, London.	£1,000
6500	Water colour.	Wm. A. Ogilvie	Summer Afternoon.	"	N. Fowler, Toronto.	\$150
6501	Oil on board.	Alfred Pellan	Le Front à catastrophe.	"	The artist, Montreal.	\$400
6502	" canvas.	Fernand Leduc	Nœud papillon.	"	"	\$125
6503	"	Léon Bellefleur	Les Diaphanes.	"	"	\$300
6504	"	J.-P. Lemieux	Le visiteur du soir.	"	Quebec.	\$350
6505	Oil on canvas.	Madeleine Laliberté	Maison, Ile d'Orléans.	"	The artist, Quebec.	\$150
6506	"	Marian Scott	Façade No. 8	"	Dominion Gallery, Montreal.	\$185

6507	Oil on canvas.....	P. E. Borduas.....	Sea Gull.....	"	The artist, Paris.....	\$1,000
6508	"	J. Wright of Derby.....	Self-portrait.....	"	Speelman, London.....	£800
6509	Bronze.....	Ossip Zadkine.....	The Return of the Prodigal Son.....	"	The artist, Paris.....	\$4,400
6510	Oil on canvas.....	F. M. Bell-Smith.....	The Artist Painting Queen Victoria.....	"	C. M. Bellsmith, Cobourg.....	\$150
6511	"	M. A. de F. Suzor-Côté.....	Hauling Logs.....	"	Mme M. Trudeau, Sherbrooke.....	\$1,250
6512	Oil on panel.....	A. Whishaw.....	Niagara Falls.....	"	Laing Gallery, Toronto.....	\$350
6513	Oil on cardbd.....	F. H. Varley.....	Tree Tufts.....	"	Mrs. B. Marchand, Ottawa.....	\$150
6514	"	F. Brownell.....	Street Scene.....	"	Miss F. Fyles, Ottawa.....	\$100
<i>6515 to 6546 inclusive, acquired before 1955</i>						
6547	Oil on canvas.....	Fred Finley.....	Young Metis at Play.....	"	Diploma.....	
6548	"	Sydney Watson.....	The Music Shop.....	"	"	
6549	Drawing.....	Venetian, 16th C.....	Draped Male Figure.....	"	Calmann, London.....	£150
6550	"	J. A. Atkinson.....	Sweepers: May Day.....	"	Calmann, London.....	£55
6551	Oil Sketch.....	Edward Calvert.....	Dryope.....	"	Fine Art Society, London.....	£47 5/0
6552	Water colour.....	David Cox.....	Bargemen, Liverpool.....	"	Calmann, London.....	£50
6553	Drawing.....	Alexander Cozens.....	A Cottage Among Trees, by a Pond.....	"	"	£65
6554	"	E. Delacroix.....	A Sheet of Figure Studies.....	"	K. E. Maison, London.....	£370
6555	"	D. Dumontier.....	Portrait of a Cardinal Wearing a Biretta.....	"	"	
6556	"	F. Fontebasso.....	A Woman Seated.....	"	Calmann, London.....	£150
6557	"	J. Fougères.....	A Landscape.....	"	"	£8
6558	Water colour.....	R. Hills.....	On the Road from Lowdore to Wathen-leath, Cumberland.....	"	Calmann, London.....	£125
6559	Drawing.....	W. Hollar.....	Vienna from the Danube Canal.....	"	Walker's Galleries, London (with 6568)	£55
6560	"	N. Lagneau.....	Portrait of an Old Woman.....	"	Calmann, London.....	£100
6561	"	B. E. Murillo.....	The Immaculate Conception.....	"	K. E. Maison, London.....	£120
6562	"	C. Parrocel.....	Study of the Haute Ecole.....	"	Sotheby's, London.....	£60
6563	"	S. Prout.....	Utrecht Cathedral from the Cloisters.....	"	Calmann, London.....	£10
6564	"	Sir E. J. Poynter.....	Study for the Queen of Sheba Visiting Solomon.....	"	"	£11
6565	"	"	Drapery Study.....	"	"	£6
6566	Water colour.....	J. Thirtle.....	Norwich from the East.....	"	"	£4
6567	Drawing.....	G. B. Tiepolo (attr.).....	A Standing Boy.....	"	"	£25
6568	Water colour.....	J. M. W. Turner.....	Maecenas' Villa at Tivoli.....	"	"	£42
6569	"	A. Waterloo.....	A Watermill Among Trees.....	"	Walker's Galleries, London (with 6558)	£55
6570	"	J. McN. Whistler.....	On the Shield.....	"	Calmann, London.....	£25
6571	Water colour.....	John Wootton.....	A Stag Hunt near the Coast.....	17. 10. 56	"	£140
6572	Drawing.....	F. Zuccero.....	The Dead Christ Supported by an Angel.....	"	Calmann, London.....	£125
6573	"	F. Guardi.....	Architectural Capriccio.....	"	"	£17
6574	"	Paul Klee.....	Sol.....	23. 5. 56	E. Jonas, Paris.....	\$1,900
6575	Pen & water col.....	John Minton.....	Landscape with Figure.....	2. 11. 55	Curt Valentin, New York.....	\$300
6576	Drawing.....	Pablo Picasso.....	Femme au collier.....	23. 5. 56	Leicester Galleries, London.....	\$32
6577	"	Alan Reynolds.....	Thistledown.....	2. 11. 55	Curt Valentin, New York.....	\$350
6578	Pen & water col.....	W. R. Sickert.....	The Horses of St Mark's.....	"	Redfern Gallery, London.....	£12/12/0
6579	Drawing.....	G. Sutherland.....	Articulated Form.....	23. 5. 56	A. Tooth & Sons, London.....	£25
6580	Water colour.....	Canadian 19thC.....	Tobogganing.....	2. 11. 55	Redfern Gallery, London.....	£36/15/0
6581	"	W. N. Cresswell.....	Landscape.....	"	Miss M. Griffiths, Ottawa.....	
6582	"	James Griffiths.....	Flowers.....	"	"	
6583	"	"	Mallard.....	"	"	
6584	"	T. M. Martin.....	Tree Stump.....	"	"	\$100

Accession No.	Medium	Artist	Title	Date of Acquisition	Source	Cost
6585	Monochrome	Wm. H. Bartlett	Wigwam in the Forest	18.5.55	Bowden, New York	\$200
6586	"	"	March on Lake Chaudière	"	"	"
6587	"	"	A First Settlement	"	"	"
6588	Crayon	A. Bell	Boats in Winter	"	The artist, Vancouver	\$45
6589	Drawing	R. Blakstad	Head of a Girl	"	"	\$25
6590	"	Louise Carrier	Head of a Girl	2.11.55	L'Atelier, Quebec	\$45
6591	"	Jack Nichols	Coarse Skirt	"	Picture Loan Society, Toronto	\$125
6592	"	Kazuo Nakamura	Skyward	18.5.55	"	\$55
6593	"	A. Pellan	Science Fiction	"	The artist, Montreal	\$150
6594	"	"	Calme Obscure	"	"	\$150
6595	"	"	Le Tiroir de l'Orfèvre	"	"	\$150
6596	acquired before '55					
6597	Drawing	Jori Smith	Portofino	2.11.55	"	\$35
6598	"	M.-A. de F. Suzor-Côté	Le Vieux Fumeur	18.5.55	Mrs P. Baldwin, Ottawa	\$25
6599	"	J. de Tonnancour	Interior	2.11.55	"	\$25
6600	"	Takao Tanabe	Standing Nude	"	The artist, Montreal	\$70
6601	"	"	Fishing Nets	"	"	\$45
6602	acquired before '55					
6603	Woodcut	A. Dürer	Death of the Virgin	23.5.56	H. Eisemann, London	£55
6604	acquired before '55					
6605	Linocut	Alistair Bell	Boats in Winter	18.5.55	The artist, Vancouver	\$15
6606	acquired before '55					
6607	Linocut	André Bâler	The Prodigal Son	2.11.55	The artist, Kingston	\$25
6608	Silk screen	Tom Hodgson	Space Time Accelerated	18.5.55	Picture Loan Society, Toronto	\$15
6609	"	Donald Roy	Interior Growth	18.5.55	"	\$20
6610	"	"	Fragments	"	"	\$15
6611	autographic print	Harold Town	Atavistic Figure	"	"	\$40
6612	"	"	Solemn Valley for a Sad King	"	"	\$40
6613	acquired before '55					
6614	Drawing	L. Bellefleur	Croissants d'ébène	2.11.55	Presented by Dr. R. H. Hubbard, Ottawa	\$15
6615	Water colour	Donald Jarvis	A Section of the Populace	18.5.55	"	"
6616	Water colour	C. E. Moss	View of Ottawa	2.11.55	"	"
6617	Etching	J. Pennell	230, Strand	"	Mrs W. H. Pritchard, Sudbury, Mass.	\$40
6618	Water colour	Arthur Lismer	Landscape, South Africa	18.5.56	"	\$50
6619	Monotype	Sidney Goldsmith	Blind Man	23.5.56	Mr F. C. Collier, Ottawa	\$25
6620	Drawing	Ozias Leduc	Tête d'Ange	"	Robertson Galleries, Ottawa	\$50
6621	"	Arthur Lismer	Old Cedar, Georgian Bay Island	"	L'Art Canadien, Chicoutimi, P.Q.	\$25
6622	"	"	Georgian Bay Rocks	"	The Artist, Montreal	\$25
6623	"	Wm. A. Ogilvie	Sunset, Georgian Bay	"	Picture Loan Society, Toronto	\$175
6624	"	"	Island, Georgian Bay	"	"	\$75



Accession No.	Medium	Artist	Title	Date of Acquisition	Source	Cost
6674	Oil on canvas	Wm. Ronald	The River	3.4.57	Kootz Gallery, New York	\$1,000
6675	"	"	Incendio	"	"	\$500
6676	"	F. H. Varley	Autumn Landscape	"	Laing Galleries, Toronto	\$250
6677	"	"	Green Wings	"	"	\$250
6678	"	H. Watson	Landscape, Doon	"	H. Gully, Toronto	\$850
6679	"	Léon Bellefleur	Les Mercuriennes	"	The artist, Montreal	\$500
6680	"	Suzanne Bergeron	Arrière Port	"	"	\$200
6681	"	P.-C. Binning	Related Colour Forms	"	Quebec	\$400
6682	"	P.-E. Borduas	La Grimpee	"	Vancouver	\$550
6683	"	Alex Colville	Woman at Clothes Line	"	G. Lortie, Montreal	\$550
6684	Oil on canvas	Jean Paul Lemieux	L'Orpheline	"	The artist, Sackville	\$700
6685	"	"	La Ville Lointaine	"	"	\$400
6686	"	K. Lochhead	The Dignitary	"	"	\$350
6687	"	A. Pellen	L'Affût	"	Régina	\$250
6688	"	Claude Ficher	Les Sapsins noirs	"	Ste Rose Est.	\$650
6689	"	J. Plaskett	A White Lily	"	Quebec	\$350
6690	"	Marthe Rakine	Still Life under the Trees	"	Vancouver	\$200
6691	"	J.-P. Riopelle	La Route, II	"	Toronto	\$300
6692	"	Elyane Roy	Commencement ou Côte bleue	"	Paris	\$2,000
6693	"	J. de Tonnacour	The Clearing	"	Quebec	\$250
6694	"	"	Jeune fille en vert	"	Montreal	\$750
6695	"	"	Dead Boat Pond, No. 3	"	"	\$750
6696	"	Harold Town	Nocturne	"	Toronto	\$950
6697	"	Tony Urquhart	San Marco goes up in Pigeons	"	Niagara Falls, Ont.	\$150
6698	"	James Willer	On the Pier at Noon	"	Winnipeg	\$200
6699	"	Wm. Roberts	Main Street at Indiantown	"	Toronto	\$250
6700	"	Jack Humphrey	Artist	"	St John, N.B.	\$450
6701	"	Dora de Pedery Hunt	Portrait of Sir Joseph Hickson	"	"	\$1,000
6702	"	Robert Harris	Three Studies of Lisa with a Teacup	17.10.56	Presented by R. N. Hickson, Montreal	
6703	"	Barbara Hepworth	Pigott's	"	Art Exhibitions Bureau, London	
6704	"	David Jones	The Bath	"	Redfern Gallery, London	
6705	"	N. Lambourne	Nude	"	A. Tooth & Sons, London	£95
6706	"	A. Marquet	Night Blossoms	"	Mme Marquet, Paris	£45
6707	"	A. Reynolds	Dieppe	"	Redfern Gallery, London	\$140
6708	"	W. R. Sickert	Dead Bird	"	A. Tooth & Sons, London	£31/10/0
6709	"	A. Bell	Bird in Grasses	"	The artist, Vancouver	£27
6710	"	Bruno Bobak	Mares' Tails	"	"	\$22
6711	"	"	Bittern	"	"	\$35
6712	"	"	Thompson River Cliffs	"	"	\$30
6713	"	A. Bell	Deux Follets	"	"	\$55
6714	"	L. Bellefleur	Cow's Parsley	"	Montreal	\$20
6715	"	Bruno Bobak	Dead Duck	"	Vancouver	\$85
6716	"	Emily Carr	Apples	"	"	\$105
6717	"	D. Fowler	Angular Abstract	"	Mrs H. Lefebvre, Ottawa	\$75
6718	"	L. L. FitzGerald	Barn	"	Miss M. Griffiths, Ottawa (with 6730)	\$225
6719	"	"	Big Tree	"	Mrs L. L. FitzGerald, Winnipeg	\$175
6720	"	"	"	"	"	\$175

6721	Water colour	"	Campbell's House	"	"	\$300
6722	Drawing	"	December Day	"	"	\$120
6723	Drawing	L. L. FitzGerald	Long Abstract	17.10.56	Mrs. L. L. FitzGerald	\$300
6724	Water colour	"	Mountains	"	L. Harris, Vancouver	\$300
6725	"	"	Rocks and Sky	"	"	\$200
6726	"	"	Two Apples	"	Mrs. L. L. FitzGerald	\$275
6727	Drawing	"	Woman's Back	"	"	\$275
6728	Monochrome	"	Trees	"	"	\$75
6729	Drawing	"	Yard	"	"	\$15
6730	Water colour	J. Griffiths	Yellow Roses	"	Miss M. Griffiths, Ottawa (with 6716)	\$30
6731	Drawing	Donald Jarvis	Burnt Trees	"	The artist, Vancouver	\$20
6732	"	"	The Crowd	"	"	\$15
6733	"	"	The Hollow Men II	"	"	\$40
6734	"	"	Tangled Growth	"	"	\$12,500
6735	"	Ozias Leduc	Le Chasseur	18.9.57	L'Art Canadien, Chicoutimi	\$7,500
6736	Oil on canvas	Gawen Hamilton	The Earl of Stratford and his Family	"	Newhouse Galleries, New York	\$375
6737	"	Simon Vouet	The Fortune Teller	3.4.57	Jacques Bacri, Paris	\$375
6738	Wood	Canadian Sehl, 19th C.	Angel with a Legend	"	Royal Ontario Museum, Toronto	\$250
6739	"	"	Angel with a Book	"	"	\$250
6740	"	"	A Female Saint	"	"	\$250
6741	"	"	St. John	"	"	\$2,000
6742	"	"	The Virgin	"	"	\$600
6743	"	J. B. Côté	The Last Supper	"	"	\$1,008
6744	Bronze	H. Gaudier-Brzeska	Portrait of H. Brodsky	18.9.57	H. Brodsky, London	45 gms
6745	Oil on canvas	Karel Appel	H. Lazard	"	A. Tooth & Sons, London	\$1,800
6746	"	Francis Bacon	Study for Portrait No. 7	"	Beaux-Arts, London	\$500
6747	Water colour	Sam Francis	Painting, 1957	"	Gimpel Fils, London	\$1,800
6748	Oil on canvas	Wm. Gear	Red Flower	"	"	\$500
6749	"	I. Ouwater	A View in Amsterdam	"	"	\$750
6750	"	Dante Gabriel Rossetti	Salutatio Beatricis	"	Hirschl & Adler, New York	\$450
6751	"	Wm. Scott	Orange Nude	"	Leger Galleries, London	\$600
6752	"	Stephen Andrews	Standing Nude	"	A. Tooth & Sons, London	\$250
6753	"	Can. School, 18th C.	Portrait of a Lady with a Dog	"	Hanover Galleries, London	\$300
6754	Tempera	Alex Colville	Family and Rainstorm	"	Dr. H. Schwarz, Montreal	\$750
6755	Oil on canvas	Raymonde Godin	Intérieur ensoleillé	"	The artist, Sackville	\$200
6756	"	L. P. Harris	Portrait of H. O. McCurry, LL.D.	"	"	\$750
6757	"	Robert Harris	Harmony	"	"	\$450
6758	Oil on masonite	Jack Humphrey	Girl in Black Jacket	"	Laing Galleries, Toronto	\$600
6759	Oil	A. C. Leighton	High River, Alberta	"	The artist, St. John	\$650
6760	"	J. W. Morrice	La Communiant	18.9.57	Canadian Art Galleries, Calgary	\$4,800
6761	"	A. H. Robinson	Winter	"	Jacques Combe, Paris	\$90
6762	"	"	Snow	"	Mrs A. H. Robinson, Montreal	\$80
6763	"	R. C. Todd	The Ice Cone, Montmorency Falls	"	"	\$450
6764	"	Gerald Trotter	The Building	"	Laing Galleries, Toronto	\$200
6765	"	H. Walker	Pétronille	"	Laing Galleries, Toronto	\$475
6766	Wood	Victor Tolgyesy	Warrior	"	Robertson Galleries, Ottawa	\$100
6767	"	"	Fish	"	"	\$60
6768	Oil on canvas	Pablo Picasso	Le Guéridon (The Small Table)	"	F. Nathan, Zurich	\$50,000
6769	"	J. Kerr Lawson	Portrait of Mrs. W. H. Cawthra	"	Presented by the Cawthra Estate	
6770	to 6812 inclusive, acquired before 1955	Ossip Zadkine	Birth of Forms	17.10.56	The Artist, Paris	\$275
6813	Drawing	M. Bloch	The Chestnuts at Greenwich	"	Presented by Mrs Martin Bloch, London	
6814	"	"	Put back the Universe and Give me Yesterday	"	"	
6815	"	David Low	"	"	"	

I. P. Harris, Sackville.....

Accession No.	Medium	Artist	Title	Date of Acquisition	Source	Cost
6816	Gouache	Barbara Hepworth	Painting, 1947	23. 5. 56	Valentin Gallery, New York	\$125
6817	Engraving	A. Dürer	The Promenade	"	H. Eiseemann, London	\$1,540
6818	Drawing	Florentine, 16th C.	A Camel	18. 9. 57	Colnaghi, London	£20
6819	"	J. van der Bank	Study for a Portrait of Don Quixote	"	"	£10/10/0
6820	"	Domenico Beccafumi	A Prophet Standing	"	"	£90
6821	"	R. P. Bonington	Two Parrots	"	"	
6822	"	"	Calais	"	"	
6823	"	"	Street Scene with Castle, probably Chateau Gaillard	"	"with 6833 & 6911	£00/10/0
6824	"	"	Landscape in the Alps	"	"	
6825	"	"	Study of Marketwomen at Berne	"	"	£15
6826	"	"	Costume Studies	"	"	£10
6827	"	"	A Faun Seated on a Balustrade	"	"	£36
6828	Water colour	H. B. Brabazon	A Franciscan Monk at Prayer	"	"	£20
6829	Drawing	Buonaccorsi, P.	A Decorative Design	"	"	£40
6830	"	A. Carracci	Two Putti	"	Calmann, London	£35
6831	"	L. Carracci	Virgin and Child enthroned	"	"	£63
6832	"	G. B. Castiglione	Setyri Family	"	"	£63
6833	"	David Cox	River Landscape	"	"	£100
6834	"	Jacopa da Empoli	A Bishop Standing	"	"	£45
6835	"	Jacques de Gheyn	Studies of Hands	"	" (see 6821)	£175
6836	"	G. A. Guardi	A Historical Scene: An Emperor Receiving a Presentation	"	"	
6837	"	Guercino	Madonna di Loreto	"	"	£30
6838	"	G. H. Harlow	Miss Isabella Cox	"	"	£105
6839	Drawing	Samuel Howitt	Hunting	"	"	£32
6840	Water colour	Wm. H. Hunt	Head of a Necess	"	Colnaghi, London	£60
6841	Oil sketch	Sir E. Landseer	A Parrot	"	"	£30
6842	Drawing	Bernard Lépicicé	A Girl Spinning	"	"	£15
6843	"	Daniel Marot	Design for a Ceiling	"	"	£40
6844	"	Lelio Orsi	Two Decorative Designs	"	"	£125
6845	"	D. Piola	The Worship of the Golden Calf	"	"	£35
6846	"	F. del Rossi	Head of a Cardinal	"	"	£32
6847	"	B. Sandby	Lady Chambers and her Child	"	"	£90
6848	"	J. Seymour	Company Dividing after Hunting	"	"	£25
6849	"	"	Huntsman in Full Cry with Hound	"	"	
6850	"	"	Sheet of Studies	"	"	
6851	"	"	A Racehorse	"	"	£45
6852	"	"	Rider Accepting a Dead Hare	"	"	
6853	"	"	Rider Holding Whip in Right Hand	"	"	
6854	"	"	Sheet of Horse and Figure Studies	"	"	
6855	"	"	Sheet of Studies of Racehorses	"	"	
6856	"	Elisabetta Sirani	Charity	"	"	£18
6857	"	A. T. Steinlen	Young Woman with Two Children	"	"	£14
6858	"	A. Waterloo	Houses by a Canal	"	"	£54
6859	"	Sir D. Wilkie	A Girl Standing	"	"	£22

6860	Water colour	Peter de Wint	Wooded Landscape	"	"	£40
6861	Drawing	F. Zuccaro	The Emperor Charlemagne	"	"	£23
6862	Water colour	H. J. Ariss	Study for Football Players	The artist,	London, Ont.	\$50
6863	Drawing	Alistair Bell	Sea Island and Tidal Marsh	"	Vancouver	£75
6864	"	L. Bellefleur	Samothrace	"	Montreal	£150
6865	Serigraph	A. Dumouchel	Fleurs	"	"	\$100
6866	Drawing	"	Poreskoro, L'Oiseau Démon	"	"	\$75
6867	Water colour	J. Humphrey	From Perry Point	"	St. John, N.B.	\$50
6868	Drawing	Ray Mead	Drawing No. 12	"	Toronto	\$85
6869	Water colour	F. Palmer	The Pond	"	Calgary	\$60
6870	Pastel	J. Plaskett	Grey Light, Lake Oyoosis	"	Paris	\$30
6871	Woodcut	George Swinton	Forest Dreams Dedicated to my Wife	"	Winnipeg	\$110
6872	autographic print	Harold Town	The First Aeroplane	"	Toronto	\$20
6873	Water colour	G. Tremblay	Les Arbitres	"	Montreal	\$30
6874	Linocut	G. Trotier	The War Birds	"	Ottawa	\$25
6875	Drawing	H. Gaudier-Bzeska	Vulture	Arts Council of Great Britain	"	£25
6876	"	Wm. Strutt	Studies of Men's Heads	Mrs Davies, London, Eng.	"	\$25
6877	Drawing	Suzanne Valadon	Jeune fille reposant sur ses bras	Peter Deitsch, New York	"	\$840
6878	Engraving	A. Dürer	Adam and Eve	W. H. Schab, New York	"	\$4,800
6879	Etching	Rembrandt	'Hundred Guilders Print'	"	"	\$12,500
6880	Water colour	F. Brandtner	South Shore, St. Lawrence	"	"	\$75
6881	Drawing	D. Jarvis	Beach Forms	The artist, Montreal	"	\$40
6882	"	A. Pellan	Arnuré	"	Vancouver	\$100
6883	Autographic print	Harold Town	Funeral of Nemo	"	Montreal	\$75
6884	"	"	Monument to Hattusil the Second	"	Toronto	\$65
6885	Water colour	James Willer	San Marco Goes up in Pigeons	"	"	\$30
6886	"	"	Stubble Field	"	Winnipeg	\$30
6887	"	Chuck Yip	Field Plants	"	"	\$85
6888	Drawing	F. Boucher	An Angel Feeding a Holy Hermit	"	"	"
6889	Gouache	Simon Lissim	Indochinese Masks	Presented by Mrs. Samuel Bronfman,	Montreal	"
6890	Etching	F. B. Taylor	Sir John A. Macdonald	Presented by J. F. Schaufhausen, New	York	"
6891	"	"	Sir Wilfrid Laurier	Presented by Mrs. P. Taylor, Ottawa	"	"
6892	Drawing	A. Cozens	Classical Landscape	Colnaghi, London	"	£80
6893	"	V. Carducho	Figure Studies	"	"	£25
6894	"	O. Leoni	Portrait of Comte Filippo Spinola	"	"	£60
6895	"	P. Veronese	A Group of Four Figures	"	"	£75
6896	"	"	A Woman Pouring Water	"	"	£60
6897	"	F. Boucher	Reclining Nude	Slatkin, New York	"	\$5,000
6898	Drawing	L. Chadwick	Drawing for sculpture—cloaked figure	The British Council, London	"	£19
6899	"	Henry Moore	Head of a Woman	"	"	£25
6900	"	Ben Nicholson	Building and Tree	Gimpel Fils, London	"	£69/5/0
6901	"	G. Pinwell	Tramps	"	"	£52/10/0
6902	Water colour	Wm. Hogarth	Southwark Fair	Leger Galleries, London	"	£18/8/0
6903	Engraving	Rembrandt	The Death of the Virgin	Colnaghi, London	"	\$20
6904	Etching	Jack Nichols	Rider	W. A. Schab, New York	"	\$400
6905	Lithograph	"	Circus Person	The artist, Paris	"	\$45
6906	"	"	Chevalier	"	"	\$45
6907	"	"	Dancing Pierrot	"	"	\$45
6908	"	"	Pierrot with Ball	"	"	\$45
6909	"	"	Pierrot with Circle	"	"	\$45
6910	"	"	Village on the Coast	Colnaghi, London (see 6821)	"	\$45
6911	Drawing	R. P. Bonington	"	"	"	£60/10/0

## THE SENATE

Wednesday, January 29, 1958

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

Prayers.

### CANADA-AUSTRALIA INCOME TAX AGREEMENT BILL

#### FIRST READING

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons with Bill 170, to implement an agreement between Canada and Australia for the avoidance of double taxation with respect to income tax.

The bill was read the first time.

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

**Hon. Mr. Haig:** Next sitting of the house.

### AGRICULTURAL STABILIZATION BILL

#### REPORT OF COMMITTEE

**Hon. Salter A. Hayden,** Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 237.

The report was read by the Clerk as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill (237) intituled: "An Act to provide for the Stabilization of the Prices of Agricultural Commodities", have in obedience to the order of reference of January 28, 1958, examined the said bill, and now report the same without any amendment.

The report was adopted.

#### THIRD READING

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

**Hon. Mr. Brunt:** On behalf of the honourable senator from Lumsden (Hon. Mr. Pearson) I move the third reading now.

**Hon. Mr. Barbour:** Honourable senators, last night I asked a question here as to whether potatoes would be included with the other products mentioned in the bill. That question has now been answered. I had the privilege of sitting in the Standing Committee on Banking and Commerce this morning and hearing the bill explained. As far as I can see, it will not help our farmers one bit at the present time. As regards the 80 per cent provision, at present the prices received by our growers are substantially higher than the ten-year average contemplated in the bill.

The Government has been so pressed for time that it couldn't meet the provincial Premiers and talk over the interprovincial agreements, but it spent six days on a bill that has not improved the existing Agricultural Prices Support Act one bit.

**Hon. Mr. Aseltine:** Question.

**Hon. Jean-François Pouliot:** Honourable senators, I do not want to take the place of anybody but I have some remarks to make after attending the sitting of the committee this morning. In the first place, this bill is entitled "An Act to provide for the Stabilization of the Prices of Agricultural Commodities". The purpose of the bill is to replace the Agricultural Prices Support Act, which is to be repealed by this bill. It reminds me of tweedledum and tweedledee: it does not make any difference. When the bill was before committee it struck me—as was pointed out by the chairman—that in the act generic expressions are used to designate the commodities, while in this bill there are specific terms to designate the same commodities. It does not make a great difference. By the way, when the bill was discussed in the House of Commons it was said by many of those who took part in the discussion that there was practically no difference between the bill and the present act. I wonder what is the real purpose of this bill, if it is not to give the farmers the impression that they will get more on account of this legislation than they have in virtue of the legislation that is in force now and will remain in force until it is repealed by this bill. I wonder if it is not the intention of the Government to paint the edge of dressed meat, and all that, with dollar signs in order to make the farmers believe that the signs that appear on the edge of the dressed meat, etc., etc., are dollars in their pockets. But the matter is much more serious than that. This is hasty legislation; and legislation of this kind, which might have such importance if it were better drafted, might give the farmers the illusion of having more than they will really get.

Another complaint I have is about the drafting of subparagraph (ii) of paragraph (a) of clause 2, in which it is mentioned that "agricultural commodity" means "any other natural or processed product of agriculture". It should be "any other natural or processed food product of agriculture", otherwise this bill might apply to hides, leather, boots, wool and woollens, timber, pulp and paper, and the products of sawmills. It is a small amendment that I am suggesting and I hope that the Government will accept my suggestion this time to insert the word "food" before the word "product" in that subparagraph (ii).

There is another thing that strikes me and which I want to mention now. It is that the minimum of the basic price of those commodities will be 80 per cent of the ten-year average, which means that in virtue of this bill the minimum price will be 20 per cent less than the farmers had during the ten years of Liberal administration. This deserves some consideration. It shows how dangerous it might be for the Government to come out with such legislation before taking enough time to draft it with great care.

Those are the remarks I want to make. I would ask the sponsor of the bill (Hon. Mr. Pearson) to tell us if he will accept to add the word "food" before the word "product" in subparagraph (ii) of section 2 (1)(a) of the bill.

**Hon. Mr. Pearson:** Honourable senator, the answer is "no".

**Hon. Mr. Horner:** Honourable senators, I think that after the honourable senator from De la Durantaye (Hon. Mr. Pouliot) had left the committee room this morning Dr. Taggart, Deputy Minister of Agriculture, explained the difficulties that might develop from adding the word "food" to that paragraph. He said that he could think of two items—tobacco and hemp or flax fibres—which would be barred from the application of this legislation if the word "food" were added as suggested.

I am sure the honourable senator did not hear Dr. Taggart's explanation, and if he had he would not have raised his objection at this time.

**Hon. Mr. Pouliot:** There is great difference between flax fibres, which nobody eats, and tomatoes which everybody eats. But if my honourable friend from Blaine Lake (Hon. Mr. Horner) is satisfied with that explanation, I do not see why the honourable gentleman from Lumsden (Hon. Mr. Pearson) is opposed to the amendment which would confirm what was said before the committee by the Deputy Minister of Agriculture.

I am not asking anything new. I was there in the committee most of the time, and I listened to the discussion with a great deal of interest. I hope my honourable friend will consider his answer "No", and substitute "Yes" for it.

**Hon. Mr. Pearson:** The honourable senator brought this question up in committee this morning, and after having brought it up he did not stay long enough to hear the answer given by Dr. Taggart, the Deputy Minister. Had he stayed, he would have heard him explain that there were two items, properly called agricultural products, which would not be included under this legislation if the

word "food" were put in. For that reason the committee agreed that the clause should stand as is. And for that reason, honourable senators, my answer would be "no", that we cannot improve on that section.

**Hon. Mr. Pouliot:** I thank the honourable gentleman for his answer. But if fibre is included as a processed commodity, why not timber? Why not wool? Why not hides, and all the other products that come from the farm?

**Hon. Mr. Roebuck:** Boots and shoes?

**Hon. Mr. Pouliot:** Boots and shoes, leather laces, and everything. For me, this legislation gives too much power to the Government, and that is why I shall have to vote against it if it is not amended as suggested.

**Hon. Salter A. Hayden:** Honourable senators, there are one or two things I want to add in connection with the consideration of the bill. I am a little amazed at the firmness with which the honourable senator from Lumsden (Hon. Mr. Pearson) answered the honourable senator who asked whether he would agree to an amendment. His firmness was very incisive, almost brusque. He was equally firm this morning in committee when I suggested that an amendment might be made to one of the definitions in the bill. After the committee had dealt with the named products and with "any other natural or processed product of agriculture", I pointed out possible limits to that, in view of the fact that later on the bill dealt specifically with any food product which was the product of any agricultural commodity. My friend then attempted to give a legal interpretation—although I felt I really could interpret the phraseology myself—that because "food product" is mentioned in section 10 of the bill, that is the meaning to be attached to "any processed product of agriculture" in section 2.

It is quite obvious now from the way the discussion developed in committee that the words "any processed product of agriculture" are capable of a very wide interpretation—certainly wide enough to cover the products enumerated by the honourable gentleman from De la Durantaye (Hon. Mr. Pouliot), including woollens and an infinite variety of things.

**Hon. Mr. Pouliot:** Hear, hear.

**Hon. Mr. Hayden:** The only justification we got in committee was that the Government may be called on to use the method of agricultural price support in relation to these two products, tobacco and flax.

Well, I pointed out in committee that there is already in force, and has been since 1951

or earlier, a statute called the Agricultural Products Board Act, under which "agricultural product" has a very broad interpretation. It means:

Livestock and livestock products, poultry and poultry products, milk and milk products, vegetables and vegetable products, fruit and fruit products, honey, maple syrup, tobacco, fibre and fodder crops, and any product of agriculture designated by the Governor in Council as an agricultural product for the purpose of this act.

The powers of the board established under that act include specific powers to buy agricultural products for purposes of sale or delivery to the Government of another country or an agency thereof, and also the power, broadly stated, to buy, sell or import agricultural products. So under the scheme of the Agricultural Products Board Act there is authority to do these things that are now being provided for, and possibly the language in this bill has been borrowed in part from that statute. There the scheme is that you have named products and products of agriculture that may be designated, and I do not think in a general way you can find a product of agriculture that could not be designated under that existing law.

So in the interest of expedition, and so as not to amend this bill in any way that would require it to be sent back to the other house, where there might be some incident of delay in dealing with it, or where it might provoke a lot of speeches, we are asked to pass something which is obviously much broader than is intended in any policy decision of the Government at this time, and we are asked to do it because that is the way the bill has come to us.

That bothers me a bit, but I can only hope that those who administer the law will not start to feel pulsating in them all the authority that the bill actually gives them and start asserting themselves in that fashion. It is possible that the minister may hold them down, or that the Governor in Council may do so, although pressures are strange things.

In the years that I have been here certain legislation has come in for the same criticism that I am making in relation to this bill. We were told that it was not the intention of the Government to administer that legislation in accordance with a broad interpretation of the powers set out therein, but strange as it may seem I have found afterwards, when the law is on the Statute Book and the occasion arises, that the Government keeps reaching in and taking more of the powers inherent in the act. I certainly have found that to be the case time after time in income tax legislation where we were told that amendments were designed to deal with a particular situation which the Govern-

ment was experiencing. I can tell you from actual experience that afterwards the interpretations and applications were broadened very considerably so as to cover a wide range of things that were not even discussed or imagined at the time the bill was before us.

As regards the present bill, we are told that the Government has no intention of going beyond a certain boundary. That may very well be, but no one can say what the pressures will be in the future—for pressures may come. If the bill is designed to apply to food products, processed and otherwise, why are we afraid to state that? Why is there this very broad definition, which covers such an infinite variety of agricultural products that the board and the Governor in Council could, if they wished, extend the application of the statute to almost any product?

I pointed this out this morning, but the committee seemed to feel, "Well, we will let the bill go the way it is"; and as there is not much satisfaction in being a single voice crying in the wilderness I therefore decided that I would present my views on third reading. However, the problem of having similar authorities outstanding in two statutes bothers me a bit.

Somebody may say that the purpose of this bill is to stabilize prices or to maintain prices. But how do you do that? To a very large extent you do that by buying products when there is a surplus and holding them off the market so as to influence an upward trend in prices, and when the market is in short supply you offer to sell those products, and you hope to get out with a whole skin. Now, under the Agricultural Products Board Act there is authority to buy and sell. True, it is not stated in that act that it is for the purpose of maintaining or stabilizing prices, but in that aspect it is broader than the bill before us. But in any event, we find these two statutes are going to run along a common path. All we were told in committee this morning by the Deputy Minister of Agriculture—who, by the way, gave a very able, clear and frank explanation of all the items, and answered the questions as fully as he could and, I think, to the satisfaction of the committee—was that when the Agricultural Products Board had finished its job of buying these products and selling them to an agency of a foreign Government it started to stand by, and it is really looked on now as a stand-by board, the directors of which are officials in the Department of Agriculture.

Well, whatever the board is, is a matter of choice of those who are administering the statute. If they wanted to have it spring into action all they would have to do is snap their fingers and issue a command, and that statute

would be reactivated. If they wanted a better board they could, I am sure, easily get a better one. If they wanted stabilization and maintenance of prices in a particular way as a function of the board under the statute, they would only need to add a very simple declaration to the bill. However, we have a new bill. Maybe the idea was just that, to present a new bill, even though it incorporated 95 or 98 per cent of what is contained in existing legislation.

Having said this, having had my moment in court, I do not feel badly because nobody has endorsed the views I expressed this morning. After one has been here as long as I have one is astonished at the views which are accepted, and more so at those which are not accepted.

**Hon. Arthur W. Roebuck:** Honourable senators, I have very little to add to what I said on the motion for second reading. I am opposed to the whole principle of the bill, and therefore I am not particularly concerned about the details which the honourable senator from Toronto (Hon. Mr. Hayden) has mentioned. We sat in committee the whole morning, listening, as the honourable senator says, to an able explanation of the bill but I confess that I find no reason to change the views which I expressed before we had that explanation.

Unfortunately, the previous administration is responsible for legislation in the form of the Agricultural Prices Support Act which is somewhat similar to the measure now before us. It was passed in 1944, but it did not come into actual operation until 1946. From that year until October last, and under the powers given by the bill, some \$600 million have been expended. That is the estimate by a Government department of the cost of purchasing agricultural products which were sold later. The important fact, as one views the future in the light of the past, is that the loss occasioned to the Exchequer of Canada has been in the neighbourhood of \$100 million. That is to say, under legislation similar to that before us, and which, I am sorry to say, has been on the statute books since 1944, we have dipped deeply into public funds to pay to one business the profits of other businesses. This practice, of course, I do not like and cannot approve. I think it is wrong in principle; I believe it will work out badly in practice.

Our committee not only asked departmental officials what the previous legislation had cost the Canadian people, but invited them to estimate what the present bill, if enacted, will cost. The deputy minister, with that frankness to which my friend has

referred, replied that it is impossible to make any guess,—utterly impossible to know what will be involved to the taxpayers of this dominion. It depends very largely on the administration of the provisions, which are as broad as the world and as high as the skies.

My honourable friend from De la Durantaye (Hon. Mr. Pouliot) spoke about the illusory character of the promise to the farmers. If it were illusory I would not have the objections to it which I am now expressing. Unfortunately it is far from being illusory. It gives the administration power to set any price on any agricultural product,—not 80 per cent, which is the minimum amount, and the minimum only, on certain named commodities. There is no maximum. The department, controlled by the Government, may set whatever price it likes for any commodity which it chooses, and pay that price to the producers, no matter what relation it may have to the actual value of the product at the time. So we who are now passing this legislation have no idea of what it is going to mean, whether in administration, in payments to the farmer, or in cost to the taxpayers.

I regret that there has been previous legislation of this kind. I regret that now we are going further in the same direction. We are to increase from \$200 million to \$250 million the fund in the hands of the department. I do not know that these figures matter very much, because when the amount is exhausted the department can come back for more money. But it illustrates the greater liberality which is evident in the application of this kind of legislation. It means a great deal that the officials, under the power of the executive, are given the right to set any price they like, and then to pay in accordance therewith, to those who lose money, the difference between the competitive price and a price arbitrarily set, with no limitation whatsoever on the cost to the people of this dominion. That is wrong in principle. I suspect that it is a carrot to be dangled before a certain class of our voters in the election which is not very far distant. It is part and parcel of the recklessness with regard to money which has been exhibited by this administration since the day it took office. I am opposed to the bill in detail; I am opposed to it in principle; it is bad legislation.

**Hon. Mr. Pouliot:** Honourable senators, I move in amendment, seconded by the Honourable Senator Fraser, that the word "food" be added before the word "product" in the first line of subparagraph (ii) of paragraph (a) of clause 2 of this bill.

**Hon. Mr. Haig:** On a point of order, the honourable gentleman has spoken on the third reading of the bill.

**Hon. Mr. Farris:** That does not preclude this amendment.

**Hon. W. Ross Macdonald:** Honourable senators, if it is desired to amend this clause I think the bill should be referred back to committee for reconsideration of the clause. I do not think the bill can be amended in a detail such as this on third reading.

**Hon. Mr. Roebuck:** Oh, yes.

**Hon. Mr. Macdonald:** If you are not satisfied with the bill and want to amend it we should send it back to committee, recall the officials and get their opinion again. We heard their views this morning, and I think with two exceptions all members of the committee accepted their opinion and approved this clause. We are entitled to change our minds now. The factor that influenced me to accept their opinion was the question of tobacco. Some members thought that lumber could be included under the provisions of the bill, but I did not agree with them. I do not think that by any stretch of the imagination we could include lumber, but I did think we were going a little too far in having in the bill such words as "any other natural or processed product". I thought there should be a limitation to "any other natural or processed food products". However, the departmental officials pointed out that such wording would eliminate tobacco from the provisions of the bill. Tobacco is being grown to a very large extent in many portions of Ontario. In fact, in some areas it is being grown now by farmers almost to the exclusion of all other products, so I certainly think it should come within the powers of the board under this bill.

A question was raised as to flax also. It was felt that flax and flax products should come within the provisions of this bill. The officials further pointed out that if the word "food" was included it would prevent the consideration by the board of both tobacco and flax. For that reason I felt it was advisable to go along with the bill as it is now worded.

In closing, may I say that after listening to the splendid explanations given by the officials in committee this morning, I was still no more convinced than I was last night that this bill is any better than the Agricultural Prices Support Act, which is now on the Statute Book. It provides for everything that the present bill provides for, except that under this new legislation the board can put a floor price under wheat grown in Ontario.

Honourable senators, I do not believe the bill will be of any more advantage to the farmers than the present act is. I say this with the assurance that the bill is not being accepted by the farmers of Canada. I have not read in the press that the farmers have accepted it, nor have I heard authentically it is acceptable to the Canadian Federation of Agriculture or any other large body of Canadian farmers.

**Hon. Mr. Aseltine:** They wanted it to go further.

**Hon. Mr. Macdonald:** I don't know where they wanted it to go, but I know it is not acceptable to the Canadian farmers and it will be a great disappointment to them. It is also a great disappointment to me.

**The Hon. the Speaker:** Honourable senators, with respect to the opinion just voiced by the honourable Leader of the Opposition (Hon. Mr. Macdonald) that an amendment of the kind proposed cannot be made to the bill on the third reading stage, I rule that while of course it would be quite proper to refer the bill back to committee, where it could be amended, it is also quite proper to amend it in the Senate on the third reading stage.

Honourable senators, it is moved by the Honourable Senator Brunt, seconded by the Honourable Senator Pearson, that the bill be read the third time. In amendment, it is moved by the Honourable Senator Pouliot, seconded by the Honourable Senator Fraser, that the word "food" be added before the word "product" in the first line of subparagraph (ii) of paragraph (a) of clause 2 of this bill. Is it your pleasure, honourable senators, to adopt the amendment?

**Hon. Mr. Brunt:** No.

**Hon. John T. Haig:** Honourable senators, I just want to say a word or two at this time. I hope the house will not accept this proposed amendment. I say this in all good will. The bill was fully explained on second reading by the honourable senator from Lumsden (Hon. Mr. Pearson) and it was fully criticized by my honourable friend from Churchill (Hon. Mr. Crerar). The bill was given second reading. The Deputy Minister of Agriculture and his two assistants appeared before the committee this morning and explained the bill in detail. I have very seldom if ever heard a better or more thorough explanation of any legislation. I did say to the house last night that we hoped to have the minister attend the meeting, but after hearing the deputy minister's explanation there was no doubt in my mind that the minister could not add anything to what was said. I was perfectly satisfied at that point that the bill be

tested. The committee passed the bill and it is now before the house for consideration on third reading. I hope honourable members will pass it. It is the dying end of the session. In the other place there is a group, composed of two political parties, which is desperately opposed to this legislation. One of these parties is not the Liberal party, for only two of their people voted against the bill there, and not one member of the Conservative party voted against it. The rest of the members in that house were against it.

As to the acceptance of the bill by an authorized farmers' agency, the Winnipeg *Free Press* of January 27 contains the statement that the executive members of the Interprovincial Farm Union Council are satisfied with the legislation and have accepted it. I understand that the Canadian Federation of Agriculture, which is meeting in Quebec today, has already accepted the legislation and is supporting it.

**Hon. Mr. Macdonald:** I have not seen that report.

**Hon. Mr. Haig:** Well, it will be in the newspapers.

Now, whether this will do anything to make the farmers of Canada more contented, I do not know. Whether it will cost a great deal of money, I do not know, but I do not think it will cost as much money as some would indicate. My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) said, as did my honourable friend the Leader of the Opposition (Hon. Mr. Macdonald), that there are not many great differences between the present law and the bill. That may be true, but that is not the issue. The issue is that we are trying under this legislation to give the farmers of Canada a fairer share of the national production. We may not succeed in doing that, and it may be there is no solution to the problem. The point is that our farmers are going downhill economically. They are the backbone of the country and we need their assistance in carrying on the business of our Canada, and we need to give them a greater share of the wealth produced year by year. This bill may not do that, and I am not claiming that it will, but I hope it will. However, whether it does or not, I think it is the duty of this house to vote together with the present Government, or with any other Government which might be in power, to give the provisions of the bill a chance to apply on behalf of the farmers of Canada. If that is not done, the only group that will suffer is the Conservative party; nobody else will suffer; it is the Conservative party that will get the punishment.

**Hon. Mr. Roebuck:** What about the taxpayer?

**Hon. Mr. Haig:** You do not punish me, who formerly sat on the other side of the house, for acts of the former Government which were passed and did not turn out so well. It was the Government that received the punishment. That was illustrated in the recent election, and that is always true; it is the Government in power which enacts legislation and carries it out which gets the punishment, nobody else. For those reasons, I suggest—

**Hon. Mr. Roebuck:** In this instance, it is the taxpayer who will get the punishment.

**Hon. Mr. Haig:** And the taxpayer will take it out on the Government of the day. I know this, that the people always remember the Government which enacted legislation that turned out to be wrong, and if we make a mess of this legislation and cost the people of Canada a lot of money, they will take it out of the Conservative party, nobody else. It will be no defence for us to say that the farmers of Canada wanted this and that we did it for them. It is true that the taxpayer will get the punishment, but I never in my life saw any Government that was not willing to take the punishment if it had in its heart any feeling that it was wrong. Sometimes I differ on these issues about spending money. Questions arise as to whether we are paying too much for labour, or paying too high an interest rate, or paying too much to the owners of business, or whether we should have an increase or a curtailment of credit, or whether we should have inflation. But the question here is, are the farmers of Canada going to get a better deal? If the farmers of Canada do not support this bill they will vote against the Conservative party, and if they do support this bill they will vote for that party. That is the issue, as I see it.

Honourable senators, for those reasons I beseech this house, and the representatives of the people in the other house, the members of all parties, to pass this bill and give the farmers of Canada a chance to work out a solution of their problems. The principle of the bill is not much different from that of the present legislation. The method of carrying out its provisions is different, but the underlying principle is the same. The Liberal party has one policy and the Conservative party has another. The purpose of this bill is to give the farmers, primary producers, a larger share of the national wealth. It is true that the bill contains subsidiary provisions. Probably the former Government was more for stabilizing the values, and probably the present Government may be more for stabilizing the income, but by and large the fundamental idea is the same.

Honourable senators, I beseech the house to vote in favour of the bill and to give it third reading. Let us try the law out. It will not ruin the country to try it out for one or two years. I thought the old legislation would do so, but it did not. Apparently the Government did not spend as much as I thought it would.

**Hon. William A. Fraser:** Honourable senators, as a farmer I have a word or two to say at this time in connection with this bill, and I want to help my honourable friend who has just finished speaking (Hon. Mr. Haig). I have not only listened to him, but I have also been reading Senate *Hansard*, and I have wondered why he indulges in so much political eyewash. As I say, I want to help him. I also want to help the farmer.

I cannot appreciate the attitude the honourable leader has just taken in this house. Let me say to him that he is dealing with the most intricate business problem that exists in Canada. The preamble to the bill with reference to the farmers receiving a fair share of the national wealth based on costs of production and the average price of farm commodities over a period of ten years, means little. There is not one farmer in 500 who can tell the cost of producing a dozen of eggs, a gallon of milk, a bushel of oats, or a pound of beef. Farming is a way of life; it means a home, and it is a business matter, and as to costs of production referred to in the preamble of this bill, I say it is utter nonsense.

Further, when it comes to taking an average price of agricultural products for the preceding ten years, I want to say, apropos of the remarks made by the honourable gentleman a few minutes ago, that the old policy of promising a reward still prevails. The old adage is, give something to somebody for nothing, and naturally they will agree with it. But when we come down to careful analysis of this bill, I say to my honourable friends in this chamber that from a farmer's point of view it is the worst contraction of phraseology I have ever read.

The honourable gentleman mentioned what the Conservative party will suffer if the legislation was not satisfactory to the farmers. I am not concerned with what the Conservative party will suffer. What I am concerned with is the welfare of the farmers and the people of Canada. It is not my concern whether the farmer votes for the Conservative party or against it. All I want to know is the details of how this bill is going to help the farmer, and why we are rescinding the present legislation. This bill contains nothing that is not covered in the

existing legislation. This is simply another piece of political bait for the farmer of Canada.

Let us be honest with each other. I say to the honourable Leader of the Government that in this legislation we are dealing with the most eccentric type of business in Canada. How are you going to figure out the cost of growing a product? I have travelled Canada from one side to the other, and I am familiar with the apple growing industry. But I venture to say there is not one grower in 500 who knows what his crop cost him. He and his family did the work; they are much like the home canners of Quebec. The do's and the don't's govern the economy.

Before this bill is passed I suggest to my honourable friends that they should give it further consideration and come out with more details. The bill contains no details at all. Let me read you the preamble to this thing:

Whereas it is expedient to enact a measure for the purpose of stabilizing the prices of agricultural commodities in order to assist the industry of agriculture to realize fair returns for its labour and investment, and to maintain a fair relationship between prices received by farmers and the costs of the goods and services that they buy, thus to provide farmers with a fair share of the national income;

That, my friends, is impossible of attainment. All you are doing there is saying to the farmer, "That is what we would like to see." I say the do's and the don't's will answer it. Let us consider the bill on its merits. If you want to help the farmer—and goodness knows I want to help him—let us get down to something definite in this bill and not a lot of guesswork. That is my recommendation, honourable senators.

#### Some Hon. Senators: Question.

**Hon. T. A. Crerar:** Honourable senators, if a vote is taken on the amendment moved by the honourable senator from De la Durantaye (Hon. Mr. Pouliot), I propose to vote against it, not on the ground that I am out of sympathy with it, but that he should have moved that the bill be referred back to the committee for consideration of this particular matter.

Mr. Speaker, may I say, sir, that I do not wish anything I am saying now to be even in the most remote fashion any reflection on your ruling. But it does seem to me that our practice has been to move amendments to a bill when we are on second reading, in Committee of the Whole, or considering the bill in a standing committee. That is the procedure we have followed, and I think it is the procedure we should adhere to.

The honourable Leader of the Government (Hon. Mr. Haig) in the remarks he made a short time ago went almost wholly outside the ambit of the amendment.

I want to make my position clear on this bill, if I failed to do it before. In my judgment the bill is a bad bill, and an unsound bill. I do not think it will achieve the purpose it was intended to achieve. Moreover, except for the preamble to this bill—and it is a fine facade, a fine bit of window dressing—the Government has all the power it needs, as the honourable senator from Toronto (Hon. Mr. Hayden) pointed out, under the Agricultural Products Board. Therefore, if my honourable friend from De la Durantaye had moved, instead of this amendment, that the bill be not read the third time now, but this day six months hence, I would have supported his motion.

**Some Hon. Senators:** Question.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Brunt, seconded by the Honourable Senator Pearson, that the bill be now read the third time. In amendment, it is moved by the Honourable Senator Pouliot, seconded by the Honourable Senator Fraser, that the word "food" be added before the word "product" in the first line of subparagraph (ii) of paragraph (a) of clause 2 (1) of the bill. The question is on the amendment. Is it your pleasure, honourable senators, to adopt the amendment?

**Some Hon. Senators:** No, no.

**The Hon. the Speaker:** I declare the amendment rejected.

It is moved by the Honourable Senator Brunt, seconded by the Honourable Senator Pearson, that this bill be now read the third time. Honourable senators, is it your pleasure to adopt the motion?

**Some Hon. Senators:** Carried.

**Hon. Mr. Crerar:** On division.

The motion was agreed to, and the bill was read the third time, and passed, on division.

#### PROCEDURE—AMENDMENTS TO BILLS ON THIRD READING

**The Hon. the Speaker:** Honourable senators, in support of my ruling, I wish to draw the attention of the honourable Senator from Churchill (Hon. Mr. Crerar), to Bourinot on third readings of bills.

Apparently it is not the general practice in the House of Commons to move amendments on third reading; but when important amendments are moved, the bill under consideration is referred back to the committee. I quote from page 531 of Bourinot's *Parliamentary Procedure*, (4th Edition):

In the Senate bills are constantly amended on third reading without going back to the committee.

Honourable senators who spent many years in the House of Commons are imbued with

these rules and know of the general practice in that house. In the Senate, however, it has been the practice to amend bills on third reading.

**Hon. Mr. Roebuck:** A further reason for the difference between the rules in this house and in the House of Commons is that there they go into Committee of the Whole, and here we seldom do. We usually refer bills to a standing committee. Therefore, we widen our rules governing the third reading stage.

**The Hon. the Speaker:** That would be an additional reason for my ruling.

**Hon. W. Ross Macdonald:** Honourable senators, may I say that it is perfectly proper in this house to go into Committee of the Whole. The only reason why instead we generally refer bills to one of the standing committees is that in such a committee we can direct our questions to the officials who attend from the appropriate department, and they can answer directly; whereas, in the Committee of the Whole, an official of the appropriate department sits in front of the Leader of the Government, who, if he wishes, may consult that official before answering a question. The official cannot answer questions directly in the Senate. Therefore, in general we have deemed it advisable to send bills to standing committees, and I think that is a very good practice.

**Hon. Mr. Croll:** Hear, hear.

**Hon. Mr. Macdonald:** However, I do think that from time to time it might be advisable for us to go into Committee of the Whole instead of calling a meeting of a standing committee. May I also point out that there is nothing irregular in sending a bill to a standing committee and, after the bill is reported back to this House, referring it to the Committee of the Whole for further consideration.

Now, Mr. Speaker, if I may be permitted, without questioning your ruling in any way whatsoever, I would like to say to honourable senators that the practice which has grown up—and it has indeed grown up, as His Honour has pointed out—of amending bills on third reading in the Senate is not a good practice. For one reason, on third reading the principle of the bill must be discussed and a member can only speak once. No member can speak more than once on third reading. If we were going to amend the bill that is before us today I am sure there are 20 questions that I would like to ask someone. Therefore I would have had to speak 20 times, and I would have been out of order 19 times. I can say now that I would have voted in favour of an amendment to refer

this bill back to the committee for further consideration, because I was in sympathy to a large extent with the views of the honourable senator from De la Durantaye (Hon. Mr. Pouliot). I think if we had sent the bill back to the committee we probably could have worked out a wording satisfactory to the sponsor and the Government and to ourselves, but in the Senate I was prevented from discussing it.

I think honourable senators will agree that when an amendment to a clause is proposed it is better to go into Committee of the Whole or else to a standing committee, where we can all ask as many questions as we like, with a view to amending the clause as we think best.

I accept most graciously the ruling of His Honour. I know what the rule is in the House of Commons, for I presided over that house for some years, but I must say I did not realize that a contrary practice had been established in this house. I would suggest that whenever we follow that practice we should be very careful to give full consideration to the proposed amendment.

**Hon. Arthur W. Roebuck:** Honourable senators, may I have your indulgence to say just a word, because the subject under discussion has a good deal of interest.

In the Commons the practice of referring bills to the Committee of the Whole operates most advantageously. Bills are introduced and sponsored in that house by the minister who is responsible for their preparation. In Committee of the Whole he has by his side, as a rule, his Parliamentary Assistant, and, seated in front of him, two senior members of his department. He is therefore in a position to answer all questions that may be put to him.

But how different is the situation here! We have one member of the cabinet in the Senate. Usually the Leader of the Government in the Senate is a member of the cabinet, who is generally, but not always, a minister without portfolio. No matter how industrious he may be it is impossible for him to occupy the position successively, bill after bill, of all the ministers in the other house. He is not able to answer questions as they are. In consequence of that, and I think this is the main reason why we act as we do, we refer legislation to a standing committee, where we are free to question the minister of the department concerned, or the deputy minister, and departmental officials. We are also open to hear representations from the public at large. In that way our facilities for the examination of legislation are at least equal to those enjoyed by members of the other house.

I have frequently heard compliments paid to the Senate for the courtesy with which we

conduct our standing committee meetings, and I am impressed also that we are very effective indeed as we sit around the table at these standing committees and discuss terms of the bills and the conditions which have brought them about.

For the reasons I have stated we usually do not refer bills to the Committee of the Whole. We can do so; and, as was pointed out earlier, we can send a bill to a Standing Committee and later refer it to the Committee of the Whole, but that procedure does not work very well. Since I have been in this house we have sometimes gone into Committee of the Whole, but the result was not as satisfactory as it is in the other house, and therefore I think our present method is very good.

I hope there will be no movement to draw the rules too tight in regard to amendments of and discussion on bills reported back to the Senate from standing committees. We do not need rigid rules in this house because every one of us here is an experienced parliamentarian. We sit as long as we like, there is no rule on the length of our speeches, and I do not think I have ever known a speech here that was really too long. The courtesy with which we carry on is not only delightful to ourselves but I think it is approved by the country at large.

**Hon. Jean-François Pouliot:** Honourable senators, I appreciate the fact that there are several standing orders of the Senate with regard to the sittings of the Committee of the Whole in the Senate, and I regret not to share the views of those who have said that bills should not be brought before the Committee of the Whole. It is an institution that we have established by our rules. Nothing prevents a minister of the Government or any official from coming to the Senate to answer questions which may be put during a sitting of the Committee of the Whole. About one-half of the senators who do not belong to the Banking and Commerce Committee are discriminated against when a bill is submitted to that committee instead of to the Committee of the Whole. To that objection it is answered that members may attend the committee and they will be allowed to ask questions. It is not a right, but a certain permission which is given.

**Hon. Mr. Roebuck:** No, it is a right.

**Hon. Mr. Pouliot:** They are not at ease, they are not in the same position as if they were members of the committee. The purpose of the Committee of the Whole is to enable all honourable senators to get illuminating answers from the Government or from the officials.

Last year I spoke of the importance of this type of committee. However, since the opening of the present session no bill has been submitted to the Committee of the Whole. To my mind that is unfortunate, because honourable senators are deprived of an opportunity to become better acquainted with the legislation which is put before them.

With regard to the ruling of the Honourable the Speaker, I stand by him as though he were the Rock of Gibraltar. I say the same of my honourable friend the Leader of the Opposition in this chamber (Hon. Mr. Macdonald), in reference to his Speakership of the House of Commons. But in practice the Senate rules as interpreted by our Speaker are superior to those of the other house, for he never quotes Beauchesne! I am satisfied with the rulings of the Chair, even when the Chair does not support my contention. I may be wrong at times—seldom, if you like, honourable gentlemen—but I admit that human nature is weak and occasionally I may be led into error. Here in the Senate we are fortunate to have a good Speaker. We have not to lean on the practice nor on the rules of the House of Commons; we have our own. They are not perfect, and some improvements may come in due course—as to that, nobody knows—but as they are, our rules are better than those of any other Parliamentary institution. We must stand by them, and at all times they should be applied with clearness and tolerance, as His Honour our Speaker does.

AUTHORITY TO PRINT COMMITTEE  
PROCEEDINGS

**Hon. Salter A. Hayden**, Chairman of the Banking and Commerce Committee, presented a report of the committee on Bill 237.

The report was read by the Clerk as follows:

The Standing Committee on Banking and Commerce to whom was referred the Bill (237) intituled: "An Act to provide for the Stabilization of the Prices of Agricultural Commodities", report as follows:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

On motion of Hon. Mr. Hayden, the report was adopted.

NATIONAL GALLERY

ACKNOWLEDGMENT OF ANSWER TO  
INQUIRY

On the orders of the day:

**Hon. Jean-François Pouliot**: Honourable senators, I wish to thank the honourable Leader of the Government (Hon. Mr. Haig)

and tender him my appreciation for the complete answer he succeeded in getting from the National Gallery with regard to the prices of pictures and the firms from which they were bought. It is satisfactory; and I believe that, in the final analysis, Canadian artists will benefit from the information.

ROYAL COMMISSION ON CANADA'S  
ECONOMIC PROSPECTS

INQUIRY AS TO REPORTS

On the orders of the day:

**Hon. Thomas Reid**: Honourable senators, may I direct a question to the honourable Leader of the Government (Hon. Mr. Haig)? From time to time reports appear in the press in connection with the Gordon Commission—the Royal Commission on Canada's Economic Prospects—and my question is, whether the Leader will be so kind as to ascertain whether the commission is reporting periodically to the Government, and if so, are these reports available to members of Parliament?

**Hon. Mr. Haig**: I understand that certain temporary reports have been handed out, but I do not know that that is so. My information, like my honourable friend's, is derived from newspapers. It never came in the ordinary way to the Government at all.

**Hon. Mr. Reid**: Would the honourable leader make some inquiries?

**Hon. Mr. Haig**: I do not know who has the information, but I will make inquiries.

LIBRARY OF PARLIAMENT

CIVIL SERVICE COMMISSION REPORT  
CONCURRED IN

The Senate proceeded to consideration of the report of the Civil Service Commission recommending change in compensation for the class of Chief Cataloguing Librarian, Library of Parliament, which report was presented yesterday.

**Hon. William R. Brunt** moved that the report be concurred in.

The motion was agreed to.

BUSINESS OF THE SENATE

**Hon. Mr. Haig**: Honourable senators, I move that the house adjourn.

**Hon. Mr. Macdonald**: Before we adjourn, will the honourable the Leader of the Government state what business there may be for the balance of the week, and whether there will be adjournment as usual on Thursday?

**Hon. Mr. Haig:** Honourable senators, I stayed here so long this afternoon that I am afraid I have missed the Cabinet meeting at which this information could have been obtained. In any event, the house will sit tomorrow, at which time we will deal with the Canada-Australia Income Tax Agree-

ment Bill. There may be some other legislation for us to consider. I cannot answer the question of the honourable Leader of the Opposition at this time. I will answer it tomorrow.

The Senate adjourned until tomorrow at 3 p.m.

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THE SENATE

Thursday, January 30, 1958

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

Prayers.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 247, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

The bill was read the first time.

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

Hon. Mr. Haig: Later this day.

CRIMINAL CODE BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 15, to amend the Criminal Code.

The bill was read the first time.

SECOND READING

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

Hon. Léon Méthot: Honourable senators, I move the second reading of the bill.

Hon. Mr. Roebuck: Have copies of this bill been distributed?

Hon. Mr. Méthot: I do not know. The bill is a very short one. Its purpose is to correct a clerical error in section 581 of the French version of the Criminal Code. If we look at paragraph 9 of section 2 of the Criminal Code we find it defines "court of appeal" as follows:

"court of appeal" means  
(a) in the province of Ontario, the Court of Appeal,

(b) in the province of Quebec, the Court of Queen's Bench, appeal side,

(c) in the province of Nova Scotia, the Supreme Court *in banco*, . . .

and so on for each province.

But paragraph 9 of section 2 in the French version of the Criminal Code defines "chef d'accusation", which in English means

"count"; and the definition of "cour d'appel"—that is, "court of appeal"—is given in paragraph 12 of that section.

Now, section 581 of the English version of the Criminal Code says:

In this part,

(a) "court of appeal" means the court of appeal, as defined by paragraph (9) of section 2, . . .

That is quite correct for the English version. And the French version is a literal translation:

Dans la présente partie, l'expression

(a) "cour d'appel" signifie la cour d'appel, définie à l'alinéa (9) de l'article 2, . . .

This is incorrect, for, as I have already pointed out, paragraph 9 of section 2 in the French version defines "chef d'accusation", and the definition of "cour d'appel" is given in paragraph 12.

The purpose of the bill is merely to substitute "l'alinéa (12) de l'article 2," for "l'alinéa (9) de l'article 2," in section 581 (a) of the French version of the Code.

Hon. Mr. Roebuck: That is, paragraph 12 of section 2 in the French version is the equivalent of paragraph 9 of that section in English?

Hon. Mr. Méthot: Exactly.

The motion was agreed to, and the bill was read the second time.

THIRD READING

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

Hon. Mr. Méthot: I move the third reading now.

The motion was agreed to, and the bill was read the third time, and passed.

ANNUAL VACATIONS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 16, to provide for annual vacations with pay for employees in federal works, undertakings and businesses.

The bill was read the first time.

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

Hon. Mr. Haig: I suggest to the house that this bill be allowed to stand until later this day.

NORTHWEST TERRITORIES BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 249, to amend the Northwest Territories Act.

The bill was read the first time.

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

**Hon. Mr. Haig:** Later this day.

#### NATIONAL GALLERY

On the Orders of the Day:

**Hon. Jean-François Pouliot:** Honourable senators, I would like to withdraw an expression that I used some time ago with regard to the Board of Trustees of the National Gallery. In view of the answer that was given on Tuesday to my inquiry, I would like to substitute the words "repentant rubber stamps" for the words "contemptible bureaucrats" that I used some time ago.

If I may say a further word, I hope that all my colleagues will take advantage of the opportunity of looking at the information contained in the *Hansard* of yesterday with reference to the paintings purchased by the National Gallery. They will realize that very few have been bought directly from Canadian artists. I have been told that for several years the practice of the National Gallery has been to buy the works of Canadian artists through an agent, who gets a commission of 30 per cent on each purchase, besides the commission that is paid to the gallery which sells it. I hope the Government will inquire into that practice and stop it, and that it will buy more works from Canadian artists, and directly, in order to encourage them to the utmost possible.

I have two suggestions to make. One is that Their Honours the Speakers of both houses of Parliament should be *ex officio* members of the Board of Trustees of the National Gallery. The second is that the name "Lorne Building" for the building that is being constructed across from the Lord Elgin Hotel to house some paintings, sculptures and works that belong to the National Gallery, should be changed to the name of a Canadian artist. There are many of them to choose from—Maurice Cullen, Clarence Gagnon, Horatio Walker, Suzor Côté and many others. The choice would be very easy, and it would be an inspiration for everybody and an indication that in future Canadian artists will have better encouragement from the National Gallery.

**Hon. Mr. Roebuck:** Hear, hear.

**Hon. Mr. Pouliot:** The name Arthur Roebuck also could be given to it.

#### BUSINESS OF THE SENATE

On the Orders of the Day:

**Hon. W. Ross Macdonald:** Honourable senators, before the Orders of the Day are

proceeded with, may I ask the Leader of the Government (Hon. Mr. Haig) if it is his intention to move at this time that when the house rises today it stand adjourned until Monday night or Tuesday night? I think it is customary at this stage of the proceedings on Thursday afternoon to make such a motion.

I note the bills which have come from the Commons at this sitting dispose of all the legislation to be considered by the Commons today, with the exception perhaps of a bill to amend the Indian Act.

**Hon. Mr. Haig:** That bill is here now.

**Hon. Mr. Macdonald:** Looking at yesterday's *Hansard* of the House of Commons I see that house will be proceeding today with the estimates of the Department of Citizenship and Immigration and then will go on to the consideration of the estimates of other departments. This work will doubtless continue in the Commons tomorrow, in accord with the custom there, and on Saturday. Therefore no further legislation could reach us until Monday, and in any event there is very little legislation on the Commons Order Paper which could reach us. I suggest to the Leader of the Government that we should adjourn this afternoon until, say, Monday night or Tuesday night, as apparently there will be nothing for us to do in the meantime.

**Hon. John T. Haig:** Honourable senators, first of all I understand that His Honour the Speaker will receive notice that the Deputy of the Governor General is coming to give assent to bills at a quarter to six today or tomorrow. I am looking after two bills which will be called for second reading very shortly, and as soon as they have been dealt with I will go over to the House of Commons and make the necessary inquiries, then come back and explain the situation to this house.

#### CANADA-AUSTRALIA INCOME TAX AGREEMENT BILL

##### SECOND READING

**Hon. John T. Haig** moved the second reading of Bill 170, to implement an agreement between Canada and Australia for the avoidance of double taxation with respect to income tax.

He said: Except to some of our more recent members, legislation of this kind is not new. In former sessions we have passed measures of the same character to give force to agreements between Canada and the United States, Great Britain, Denmark and Belgium. The purpose is to ratify an understanding as regards income tax or taxes of that nature between Canada and another

country. It has worked well as between us and the United States, and ourselves and Great Britain, and I am sure it will work well with Australia. The agreement has been signed by representatives of both our countries, and all that remains is to ratify it. I cannot give nearly as brilliant an explanation of the contents as the honourable senator from Toronto (Hon. Mr. Hayden) did in connection with a similar bill. I thought that bill was very complicated and intricate, but, having got used to legislation of this kind I am now fairly well informed on the subject.

**Hon. Salter A. Hayden:** Honourable senators, I shall not detain you very long with any comments I make on this bill. It is a type of legislation which is beneficial to Canada, particularly as regards tax conventions with countries where Canadian businesses and corporations are carrying on any substantial amount of business.

For those who may be in a reading mood I suggest that a reasonably complete explanation of the provisions of the present bill may be found in the Senate *Debates* of 1956, when we were considering a similar tax convention with Denmark. Beyond one or two very general comments I propose only to indicate to you the differences between this agreement and the last convention of the kind which came before this house.

In general, of course, the basis of taxability under this agreement is whether or not the Canadian enterprise or the Australian enterprise, for what it does in the other country, maintains what is called a permanent establishment. The definition of "permanent establishment" is given in the agreement; the explanations are there, they are very plain, honourable senators have heard them several times, and I do not propose to repeat them. I should point out that the scheme of the legislation is that the bill appends or attaches the agreement, to which it gives the force of law; and it provides that, where there are any inconsistencies between the income tax provisions as contained in the agreement and the general law of Canada or of Australia in relation to income tax, the law as contained in the agreement shall govern the transaction. So we have agreements which are given the force of law and enter into and form part of our general income tax law.

Some exemptions are provided. Those which are uniform, in the sense that they appear in most of the tax agreements into which we have entered, I do not propose to refer to now. There is one change which I regard as significant. Under prior agreements, if the federal Government maintains a representative in the other country for purposes of

Government business in that country, the income which that agent received was exempted from income taxation in the country where he was working. This concession was limited to the Government agent or representative of the federal Government. In this agreement, for the first time, there has been incorporated this additional provision: that not only the federal authority but the agent of any province of Canada or any state in Australia shall have the same exemption. I am sure this will confer benefits in some cases.

I should point out too that there are certain omissions. Previous agreements contained a specific provision whereby students and apprentices who went from Canada to the country with which the agreement was concluded—Denmark, for instance, or Sweden—for the purposes of studying in relation to their school or university work or their apprenticeship, were exempted from taxation in respect of income from home received by them in the country where they were so studying or serving apprenticeship. That provision is omitted from the present agreement.

There is another omission from the present agreement as compared with the convention with, for instance, Denmark. Under that agreement each country retained the right to impose a withholding tax up to 15 per cent on dividends which are paid from that country to persons resident in the other country. It was provided that if the dividend was passing from a subsidiary in Denmark to the parent company in Canada—by "subsidiary" I mean that the parent company owns more than 50 per cent of the shares—the withholding tax, instead of being 15 per cent, was limited to 5 per cent. This latter provision for reducing under these circumstances the withholding tax from 15 to 5 per cent has been omitted from the present agreement.

There is only one other thing to which I wish to direct attention. The tax agreement with Denmark went into considerable detail in dealing with exchange of information for purposes of avoidance of fiscal fraud, and the secrecy which should attach to that information. It also dealt rather fully with the purposes of avoidance of double taxation, in that each country would devote its energies to reducing, wherever the situation might so expose itself, any incidence of double taxation. This elaboration does not appear in the present agreement. I do not think that fact is significant. To my mind it is only "prayerful", anyway: the same result is likely to occur whether or not the specific language appears in the statute.

Many things that I said when we were discussing the agreement with Denmark I do not think it necessary to repeat. However,

there is one strange situation which could occur under all these conventions. For instance, an Australian citizen in Canada, earning income subject to Canadian taxation, might conform in every respect to the tax laws of Canada in relation to his returns; but notwithstanding this, if his home country suspected that he was not making a full return, or if it just wanted to know whether he was paying or not, it is entitled to request all necessary information in relation to his earnings in this country. To me that seems to be giving a sort of extraterritorial sanction to the taxation law and possibly the criminal law of the other country. I have expressed this view when similar agreements have been before us but nothing has happened; the Government has continued to make agreements with exactly the same provision in them. Of course, by the time the agreements come to us they are in settled form and have been signed by the authorities of both countries. So we either give them the force of law or we do not; we cannot amend the agreements.

**Hon. Mr. Brunt:** Would the honourable senator permit me to ask a question? Would that particular clause allow Australia to compel our income tax officials to produce the income tax returns filed by an Australian, and give to that country all the information contained in his return?

**Hon. Mr. Hayden:** Yes.

**Hon. Mr. Brunt:** Would that not be in conflict with our present statute?

**Hon. Mr. Hayden:** Yes, but what you forget is that where there are inconsistencies between this agreement and our general income tax law in Canada, the bill provides that the law as contained in this agreement governs.

**Hon. Mr. Brunt:** It overrides the statute law?

**Hon. Mr. Hayden:** That is right.

**Hon. Mr. Brunt:** There is not much we can do, because if we amend the bill we would have to amend the agreement, and we have no power to amend the agreement in any way.

**Hon. Mr. Hayden:** That is what I have been saying. I have been repeating this argument on the theory that if little drops of water fall often and persistently enough they may wear away even the most solid of foundations. But we shall soon run out of countries with which to make these agreements, and the Government has not yet shown any repentance or change of heart. I doubt if it ever will, for I believe that taxation authorities like to have these agreements

where they can get a complete exchange of information without regard to underlying effects or how shocking it may be to one's sense of individual rights. It bothers me a bit when, in relation to a person who has been well behaved in Canada, we lend all the facilities of our law for the gathering of information about him and furnish it to another country to such an extent that we assist that country in the administration of its laws. However, beyond saying this, I do not know if we can do anything about it.

**Hon. Mrs. Fergusson:** I should like to ask the sponsor of the bill (Hon. Mr. Haig) if the legislation applies to exchange teachers and students who are in other countries.

**Hon. Mr. Hayden:** I think I can answer that question. In the case of our teachers and professors who go to Australia on a teaching mission for a temporary period not exceeding two years, the income they receive by way of remuneration in Australia is exempt from taxation in that country and they are subject to tax only in their country of permanent residence, Canada. This provision is similar to one contained in the income tax agreements we have with other countries.

As to students, I have just indicated that the student provision contained in the other tax agreements is not contained in this one.

**Hon. Arthur W. Roebuck:** Honourable senators, I would like to repeat now some of the comments I made about procedure at the time the Canada-Denmark Income Tax Agreement Bill was before the house.

This is beneficial legislation. I fancy it will be of advantage to some people in Canada and I am in favour of it to that extent. My objection is to the manner in which the legislation is being carried out. The honourable senator from Toronto (Hon. Mr. Hayden) has made the statement that continuous drops of water sometimes finally wear away even solid foundations, and it may be that if I keep on letting these drops of water fall I might make some mark or indentation upon the income tax authorities.

It is a general principle of law that the crown may enter into treaties and agreements with foreign countries, but if it requires legislation to carry out the terms of these agreements it must come to Parliament in the usual way and ask to have the necessary legislation enacted. Executives must get the consent of the law-making authorities of the countries which they represent. That general principle applies in this instance. It is all right for the Crown, as represented by the officials of the Income Tax Branch, to enter into agreements with Australia, Denmark, The Netherlands, and so on, and then come back to us and ask us

to pass the necessary laws to implement those agreements. That is the procedure which has been in effect here and in Great Britain for many, many years. Instead of doing that with respect to these tax agreements, the Government comes to us and dumps the whole agreement into our laps and asks us to make the agreement law. Now, the agreement is phrased in the language of agreements, and, as such, is the language of negotiation and compromise. It is not couched in the language of statutes, the kind of material which people read in order to understand their rights and obligations.

It is almost an impossibility for the ordinary citizen to read the law in this expanded form and understand the tax law as affecting himself as a result of agreements between Canada and other countries. I do not wonder that the honourable Leader of the Government (Hon. Mr. Haig) passed the task of explaining the bill to the honourable senator from Toronto (Hon. Mr. Hayden), who has made an intensive study of the provisions of previous tax agreements. I fancy he is the only person amongst us who could answer questions on this subject expeditiously. The agreement is a mass and tangle of words, words, words.

I am not going to vote against the bill. It is in the form that the authorities have adopted in the past, and which I suppose they will follow in the future, but may I express the hope that when our tax authorities have entered into all the agreements desired, and we, under the compulsion of the circumstances, have ratified them, serious consideration will be given to my proposal to turn them all into a uniform statute. Let us carry out the terms of these agreements, but let us do so by the enactment of a statute common to all these countries. Let us codify and clarify this tangle of law.

**Hon. Mr. Farris:** Would that not breach the agreement?

**Hon. Mr. Roebuck:** No, not at all. These agreements are all entered into on the understanding that the Crown must get the consent of Parliament before they become law. How they become law is not a matter for the other country to consider. The other party's concern is only that the substance of the agreement becomes law. I have no objection to making the substance of this agreement into law; I do not like the method we are adopting to do so.

**Hon. Mr. Farris:** But I understand that the agreements vary.

**Hon. Mr. Roebuck:** They vary somewhat, and perhaps the statute would have to show

the differences as between the various countries, but, in those agreements where the terms are identical the statute could apply to all of them. Where you have made some exceptions you might have to add a paragraph. I trust that this proposal will be seriously considered by our law-making body.

**Hon. Mrs. Fergusson:** Honourable senators, I should like to pursue my first question and ask the Leader of the Government (Hon. Mr. Haig) if he can tell me why the provision regarding students has been dropped from this agreement, when it was contained in the one with Denmark a couple of years ago.

**Hon. Mr. Haig:** I cannot answer that. The agreement with Australia was drawn by the minister and was agreed upon. I think the number of students going either way is very few, anyway.

**Hon. A. K. Hugessen:** Honourable senators, the discussion on this bill has very distinct echoes of the discussion which took place on the bill implementing the agreement with Denmark in 1956. As most of the other honourable senators who expressed their views at that time have already spoken on this bill, I am going to contribute my little piece.

The way I look at legislation of this character is that, regardless of any holes we may pick in any details of the particular agreement which we are discussing and which we are asked to approve, the general purport of the bill is relief from double taxation, and to the extent to which it does relieve the citizens in both countries from double taxation I think it should be warmly encouraged. The only objection which some honourable senators might raise is that it does not go far enough. Well, as has been explained this afternoon, in the form in which this legislation comes to us we can do only one of two things. We can either reject it or accept it. We cannot amend it. If we accept it, even if we consider it to be insufficient, we to that extent benefit those residents of Canada who carry on business in Australia, and equally those residents of Australia who carry on business in this country.

I read over the provisions of this agreement and I noticed, as other honourable senators noticed, and as in particular the honourable senator from Fredericton (Hon. Mrs. Fergusson) noticed, that it omitted a provision which was contained in the Denmark agreement, and I think in some of the other agreements which we have approved in this house, that residents of one country who go to the other country for purposes of education are exempted from tax in that other country in respect of income from their home country during the period they are

away. Well, I suppose it might have been advisable to insert a provision of that kind in this agreement, as it was in the agreement with Denmark, but, after all, honourable senators, when we think of our student days we recall that we were pretty indigent at that time and had very little income of any kind. So even if we had inserted the provision in this agreement I rather doubt that it would have had any material effect.

I have just one further word, in connection with the argument which my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) advanced this afternoon, as indeed he did when we were considering the treaty with Denmark. There is much to be said for his view that general legislation, such as income tax legislation, which affects practically everybody in the country, should not be amended in an indirect way such as this. But I do point out to him that the only way in which the alternative that he suggests could be carried into effect would be by making a series of amendments to our Income Tax Act, and there would have to be a separate series of those amendments for every agreement which we make with another country. The provisions of our Income Tax Act are, in all conscience, complicated and difficult enough as it is.

**An Hon. Senator:** Hear, hear.

**Hon. Mr. Hugessen:** I shudder at the thought of increasing by perhaps almost 50 per cent the content of the present Income Tax Act by adding thereto all the income tax agreements that we have with other countries.

**Hon. Mr. Roebuck:** That does not mean that we would have to amend every section of our act, as it applies to Canada.

**Hon. Mr. Hugessen:** Oh, I think you would have to amend every section which in itself amended the general law; that would be the only clear way of doing it.

**Hon. Mr. Roebuck:** We would have a separate part or division devoted to these foregoing agreements.

**Hon. Mr. Hugessen:** My honourable friend suggested that perhaps the falling of little drops of water in the form of these suggestions he has made might ultimately have some effect in that regard, but I am afraid that the cumulative mass of those little drops of water would eventuate in a mass of inexplicable slime in income tax law.

The motion was agreed to, and the bill was read the second time.

#### THIRD READING

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

**Hon. Mr. Haig:** I move that the bill be referred to the Committee of the Whole. I will explain why. I want to have one word in the bill changed. The year 1957 is stated in the short title of the act and it should be 1958; the draughtsman in the other house made a mistake.

**Hon. Mr. Macdonald:** Honourable senators, yesterday I took exception to amending bills on third reading, and I stand by what I said then. I had in mind any amendment that goes to the principle of a bill. I think if honourable senators will re-read my remarks of yesterday they will agree generally with what I said regarding the practice of amending a bill on third reading. But the amendment now proposed is a mere detail, and as far as I am concerned I would consent to having this amendment made on third reading.

**Hon. Mr. Haig:** I am quite willing to have it done on third reading, but I am in the hands of the house. The mistake is only one of drafting.

**Hon. Mr. Hayden:** That is with respect to section 1?

**Hon. Mr. Haig:** Yes.

**Hon. Mr. Hayden:** Why do you not move third reading?

**Hon. Mr. Haig:** I am in the hands of the house. Would you prefer to have the bill sent to committee?

**Hon. Mr. Hayden:** No; move third reading now, and then have the amendment moved.

**Hon. Mr. Haig:** I move that the bill be read the third time now.

**Hon. Mr. Aseltine:** Honourable senators, I move that the bill be not now read the third time, but that it be amended as follows: Page 1, line 5. Strike out "1957" and substitute therefor "1958".

**Hon. Mr. Macdonald:** May I ask whether the figures "1957" appeared in the bill as passed by the House of Commons?

**Hon. Mr. Haig:** Yes. The bill will have to go back to that house.

**The Hon. the Speaker:** Honourable senators, it is moved by the Honourable Senator Haig, seconded by the Honourable Senator Brunt, that this bill be read the third time. In amendment, it is moved by the Honourable Senator Aseltine, seconded by the Honourable Senator Horner, that the bill be not now read the third time, but that it be amended as follows: Page 1, line 5. Delete "1957" and substitute therefor "1958". Is it your pleasure to concur in the amendment?

The amendment was concurred in.

**The Hon. the Speaker:** Honourable senators, the question is now on the motion of the Honourable Senator Haig for the third reading of the bill. Is it your pleasure to adopt the motion?

The motion was agreed to, and the bill, as amended, was read the third time, and passed.

## FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS BILL

### SECOND READING

**Hon. John T. Haig** moved the second reading of Bill 247, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

He said: Honourable senators, this bill has two features: First, it provides for grants by the federal Government to the Atlantic provinces; and secondly, it provides for an amendment of the tax rental agreements with respect to contributions by the federal Government to the provinces. I shall deal, first, with the federal contribution to the provinces generally; and secondly, with the grants to be made to the Atlantic provinces.

At present the agreement between the dominion and the provinces requires that 10 per cent of the income tax collected in a province shall go to the province, that 9 per cent of the corporation tax shall go to the province, and that 50 per cent of the succession duties shall go to the province. That is the general law today. The first amendment in this bill would change the provincial portion of the income tax from 10 per cent to 13 per cent. At present the Province of Manitoba, for instance, gets as its share 10 per cent of the income tax collected in that province. Under this amendment, if the bill passes, the province will get back 13 per cent. That arrangement will apply to every province in Canada.

This question arose out of discussions on whether the extra money should come from corporation taxes or from income tax. I am one of those who held the view, and I still hold it, that in fairness to the province it should come from income tax, because the income is earned in the province.

Let me illustrate. If I own some stock in the Bell Telephone Company of Canada—a company that is, for the most part, located in Ontario and Quebec, and to some extent in the Atlantic provinces—the income I get from that stock goes to me in Manitoba, and I make a return on it as part of my income in that province. It is Manitoba money which is invested in the Bell Telephone business and which helps to keep it operating in these other provinces. Under this bill, instead of my province getting 10 per cent of that income it will now get 13 per cent. And,

as I have said, that arrangement will apply to every province. That is fair distribution.

It has always been argued that the big corporations have their head offices in Ontario or Quebec, and to some extent in British Columbia, and that when money from Saskatchewan or the Maritime provinces is invested in these corporations the benefit of the taxes goes to the central provinces where the head offices are located. There has always been a dispute about that. However, it does not apply to the income tax feature of the bill. Whatever portion of the income tax is given back to the provinces, it represents a percentage of its own money; it was not earned anywhere else but in that province. If the income figures remain as they were last year, the increase from 10 per cent to 13 per cent will mean an additional contribution to the provinces of \$62 million in the coming fiscal year.

As honourable senators know, the federal Government had a conference with the provinces last December. There was to have been a second conference, but as the present session has lasted much longer than was expected it has not been possible for the federal Government to meet since then with the provinces. Therefore, an arrangement was made to increase the contribution to the provinces, and passage of this bill will put the new arrangement into effect. It is made at this time of the year when the provinces are preparing their budgets, so that they will have the money on hand to deal with it in their own provincial affairs.

**Hon. Mr. Euler:** May I ask the Leader of the Government a question?

**Hon. Mr. Haig:** Yes.

**Hon. Mr. Euler:** Does the figure which he gave with respect to the amount of money that will go to the provinces represent the first figure given out by the Minister of Finance or the corrected one?

**Hon. Mr. Haig:** I am not in on the secrets of the Government, and I cannot answer that question. I am only giving you the figure that I have.

**Hon. Mr. Euler:** Which one is it?

**Hon. Mr. Haig:** These were the figures given on the floor of the house, though they may be a few dollars out one way or the other. They are based on the anticipated income tax collections.

The other feature of the bill is that the federal Government will grant to each of the Atlantic provinces of New Brunswick, Nova Scotia and Newfoundland the sum of \$7.5 million a year for the next four years,

including this year, and to Prince Edward Island \$2.5 million, making a total of \$25 million a year. This amount added to the \$62 million, makes some \$87 million, based on the estimates, to come out of the federal treasury. I am not going to argue the question of whether the Atlantic provinces should have the money or not, but I have no hesitation in saying quite candidly that if any part of Canada deserves consideration it is the Atlantic provinces.

**Hon. Mr. Barbour:** Hear, hear.

**Hon. Mr. Haig:** I say that because when I first came down here as a member of this house my eyes were opened by a very distinguished senator—he is here with us still—from the province of Nova Scotia. After hearing him describe the situation in his province I wondered whether or not he ever flew the flag on Confederation Day. I asked him, and he said he did, but that he had memories every time he did it.

The western provinces do not have that record behind them because they all came in as purely new countries; whereas, the Maritime provinces came in under an agreement, and they claim—I have no doubt it is true—that conditions were much better with them before than after Confederation.

This is not a party question at all. It has been the striving of all political parties to try to give to the Maritime provinces a better deal in Confederation, and especially the Atlantic provinces. Now I am not sure about Newfoundland. I have just as much love for the people of Newfoundland as I have for those of any other part of the Atlantic area, but it must be remembered that Newfoundland came into Confederation under known conditions. It knew what the conditions were; it knew what had happened in the provinces of Nova Scotia, New Brunswick and Prince Edward Island. So it may be said that Newfoundland came into Confederation with its eyes open. But the other Maritime provinces came in under an appeal of loyalty—loyalty to Canada and to the British Empire—which may have influenced their business judgment, a judgment that would not have been influenced under other conditions.

I have no hesitation in saying that as Leader of the Government in this house I am happier in proposing this bill than any other piece of legislation that I have had the honour to deal with since my appointment. I think I express the feeling of this house when I say that the situation in the Maritime provinces is probably better known in this house than anywhere else in Canada. Here we are among men and women from the Maritimes, and we come to understand how they feel and what they think; here there is a spirit of family

union that conveys to us the idea of what people in the other parts of Canada think about the problems in the Atlantic area.

I am sure the first part of the bill meets with general approval; and as to the second part, I think it is a step in the right direction. We still have a grave problem with us. The honourable Leader of the Opposition (Hon. Mr. Macdonald) may say that we are spending too much money, that the time will come when we will not have as much income as we now have. Whether that is right or wrong, I do not know, but I do know that we are in one of the queerest periods in the world's history that we have ever known. You have only to read your daily newspaper to come to the conclusion that we seem to be spending ourselves to the edge of an abyss, and what is going to happen next nobody knows. Our Minister of Defence has said, as other ministers before him have said, that we are spending too much money on war preparation. But the other day that quiet, unassuming man with a cool sense of judgment said that we must be ready for anything that may happen.

The United States is now being told by people who think that it is a great country,—and I say so myself,—that their instruments of warfare will be of no use if Russia attacks first. Now, honourable senators, that may be true or not, I do not know; but I do know that we are in difficult times. Our taxation has risen tremendously by reason of our defence expenditures, and I do not know any way of stopping them. When your boys are on the battle front, nothing counts but getting them back, or at least arming them so that they have a chance of winning.

I ask the house to pass this bill. It is a step in the right direction. It is recognition by the Parliament of Canada that we are going to do something—first, for the Maritime provinces, because they deserve it; and secondly, for the other provinces, in order to give them a chance to receive at least a little more money to carry on the government of their provinces.

For these reasons I would urge the house to give second reading to this bill.

**Hon. Mr. Robertson:** Honourable senators, may I ask the honourable gentleman a question? I am not as familiar as I might be with this bill. Why is the period over which payments will be made to the Atlantic provinces limited to four years?

**Hon. Mr. Haig:** I think the four-year period is largely a parliamentary term. I did not pay any attention to that feature. Actually, I think the Prime Minister said

that it was intended to have another federal-provincial conference later on, but this session of Parliament has lasted so long that it has not been possible to do so. Furthermore, a conference could not be held now, in any event, because all the provincial legislatures are in session. It was thought, therefore, that by this means we could give them something to go on with for the next four years. As the Prime Minister pointed out, further conferences will be held to try to reach further agreement on the whole proposition.

**Hon. Salter A. Hayden:** Honourable senators, I want to say a few words on this bill, but only in reference to the second part of it. I have no quarrel at all with contributions that are proposed to be made to the Atlantic provinces.

So far as the second part of the bill is concerned, anything that I have to say relates to the principle. I do not see how the difficulty which I experience could be resolved by reference of this bill to committee, even if there were committee meetings for the next month, because, for me, the problem is a basic one. Maybe I am one of the few rather than one of the many, but it has always been my view that the spending authority and the taxing authority should be as close together as possible, because in that way there could be real responsibility as between the taxpayer and his representative, which is the levying and collecting authority and also the spending authority.

I believe that, on account of the special situation which prevailed during the period of the war, tax rental agreements at that time could be justified. But since then I have never been able to satisfy myself that it is a good thing that the federal authority should act as a conduit pipe and levy taxes upon the people of Canada for purposes which have no relationship to ordinary federal spending or for particular objects of national development, but solely in order to syphon off the product of the increased taxes for provincial purposes. I think it is a bad thing for the provinces to get large sums of money in this way. It may be said that people know that taxes are collected for the purposes of giving the money to the provinces, but they would know it in a different and much more realistic way if their particular province were imposing the taxation to provide revenue for necessary services and developments within the province. There would then have to be some relationship between the ability of the province to tax and its available revenues, and it would have to budget accordingly and spread its expenditures over the period required to raise the necessary moneys to take care of

these expenses. It is a negation of the idea of responsible government that a federal authority imposes taxes to hand the money over to a provincial authority. I can understand that the federal authority might impose taxes for a variety of reasons which are not very closely related to its specific activities. A recent example is the provision of special contributions to the Atlantic provinces. One may find a basis of this action in the understanding which was reached at the time those provinces came into Confederation. Certainly they did so on the basis that their position was not to deteriorate over the years, as compared with what it then was, and in the light of the opportunities which their situation afforded them; so there is a federal obligation to improve the economic picture in the Atlantic provinces and to endeavour to maintain it on a basis which bears some equality with what the position would have been if they had never come into Confederation. I also recognize that some developments in a province may be national in their character, and that federal taxation to provide money, either for direct spending on these developments or through the medium of the province concerned, would be justified. But it seems to me that the chain of responsible government breaks completely when federal revenues are collected merely to be handed over to the provinces. I venture to say that our corporation tax, instead of being 47 per cent, could be reduced by 10 or perhaps 15 per cent if the federal government collected revenues from this source merely for its own purposes and the provinces looked after the imposition and collection of corporation taxes for their specific purposes.

**Hon. Mr. Brunt:** Would the honourable gentleman permit a question?

**Hon. Mr. Hayden:** Yes.

**Hon. Mr. Brunt:** If less is to be collected which government would have to get along with less, the federal government or a provincial government?

**Hon. Mr. Hayden:** My friend has posed a question which is really very simple to answer. What I say is that the federal Government is now collecting, and has collected for all the years the tax agreements have been in force, vastly more in taxes than it needs for its own budget and fiscal spending. The reason it has done so is that it has been making these contributions to the provinces for their own use. Therefore, I say, if the federal authority looked after its own business and such additional obligations of a national character as it might have, including also contributions for certain developments

in this or that province, the federal taxation would be less, the federal revenue would be correspondingly less, and the provincial authorities would be left to impose taxes of their own to the extent necessary to cover such provincial expenditures as they felt they could afford. I have added to the permissible federal obligations certain expenditures so far as the Atlantic provinces are concerned, and also developments beyond the capacity of a province to handle but of a character which could be said to have some national character of importance. But in my opinion the system of responsible government breaks down when you interpose a conduit pipe between the taxpayer and the spending authority, and that is exactly what the continuance of these tax agreements is doing. Whether the percentage of personal income tax which the federal authority gives to a province is 13 per cent or 10 per cent, it means that the federal authority has to find somehow or other more revenue, whether out of existing taxes, or by increasing taxes, or by reducing its other expenses in order to make these additional payments to the provinces.

So I repeat, upon the principle I have enunciated, whether the percentage is 10 per cent or 13 per cent does not matter; the principle of that kind of giving is wrong, and when we persisted in continuing these rental agreements after the war emergency had passed, it certainly was a retreat from reality. It is a non-realistic approach to the taxpayer. From the point of view of the federal authority it is bad business, because the federal authority is viewed as a tax-gouging ogre, levying high rates of tax, assembling large revenues, and doling out money in a miserly way to the provinces, who are yelling all the time that they are not getting a fair share of their own dollars for their own purposes. The very simple way out of that situation would be for the federal authority to step out of the field of taxation in income tax and corporation taxes except to the extent that it needed money for its own federal purposes, and then say to the provincial authorities, "There is the field you want; there is the field you say is yours; go ahead and tap it to any extent you dare for the purposes of provincial development."

I should point out that this amendment is for the year 1958-59, during which time it is proposed that the provinces shall get 13 per cent instead of 10 per cent. I do not pose as an economic prophet but I believe I possess ordinary powers of observation and I have had a little experience in this field. In looking ahead I do not believe it would be a difficult or irrational conclusion that, based on present rates of taxation, the revenues

which the federal authority will collect by way of personal income tax in the year commencing April 1, 1958, will produce a smaller amount in dollars than the amount collected in the tax year which has just concluded. In my view, the 13 per cent increase will produce less revenue next year than the 10 per cent produced during the past year.

**Hon. Mr. Brunt:** The Government is just trying to be equitable.

**Hon. Mr. Hayden:** The interjection of my honourable friend is well meant and I always welcome interruptions, for they give me something to hang a statement on. If he is satisfied with the philosophy that it is nice to be generous—

**Hon. Mr. Brunt:** Just equitable.

**Hon. Mr. Hayden:**—and to give people more of less, why, then, I can understand the situation, for next year there is going to be less. He is saying the Government is being equitable by giving the provinces more of less, which means the federal Government will have less from which to give. Its revenues will shrink because, among other things, we have increased certain exemptions and reduced certain rates of personal income tax. In any event, even if the overall revenues are buoyant, the Government will not get the same revenue from the personal income tax field that it got during the past year. It may sound as though the provinces will get more because their share is being increased from 10 to 13 per cent of the amount of personal income tax collected, but in my opinion when they come to calculate in dollars the 13 per cent on this year's revenue it will amount to less than the 10 per cent produced from last year's revenue.

That brings me to a rather interesting explanatory note, which reads in part as follows:

The purpose of the proposed new section 12 is to increase the percentage to thirteen for the fiscal year 1958-59, thus increasing the payments to be made to the provinces in that year.

I seriously question that statement. I do not think it is correct. If after the words "thus increasing the payments to be made to the provinces in that year" there had been added the words "over what they might otherwise get on the existing basis of 10 per cent," I could understand that; but, on an overall basis they are going to receive less from a 13 per cent share in the coming year than they did from a 10 per cent share last year.

So we speculate and make provision in the supplementary estimates for an amount totalling some millions of dollars, and we find the Premier of Ontario singing in a little sweeter note—

**Hon. Mr. Brunt:** He is a good singer.

**Hon. Mr. Hayden:** —because he thinks more bank notes are going to come to his province. But if I were in his position I would not do any spending or embark on a single additional project in the expectation of getting more money, for in my view there will not be any additional revenue by reason of this change from 10 to 13 per cent.

I was curious about one expression used by the honourable Leader of the Government (Hon. Mr. Haig) when he was explaining the bill. He and I have been very good friends since I came to this house. I always enjoyed listening to him when he was Leader of the Opposition, and I like to peck away at him now that he is Government Leader in this chamber. That is why he is sitting there, just so we can peck away at him. He said something or other about us standing on the edge of an abyss and I wasn't quite sure whether he said "abyss" or "Abbott" or just what he said, and I was wondering what he was referring to.

He also went into the question of the risk of war and how our children might go overseas and never return. Well, we all have very serious thoughts about these things, but of course they have nothing to do with whether the provinces should get a 10 or 13 per cent share of the federally-collected income tax revenue. It is up to the federal authority to provide for armament and to make defence expenditures, and no part of the provincial share of income tax revenue is going to be spent on defence matters. It will all be spent on provincial matters.

Having expressed my views on the principle of so-called tax rental agreements, I am not concerned as to whether this bill should go to committee. As a matter of fact, I see no reason why it should. This legislation may be a stop-gap or designed to provide an interim payment intended to pacify the storming provincial premiers so that a federal-provincial conference will not have to be called in the immediate future. Whatever the purpose, I am not concerned with it at the moment. I am concerned, however, with the principle of rental agreements, and I think we will all be better off when the provinces get back to collecting their own tax revenues, and we get rid of this business of putting a conduit pipe into the taxpayers' pockets and funnelling his dollars through that pipe to the federal authority and then to the provincial authorities. The sooner we get rid of this system the better.

**Hon. W. Ross Macdonald:** Honourable senators, I do not intend to delay the house on this bill. I agree to a large extent with the remarks just made by the honourable

gentleman from Toronto (Hon. Mr. Hayden). I agree, generally speaking, that it is a very bad principle for one administration to collect tax revenue and for another to spend it. However, we have the difficulty in Canada of some of our ten provinces being, as they say, more wealthy than the others. Something has to be done to try to provide the same standard for all provinces. The former administration introduced what was known as the equalization principle, whereby the provinces having a lower per capita income would receive special federal grants designed to bring the standard of those provinces up to the same level as that of the others. I am pleased that this legislation recognizes the equalization payment formula and that these special grants will be made under the legislation now before us.

The honourable gentleman from Waterloo (Hon. Mr. Euler) asked the Leader of the Government whether the figures the leader quoted were from the first or second statement that was given out. Well, when we realize that two figures were given out, we must also appreciate that this is very hasty legislation. It is important legislation, yet it cannot have received the consideration by the Government to which it was entitled before it was presented to the people. Imagine how the people of British Columbia feel about this. On Saturday last the Minister of Finance announced that under this new legislation the province of British Columbia would receive \$5,563,000 more than it has been receiving up to this time.

**Hon. Mr. Farris:** There were big headlines in the Vancouver papers.

**Hon. Mr. Macdonald:** I suppose, then, that all the people of British Columbia would be disappointed.

**Hon. Mr. Farris:** No.

**Hon. Mr. Macdonald:** I did not think all the people would have had an opportunity of reading the first announcement, but if it was in big headlines everyone would be disappointed when they heard on Monday that instead of \$5,563,000 more they would receive only about half of that amount, or \$2,842,000.

Well, honourable senators, if that is an indication of the consideration that has been given to this legislation, I do not suppose that we can be expected to give too great consideration to it at this time, because we cannot hope to get much information. I do know that under the former administration there was given to the provinces \$630,878,000. Under this legislation—and I am not referring to the \$25 million being given to the Maritime provinces—there is being given

to the provinces in addition \$62,203,000. So that the provinces now under this legislation will be receiving \$693,081,000.

**Hon. Mr. Leger:** They may be receiving it.

**Hon. Mr. Macdonald:** I am talking of the contributions under this legislation. The additional amount is made up of \$62,203,000, under the second clause of this bill, plus \$25 million under the first clause, which makes the total amount \$87,203,000.

**Hon. Mr. Brunt:** Even persons other than the Minister of Finance are having trouble with figures.

**Hon. Mr. Macdonald:** I do not see why the Minister of Finance should have difficulty; he deals with nothing but figures. I never deal with figures in this amount, except when I am speaking on legislation of this type.

The suggestion was made by the Leader of the Government that it was impossible to have a dominion-provincial conference because the provincial legislatures are now in session. Well, the legislatures only went into session this week. All of January was free, and a conference could have been held then. Oh, my friend will say, Parliament was in session during January. But honourable senators will recall that many dominion-provincial conferences have been held while Parliament was in session. There is no reason whatsoever why there could not have been a dominion-provincial conference early this year, as the provinces expected.

Honourable senators will recall that during and immediately before the last election the Province of Ontario said, it must have at least \$100 million more. In fact, if my memory serves me correctly, Mr. Frost wanted \$118 million more, and he said that he could not get along with less. Well, under this legislation he gets \$22 million, which is a long way from \$118 million. Of course, it is something, yet it is not one-fifth of the amount which he almost demanded. Whatever amount he gets, honourable senators, I think we should know a little more about the source from which this money is to come. It is most unfortunate that there has not been a complete financial statement of this country presented to Parliament. Why have we not had a budget? Why have we no budget now? In the past, expenditures of this kind have never been made unless a budget was presented first. Here we are today passing a bill providing for \$87,203,000, and we do not know whether there is that amount of money in the treasury to make the payment. Why? Because there is no budget. Would it be difficult for the government to say, "Here, we have this money"? We do

not know whether we are in a sound position at this time to make the payment—no one knows. We are just voting this money in the dark, for we are completely in the dark as to the financial condition of the Dominion of Canada. Yet we have to go along with the bill.

**Hon. Mr. Brunt:** No, we do not have to.

**Hon. Mr. Macdonald:** Oh, yes, we do; there is no doubt about that. We have to go along with it; we are not going to vote against it. I am not going to vote against it.

**Hon. Mr. Brunt:** Surely you are not going to vote for it?

**Hon. Mr. Macdonald:** Oh, surely I am going to vote for it. The Government must take the responsibility for providing this money; it is not going to turn that responsibility over to anyone else. But the Government has another responsibility which it is not fulfilling at this time: it is in not presenting to this house a financial statement which would enable us to vote intelligently. If the Government does not want to do that, it will have to answer for it.

Honourable senators, the Leader of the Government referred to world conditions, and mentioned how uncertain everything was and how near we may be to the brink of war. I think we all feel that way. He intimated, and I think we all agree, that our defence expenditures must continue. There are two ways in which we can raise this money, either by taxation or by reducing expenditures. To reduce expenditures we must reduce materially the expenses of the Department of National Defence. That is completely inconceivable at this time, in view of the condition the world is in. Therefore, there can be no material reduction in our expenditures, and the money can come from taxation only.

Now we come back to the point raised by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck)—

**Hon. Mr. Euler:** The money can be raised by borrowing, I suppose.

**Hon. Mr. Macdonald:** To borrow is to put us into debt. If the money cannot be raised by taxation, that means that eventually it will have to be raised by borrowing, and that in turn would result in taxation. No, honourable senators, I see no way of providing this money except by taxation. The danger is that when the Government taxes and raises the money and gives it to a provincial Government, the people of that province which receives the money are apt to feel they are getting something for nothing. Of course, no province will get something

for nothing, because the people are going to have to pay. The day of payment may be put off, but it will arrive sooner or later. It may be that the Government is prepared for deficit financing. But deficit financing cannot go on for ever; the day for payment will come. Although I am going to vote for this bill, I do so with regret, feeling that we should have more information.

I agree with the honourable senator from Toronto (Hon. Mr. Hayden) that there is no purpose in sending this bill to a committee. If it were sent to a committee, the question I would ask is, "Have we got the money?" But if the Minister of Finance was not able to answer the question in the other house, I am sure we could not get an answer here.

Honourable senators, in closing I wish to say that although this money is going to the provinces, neither the provinces nor the people are getting something for nothing; some day we are going to have to pay.

**Hon. Austin C. Taylor (Westmorland):** Honourable senators, I wish to say only a word or two and to ask a couple of questions in connection with the bill. I regret that my voice will not permit me to speak so that I can be heard by all.

I should like also, Mr. Speaker and honourable senators, to express my regret at being absent yesterday when the Agricultural Stabilization Bill was considered. I did want to speak on it, but sickness overtook me during the weekend, and it was not possible for me to be here. Perhaps I should not be here today.

I should like to express my views with respect to the tax rental agreements. First of all, may I say that I am one who agrees with the principle of the tax agreements. The honourable Leader of the Opposition (Hon. Mr. Macdonald) said a few moments ago that one of the purposes of this bill is to try to equalize the income of the various provinces across Canada. I think we will agree that the present tax rental agreements do to a degree equalize the per capita income, or the conditions which permit the income of certain provinces to be more on a par with that of the wealthier provinces.

The sum of \$25 million which will be voted by the first part of this bill will assist in bringing up the Maritime provinces to the average per capita income across Canada; it will at least bring it up closer to the average, or, in any event, will be some help in doing so.

Let me say this with respect to the industrial central provinces, that we must not forget the fact that the Atlantic provinces and some other provinces are contributing to their wealth. Almost everything we in the

Maritime provinces buy is manufactured in Quebec or Ontario, and thus we contribute to the wealth of these provinces.

The tax rental agreements probably did not go far enough. They were an attempt to equalize the share of wealth among those provinces—probably I should not call them "have-not provinces"—which have not found it possible to share to the same degree as some other provinces in the economic development of the country.

Having said that, I should like to ask one or two questions. First, on the basis of this grant to the Maritime provinces of \$25 million—made up of \$7½ million each to New Brunswick, Nova Scotia and Newfoundland, and \$2½ million to Prince Edward Island—was it the result of any formula or principle on which the Government can hang its hat, or was it just a figure that was pulled out of the air which represents an amount that might be satisfactory to the Governments of those provinces?

My second question may have been answered by the honourable senator from Toronto (Hon. Mr. Hayden). It is with respect to the second clause of the bill, which refers to the fiscal year 1958-59. Am I right in assuming that the payments will begin in the fiscal 1958-59 and continue indefinitely, or does it cover only the fiscal year 1958-59?

**Hon. Mr. Haig:** In answer to the first question asked by my honourable friend, I may say that was just the estimated amount that the Government ought to give. It is purely an estimate.

On the second question, the grant is for the fiscal year 1958-59, which starts on April 1, the date on which all the agreements start. The Prime Minister has promised that there will be a conference within the year, so before the year ends the matter can be fairly settled.

**Hon. Mr. Robertson:** My honourable friend the Leader of the Government did not answer the question as to what formula was used to arrive at the amounts being contributed to each province.

**Hon. Mr. Haig:** I understand it was by negotiation with two of the provinces—my friend's province, and one other—and perhaps all four of them. That was the amount estimated to be a fair contribution, considering the whole situation.

**Hon. Mr. Taylor (Westmorland):** May I ask the honourable leader whether the amount of \$7½ million to be paid to New Brunswick is the result of negotiation with the Government of that province, and whether that Government is satisfied with this amount?

**Hon. Mr. Haig:** I would not like to say that it is satisfied. That is the amount that was decided upon as a fair contribution to the province, to be paid each year over a period of four years.

**Hon. Mr. Taylor (Westmorland):** But it was not determined by any particular formula?

**Hon. Mr. Haig:** No; that is a straight contribution.

**Hon. Mr. Roebuck:** Honourable senators, may I ask the honourable senator from Westmorland (Hon. Mr. Taylor) if he justifies on the grounds of equalization the payments of millions of dollars every year to the provinces of Ontario, Quebec and British Columbia?

**Hon. Mr. Macdonald:** I do not think Ontario gets an equalization payment.

**Hon. Mr. Taylor (Westmorland):** As I understand it, there are no equalization payments to the provinces of Ontario and Quebec. These are payments to the Atlantic provinces to equalize their position with that of the richer provinces.

**Hon. Mr. Roebuck:** I do not think the house has followed the significance of my question. The only justification, or attempted justification, for these payments by the dominion Government to the provincial Governments, is on the basis of equalization. How can you apply that principle of equalization to the payments to the richest provinces?

**Hon. Mr. Brunt:** May I interject a word, honourable senators? I think the honourable senator should keep before him the fact that there are two parts to this bill. One part deals with the equalization payments and nothing else; that is the first section, which provides for payments to the Atlantic provinces. The second part of the bill deals with an increase from 10 per cent to 13 per cent of the province's share in the income tax collections and has nothing to do with equalization payments. That is an additional payment to all provinces.

**Hon. Mr. Euler:** An additional subsidy.

**Hon. Mr. Brunt:** There is no equalization payment in this bill for British Columbia, Manitoba or Quebec. It is only in respect of the four named provinces.

**Hon. J. W. deB. Farris:** Honourable senators, I want to say only a word. I listened with great interest to my honourable friend the Leader of the Opposition (Hon. Mr. Macdonald), and it seems to me that his thinking might be carried a little further.

We are now at about the end of the session and we are passing legislation that imposes heavy demands on the federal treasury. But

we have been doing that ever since the session began: enactment after enactment has been passed during this session, imposing a heavy drain on the federal treasury amounting to many millions of dollars. Yet I cannot recall one single piece of legislation of a constructive nature that is going to help meet the drain of this succession of attacks on the treasury. I would like to ask my honourable friend the Leader of the Government (Hon. Mr. Haig), or any honourable member of this Senate, if anybody has made a serious attempt to add up the total expenditures by which we this session are increasing the drain on the federal treasury? I spoke here last fall on this question. A lot of legislation has since been passed. At that time I pointed out that what we were doing was putting our hand into the pot of gold that had been provided by previous Governments and spreading it around.

Honourable senators, I think the time has come for the Government to tell us, either by a budget or a frank statement, how many millions of dollars the performance of this session is going to cost the country. Then, after we have been told that, I think we ought to be told how the Government is going to look after it. Will the Government's action be consistent with the promise of decreased taxes or merely a postponement of the evil day?

It seems to me honourable senators, that these are vital questions that cannot lightly be passed over, and they should not be headed off until after there is an election.

The motion was agreed to, and the bill was read the second time.

### THIRD READING

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

**Hon. Mr. Haig:** I move the third reading now.

The motion was agreed to, the bill was read the third time, and passed.

## ANNUAL VACATIONS BILL

### SECOND READING

**Hon. William R. Brunt** moved the second reading of Bill 16, to provide for annual vacations with pay for employees in federal works, undertakings and businesses.

He said: Honourable senators, at the opening of my remarks on this bill I would like to say to my good friend the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that although he did not like the principle of the Agricultural Stabilization Bill, which we passed yesterday, I feel sure

he will agree with the principle of this bill and that it will be more palatable to him.

Honourable senators, this bill is one to provide vacations with pay for employees who do federal work and are employed in federal undertakings. The legislation will benefit employees in works and undertakings connected with shipping, navigation, railways, canals, telegraphs, interprovincial pipe lines and other interprovincial activities which of course include ferries, aircraft, radio broadcasting, banks, one or two specified industries such as uranium, and certain industries that are specified in the bill. With respect to a specified industry, the best example is the Hudson Bay Mining and Smelting Company, which has a mine in operation on the border between Saskatchewan and Manitoba. That company on that operation has been specified under this bill because at times the workers are engaged underground in Manitoba and at other times they work underground in Saskatchewan. Both provincial Governments asked to have that particular industry specified under this bill.

The purpose of the bill is to provide minimum vacations with pay for the people who are engaged in these particular industries. There is no desire here to fix any maximum benefit but rather it is the purpose of the Government to fix a minimum which will enure to each employee.

Roughly, the bill provides that any person who has been employed for two years or more by the time this bill comes into force shall be entitled to two weeks' vacation with pay. The bill is retroactive. Supposing it comes in force on January 31 this year, an employee who had been with a firm for a year up to that date and then continued on for another year after the act came into force—thus having been employed for at least two years—would be entitled to two weeks' vacation with pay. Persons who have been employed for only one year shall be entitled to one week's vacation with pay. The employee who has worked two years or more will receive 4 per cent of his annual earnings as vacation pay; the person who has been employed for a period of only one year of course shall be entitled to receive half of that amount, namely, 2 per cent.

The bill contains two definitions of a year of employment. The first definition may be stated as follows: Year of employment means continuous employment of an employee by one or more employers for a period of 12 consecutive months beginning with the day the employment began or any subsequent anniversary day thereafter. For instance, if an employee goes to work on January 31,

1958, the year of employment would be up on the 31st day of January, 1959. That is one definition of a year of employment.

The second definition of a year of employment is any calendar year or any fiscal year. There are a number of firms throughout the dominion of Canada that do not operate their business on a calendar year basis but rather on a fiscal year basis, so the year may run from April 1 of one year to March 31 of the following year. But before any company can use that definition the consent of the minister must be obtained.

Once the bill becomes law it will apply to a year of employment which has begun before the commencement of the act but has been completed after the bill becomes law. In other words, once the bill becomes law, employees will be given credit for past services. It applies to the year of employment, if the employment has begun before the bill becomes law and is completed after that time. It also has application to a year of employment begun within two years prior to the passing of this bill, if the employee was continuously employed thereafter with one employer.

There are many special features, which I do not intend to go into in detail, but I should like to mention a few. For instance, if an employee is entitled to a week's holiday with pay, and a statutory holiday—such as Labour Day—falls within that period, he shall be paid for that day in addition to his week's holidays. But it must be a recognized statutory holiday for which firms usually pay wages. However, if a firm allowed its employees a holiday on Armistice Day, November 11, but without pay, an employee whose week's holiday occurs in the period covered by Armistice Day would not be entitled to the extra day's pay.

It also is provided that the employer must grant the holiday period not later than 10 months after the completion of the year's work. In other words, the holiday period cannot be delayed longer than 10 months after the end of any year. An employee can actually work a maximum of 22 months before he gets any vacation with pay.

Another provision is that if a business is transferred from one employer to another the purchaser of the business must assume all liabilities in respect of holiday pay which existed at the time of transfer. This, of course, is fair and necessary.

It is further provided that, where employment is terminated before the completion of a year of employment, the employer shall pay any vacation pay then due for a prior year of employment. For instance, if the employee had worked 14 months and had not

had any vacation with pay, he would be entitled to receive it for the prior 12 months and also for the further two-month period.

The bill does not take effect until a person has worked at least 30 days for one employer. It was the feeling of the department and the Government that an employee should be employed for 30 continuous days with one employer before he could benefit under the bill.

Some honourable senators may wonder why the Government, in this connection, has adopted a policy which is popularly known as one year, one week's vacation with pay; two years or more, two weeks' vacation with pay. It was learned that this formula is in operation in five provinces; in two provinces there is the two-week formula effective after the first year; and three provinces have no legislation relating to this particular subject.

The bill further provides that where any employee, under a collective bargaining agreement or any other labour agreement, is entitled to greater benefits with respect to vacations with pay than are provided for in the bill, such collective bargaining agreement or other labour agreement shall apply. In other words, this bill provides a minimum benefit; and if an employee has any greater benefit, it is preserved for him.

By a further clause, regulations can be made by the appropriate administration, and the drafters of the bill have taken the trouble to set out in detail nine or ten subjects on which they believe regulations will be necessary. There was also inserted a general clause under which regulations can be made with respect to any other matter which may arise; this is to make the measure flexible, so that the bill can be properly and efficiently administered.

Finally—and this, to me, is a very interesting clause—it is provided that any employer who violates the provisions of this legislation is subject to a fine with a maximum of \$500. Further, the criminal court which hears the charge may make a further order directing that any amount of vacation pay due to the employee concerned shall be paid, and if it is not paid the defaulting employer can be committed to prison.

The bill also provides that the employee shall have one year in which to lodge any complaint that he has with respect to any employer. Under the Criminal Code the time limit is six months, but it was felt that employees should have the full period of one year in which to make their complaints. I do not think I have anything further to add. I have been provided with a brief by the Department of Labour and I think I can answer most questions that honourable

senators might ask about this legislation. If the house wishes the bill to be referred to committee I am quite willing to do that, or if the house wishes to give the bill third reading, I will so move.

**Hon. Mr. Roebuck:** Would the honourable senator tell us what conference has been held between the drafters of the bill, himself, as sponsor, and the labour leaders?

**Hon. Mr. Brunt:** I made inquiries as to that, and the procedure which was adopted and followed was this. The bill was drafted and then sent to labour unions and employers, who made a study of it. Certain discussions were held between labour unions and various employers, and then, I understand, the bill came out in its final form. However, there was one important amendment made to the bill in the House of Commons yesterday, and I might call it to the attention of the Senate. This was an amendment to section 3 of the bill, which originally had only one clause. A second clause was added, which reads:

This act does not apply to employment under a collective agreement entered into after the coming into force of this act and containing provisions, approved by the minister, for the granting of an annual vacation with pay.

It is agreed by everyone that no minister would ever approve of a collective bargaining agreement that contained fewer rights for employees with respect to vacation with pay than are contained in this bill. That is why that clause was added.

**Hon. Mr. Wall:** I wish to ask a question. It is not intended to detract from the value of this legislation. To what extent does this bill give statutory validation to conditions which now exist? To what extent are vacations with pay, as foreseen in this legislation, actually being given now? Is this merely a statutory validation of existing conditions or can the honourable senator tell us what conditions with respect to holidays with pay this legislation is designed to meet? How many people will be affected?

**Hon. Mr. Brunt:** I cannot say how many people will be affected, but the purpose of the bill is to provide that every employee engaged in federal works, undertakings or businesses will be assured of a minimum annual holiday with pay. You cannot give these employees any less than the minimum, but this is not by any means to be considered as the maximum. For instance, railway employees will come under the act but they will not use it, because their benefits are greater now under a collective bargaining agreement than they would be under the act. All those rights are preserved under this bill, which does not take anything away from labour. It ensures

labour that a minimum vacation with pay will be recognized in this country for those employees engaged in federal works, undertakings and businesses.

**Hon. Mr. Wall:** I recognize the fact that this is giving legal recognition to a right, and that it will be made a statutory right, but what I want to know is this. There must be a purpose to this legislation which is being introduced at the present time. It must meet certain conditions that are considered to exist, and all I want to have established is the extent to which this legislation will meet a real need.

**Hon. Mr. Brunt:** I have been unable to find any real or pressing need for it, but I think the feeling of those interested in helping labour is to make sure that at least those employed on federal works will be assured of a minimum holiday with pay.

**Hon. A. K. Hugessen:** Honourable senators, it seems to me that this bill is a refreshing relief from the kind of bills we have been dealing with during most of this session. In view of an immediate general election they have amounted to nothing more than a hand-out to this, that or the other person.

I would like to follow up the questions raised by the honourable the junior senator from Winnipeg (Hon. Mr. Wall). Apparently the sponsor of the bill cannot say "Yes" or "No" as to whether this legislation will in fact benefit any single one of the employees concerned. Now, will the measure improve the position of any of the employees who come under the designations? I would say, on the basis of my limited knowledge, that a very large number of the employees purported to be covered by this bill are already covered by collective bargaining agreements which give them either the same or better rights than they would be given under this legislation. So the purport of the question is really this: Will this bill, in fact, benefit any single individual or is it merely eyewash?

**Hon. Arthur W. Roebuck:** I would not call it eyewash. It is a gesture, that is all, and it is a good gesture.

**Hon. Mr. Farris:** It comes at an opportune time.

**Hon. Mr. Roebuck:** Yes, a politically opportune time. The enactment is restricted, as the Constitution provides, to those industries which are under dominion control. That principle was settled by the Privy Council in 1936 in the constitutional appeals with regard to the Hours of Labour Act. The judgment clearly indicated that the dominion Government may legislate with regard to hours of labour within its own jurisdiction but not

within provincial jurisdiction. In my opinion the bill is constitutional and harmless.

The sponsor of the bill (Hon. Mr. Brunt) said that I would no doubt agree with the principle involved in it, and I do. I frequently take exception to principles involved in legislation, but I am very satisfied to approve legislation when I think the principle of it is right. It is right in this instance.

The idea of giving the labourer a certain time for recuperation is very old. The Sabbath is a very well-established institution; it is economic, and it is salutary, and, as time has gone by, we have discovered that the one day's rest in the week is not enough, that the human being requires time off in order to prepare himself for the coming year. Two weeks' holidays after two years is little enough. For my own part, that is what I have enjoyed for many years, and now I hope I can take even more time off than that.

**Hon. Mr. Macdonald:** You do not have the eight-hour day or the five-day week.

**Hon. Mr. Roebuck:** No, I don't, and I require more time off for that reason. They do say, you know, that the man most in need of a rest is he who comes home from a holiday.

Honourable senators, I approve completely the principle of the bill. The honourable senator from Inkerman (Hon. Mr. Hugessen) raised a real point about it, as did also the honourable senator from Winnipeg (Hon. Mr. Wall), when they asked how many people would be advantageously affected. I have no statistics on the matter, but I have some personal knowledge in connection with these industries under dominion control, and it is my thought that there will be very, very few benefited by this measure; it may be that nobody will benefit by it. That, however, is not a sound objection to the bill. If anyone is affected, I hope he will get the benefit, and I am ready to help him do so. I think the bill will be of little value in actual practice. As I have said, it is a gesture by a government going to the country and appearing to give something, while in fact it gives nothing, or next to nothing.

I congratulate the sponsor on his excellent explanation of the bill, and I shall vote for the measure.

The motion was agreed to, and the bill was read the second time.

#### THIRD READING POSTPONED

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

**Hon. Mr. Brunt:** I move that the bill be read the third time now.

**Hon. Mr. Roebuck:** I am not going to object, but I would like more time to consider it. We are getting a little too much of this kind of thing from this administration. Every bill which has come to this house lately has been delayed until the last moment. We are on the verge of rising, and we are asked to pass bills which are full of detail, and give them three readings in a single sitting. Perhaps representations might be made to us concerning them. I do not like it.

**Hon. Mr. Brunt:** May I say to the honourable senator that I am quite willing to have this bill referred to a committee.

**Hon. Mr. Macdonald:** The bill can be placed on the Order Paper for third reading tomorrow.

**Hon. Mr. Brunt:** The bill can be referred to a committee, discussed in committee tomorrow morning, and given third reading tomorrow afternoon.

**Hon. Mr. Roebuck:** Well, let us do that, at least. The bill ought to be referred to a committee, and there should be two or three weeks' delay between the time of the introduction of this measure here and our final passing on it. We should invite representations from the unions, and from the associations involved, if there are such, like the Civil Service, and others, and they should be given a chance to inform us. There should be sufficient delay so that anyone who objects to this bill can bring his objections to our attention. That is essential for measures of this kind, which are important in principle, at least, if not in application. However, I am not going to hold up Parliament, and I am not going to give an excuse to the Government to blame me for delaying the bill. I simply wish to voice my objection to this practice of continually bringing bills here and asking us to put them through three readings in a single sitting.

**Hon. Mr. Brunt:** Third reading tomorrow, then?

**Hon. Mr. Macdonald:** Next sitting.

**Hon. Mr. Brunt:** Next sitting.

**The Hon. the Speaker:** Third reading stands.

## NORTHWEST TERRITORIES BILL

### SECOND READING

**Hon. Mr. Aseltine** moved the second reading of bill 249, to amend the Northwest Territories Act.

He said: Honourable senators,—

**Hon. Senators:** Hear, hear.

**Hon. Mr. Aseltine:** Honourable senators, I appreciate the welcome I received the other day, as I also appreciate the applause with which you greet me at the present moment. I am very pleased indeed to be able to take part once more in the work of this chamber.

I assure honourable senators that this bill which I am sponsoring will not give them very much difficulty, and I doubt very much if the bill will need to go to a committee. Perhaps it might also receive third reading today. I say that because this legislation, I am informed, was in contemplation by the previous administration, but had not been brought down before the election.

Honourable senators, Bill 249 is an Act to Amend the Northwest Territories Act in two particulars. The Northwest Territories Act is chapter 331 of the Revised Statutes of Canada, 1952. The bill provides for two amendments, and with the consent of the Senate I shall deal first with the second amendment, which has to do with section 32 of the act. The section is not very long, and I propose to read it so that honourable senators will fully understand the change which is proposed. It deals with police magistrates in the Northwest Territories.

Subsection 1 reads as follows:

The Governor in Council may appoint one or more persons who are barristers or advocates of at least three years' standing at the bar of any of the provinces of Canada to be police magistrates in and for the Territories and may fix their salaries and allowances.

Subsection 2 says:

A police magistrate holds office during pleasure, shall reside in the Territories during his term of office and shall not, during such term, practise as a barrister or solicitor.

I may say that all the western provinces have had difficulty getting provincial magistrates, principally because in the past the salaries offered were not sufficient to attract qualified men; but even lately, since the salaries have been increased substantially, we in Saskatchewan have had difficulty getting police magistrates, and we have imported some from Nova Scotia.

**Hon. Mr. Macdonald:** You could not do better.

**Hon. Mr. Connolly (Halifax North):** An excellent choice.

**Hon. Mr. Aseltine:** The same situation applies in the Northwest Territories. Apparently they have not been able to get enough barristers and solicitors who reside in the Territories to act as police magistrates. It is therefore necessary to amend section 32 of the Northwest Territories Act by adding subsection 3 to provide for the appointment

of deputy police magistrates in the Northwest territories, and to provide that subsection 2, which I have just read, does not apply to deputy police magistrates in that area. That is to say, the deputy magistrates may live outside the Territories and carry on their practice as barristers and solicitors, and still act as police magistrates in the Territories when their services are required. Provision is made for their remuneration and so on.

**Hon. Mr. Roebuck:** Does the amendment say how long they may act as deputies and carry on a practice?

**Hon. Mr. Aseltine:** As long as they are deputies they can carry on their practice. No term is fixed by the section. Subsection 3 of section 2 reads:

The Governor in Council may appoint one or more persons who are barristers or advocates of at least three years' standing at the bar of any province to be deputy police magistrates, and may fix their remuneration and allowances . . .

**Hon. Mr. Macdonald:** What is an advocate?

**Hon. Mr. Aseltine:** "Advocate" is another name for a lawyer.

**Hon. Mr. Macdonald:** He may be a solicitor.

**Hon. Mr. Aseltine:** Yes, he would have to be a solicitor. In the province of Quebec lawyers are called advocates.

**Hon. Mr. Macdonald:** That is the French translation.

**Hon. Mr. Aseltine:** But in the other provinces they are called barristers and solicitors. In the province of Saskatchewan we make no distinction between barristers and solicitors, such as is made in the Old Country. In that province every lawyer is a barrister and solicitor, except in one or two cases where a solicitor who is not a barrister has been allowed to practise there.

**Hon. Mr. Macdonald:** It is not necessary that a police magistrate be both?

**Hon. Mr. Aseltine:** No; the section says "barristers or advocates".

That is all there is to that amendment, honourable senators.

The other amendment contained in the bill would amend the Northwest Territories Act by adding a new section 19A. Section 19 of the act deals with the Northwest Territories Revenue Account, and reads in part as follows:

(1) All territorial revenues shall be paid into the Consolidated Revenue Fund.

(2) There shall be established in the Consolidated Revenue Fund an account to be known as the Northwest Territories Revenue Account to which shall be credited

(a) amounts equal to the territorial revenues paid from time to time into the Consolidated Revenue Fund pursuant to subsection . . .

And so on.

This amendment is for the purpose of giving the commissioner, who is defined in section 3 of the act, the power to borrow money. At present municipalities and school districts in the Northwest Territories apparently have no power to borrow money for carrying on their work. This amendment would give the territorial Government, through the Commissioner of the Northwest Territories, the same right as the territorial Government of the Yukon has to borrow money for local purposes; and the commissioner has the right, with consent of the Governor in Council, to lend this money to the municipalities and school districts.

This bill is really a step toward self-government in the Northwest Territories; and no doubt other steps will be taken until such time as these territories have full self-government. As I said, some of these amendments were in contemplation prior to the election of last June, and are now being brought down by the present Government. I feel that the Senate will have no difficulty in giving them its full approval.

**Hon. Arthur W. Roebuck:** Honourable senators, I have two observations to make in connection with this bill, having had some experience in the appointing of magistrates. When I held the office of Attorney General of Ontario I changed the system very extensively in that province, and the reforms that were made at that time are still in existence. Instead of having a local magistrate living in each little town all over the province and being paid by fees, we divided the province into 17 large districts, and appointed a stipendiary magistrate for each, and then we appointed justices of the peace to take complaints and prepare charges. It was a major reform, and a very good one.

My experience has been in turning a temporary magistrate, with a small jurisdiction and paid by fees, into a stipendiary magistrate with a much wider territorial jurisdiction, and I have seen the benefit which can come from that change.

Here we are proposing to change the law so that deputy magistrates may carry on their practice. I know there is some difficulty in reaching a satisfactory solution, because at times the stipendiary magistrate because of illness or for some other reason is unable to carry on his duties and somebody must take his place. There are times when a barrister is called in and is made a temporary magistrate. That is necessary in certain circumstances, but I do not think it is necessary to allow a magistrate to be called a deputy and to be allowed to carry on a practice indefinitely.

**Hon. Mr. Aseltine:** The amendment simply says that subsection 2 of section 32 of the act does not apply to a deputy magistrate.

**Hon. Mr. Roebuck:** Yes, and that means he can carry on his practice.

**Hon. Mr. Aseltine:** He can carry on his practice if he wants to.

**Hon. Mr. Roebuck:** He can carry it on for an indefinite period.

**Hon. Mr. Aseltine:** But he could practise in Saskatchewan, for instance, and be a deputy police magistrate in the Northwest Territories.

**Hon. Mr. Roebuck:** That might not be so bad.

**Hon. Mr. Aseltine:** That is what likely would happen. The 60th parallel of latitude is the northern boundary of Manitoba, Saskatchewan and Alberta, and the Northwest Territories are immediately to the north. A barrister or a solicitor living in one of the Prairie provinces could practise in his province and still go to the Northwest Territories and help in their courts on a temporary basis.

**Hon. Mr. Roebuck:** That is all right if he is temporarily employed. But if all the deputies appointed are to be allowed to practise their profession indefinitely, I think that will be going too far. I think the statute might be a little more guarded in that regard. Supposing, for instance, we amend the paragraph at the very bottom of page 1:

... except that subsection (2) does not apply to him.

Why should we not add to that the words "while temporarily employed"?

**Hon. Mr. Aseltine:** I do not think that would work; because every barrister and solicitor has work going on all the time. If that amendment were inserted you could not get anybody to act who lived outside the Territories and had a practice of his own.

**Hon. Mr. Roebuck:** Then do you think the intention is to have men act as deputies permanently and go on practising law at the same time?

**Hon. Mr. Aseltine:** In their own provinces.

**Hon. Mr. Roebuck:** It does not say anything about any province. According to this bill he could practise anywhere.

**Hon. Mr. Aseltine:** He would probably live in the area where he is practising.

**Hon. Mr. Roebuck:** Not necessarily so. Here we are changing a law that we passed some time since, after a good deal of consideration and with some satisfaction, when we provided that the magistrates of this

territory could not carry on a private practice. That is very important. The administration of justice in these lower courts is exceedingly important. I have often said that they are our most important courts, because they deal with human beings and often very, very seriously.

I do not like this proposal, and I have some experience behind me in this matter.

The next observation that I would like to make is with regard to section 19A (1), which reads:

The Commissioner in Council may make ordinances

(a) for the borrowing of money by the commissioner for territorial, municipal or local purposes on behalf of the Territories, and

(b) for the lending of money by the Commissioner to municipalities and school districts in the Territories.

And then, subsection 2 of 19A:

(2) No money shall be borrowed by the commissioner under the authority of this section without the approval of the Governor in Council.

So, honourable senators, for the borrowing of money he must have approval, but he can lend it on his own responsibility.

**Hon. Mr. Aseltine:** Would he not have to show why he wanted the money?

**Hon. Mr. Roebuck:** I do not know about that. He has the money in his hands. He can spread it around according to his own will. There are certain revenues which this Commission gets locally and pays into the fund.

**Hon. Mr. Aseltine:** Into the Consolidated Revenue Fund.

**Hon. Mr. Roebuck:** Yes, the Consolidated Revenue Fund. All that the bill says is that when he borrows money he must have permission by Order in Council, but when he lends money—

**Hon. Mr. Macdonald:** The bill provides, that the Commissioner in Council may make ordinances—

**Hon. Mr. Roebuck:** Yes; the ordinances will be to lend the money.

**Hon. Mr. Aseltine:** They are by-laws.

**Hon. Mr. Roebuck:** They are by-laws, yes. He could not lend it unless authorized by a by-law or something of that nature. He would have to have a record of his council. I certainly do not like to see officials given such power, and these are usually civil servants.

**Hon. Mr. Aseltine:** They have a Government there.

**Hon. Mr. Roebuck:** They are all civil servants.

**Hon. Mr. Aseltine:** Some are elected and others are appointed by the federal Government. The commissioner does not have the say as to who is to get this money.

**Hon. Mr. Roebuck:** It says here, "the Commissioner".

**Hon. Mr. Macdonald:** No, it says "the Commissioner in Council".

**Hon. Mr. Roebuck:** He may make ordinances for the borrowing of money.

**Hon. Mr. Aseltine:** That means the whole Government.

**Hon. Mr. Roebuck:** But, subparagraph (b) provides "for the lending of money by the Commissioner". Why by the Commissioner? If you wish to make it read "by the Commissioner in Council" you will make it a little clearer, but even so why should the Commissioner in Council be required to get Government permission for borrowing and not have Government permission for lending?

I think if I had a choice between the two actions I would require him to get permission to lend money. When he borrows money it goes into the public treasury and there is no danger in that, but I do not like authorizing him to hand out money to school boards and municipalities on his own authority. This bill gives the council that power, at all events, and I rather think that it gives the Commissioner the power to do so.

**Hon. Mr. Aseltine:** Would you like to have this bill referred to a committee and have the minister present?

**Hon. Mr. Roebuck:** I think this bill had better be referred to committee, if we have time to do it at all.

**Hon. Mr. Macdonald:** The committee could meet next week some time.

**Hon. Mr. Aseltine:** Well, I do not know when. We might meet tomorrow.

**Hon. Mr. Macdonald:** I was hoping we were going to adjourn this afternoon until Monday night.

**Hon. Mr. Aseltine:** I do not think there is any hope of that.

The motion was agreed to, and the bill was read the second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Aseltine, the bill was referred to the Standing Committee on Banking and Commerce.

INDIAN BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill 246, to amend the Indian Act.

The bill was read the first time.

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

Hon. Mr. Haig: Next sitting.

BUSINESS OF THE SENATE

Hon. Mr. Haig: Honourable senators, I was asked by the Leader of the Opposition (Hon. Mr. Macdonald) earlier this afternoon about the adjournment. I find that there are two bills coming over from the House of Commons tomorrow, so we will have to meet tomorrow.

Hon. Mr. Macdonald: Before the house adjourns, may I ask the Leader of the Government (Hon. Mr. Haig) if, as he intimated earlier today, there will be Royal Assent tomorrow.

Hon. Mr. Haig: I hope the Royal Assent will be given tomorrow afternoon to the bills we have passed.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

Friday, January 31, 1958

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

Prayers.

### ROYAL ASSENT

#### NOTICE

**The Hon. the Speaker:** Honourable senators, I have the honour to inform you that I have received the following message from the Secretary to the Governor General:

#### GOVERNMENT HOUSE

Ottawa

January 31, 1958.

Sir:

I have the honour to inform you that the Honourable Patrick Kerwin, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 31st January, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,  
Sir,

Your obedient servant,

J. F. Delaute,  
Secretary to the Governor General.  
(Administrative).

The Honourable  
The Speaker of the Senate,  
Ottawa.

**Hon. Mr. Macdonald:** May I ask a question of the Acting Leader of the Government (Hon. Mr. Aseltine)? If the Deputy of His Excellency is coming here for any other purpose than is stated in the letter just read, shall we receive prior notice of that? Or may he be coming here this afternoon for another purpose than is stated in the letter?

**Hon. Mr. Aseltine:** Don't ask me; I don't know anything about it.

**Hon. Mr. Macdonald:** May I ask a supplementary question of the Acting Leader of the Government? Does he expect the Leader of the Government (Hon. Mr. Haig) to be in his place this afternoon and able to give me that information?

**Hon. Mr. Aseltine:** I do not know what information he will give you, but he will be here a little later on.

**Hon. Mr. Macdonald:** Thank you.

### CANADA-AUSTRALIA INCOME TAX AGREEMENT BILL

AMENDMENT CONCURRED IN BY COMMONS

**The Hon. the Speaker** informed the Senate that a message had been received from the

House of Commons returning Bill 170, intitled: "An Act to implement an agreement between Canada and Australia for the avoidance of double taxation with respect to Income Tax", and acquainting the Senate that the Commons have agreed to the amendment made by the Senate to the said bill, without amendment.

### NORTHWEST TERRITORIES BILL

#### REPORT OF COMMITTEE

**Hon. William H. Golding,** Acting Chairman of the Standing Committee on Banking and Commerce, presented the report of the committee on Bill 249.

The report was read by the Clerk as follows:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (249) intitled: "An Act to amend the Northwest Territories Act", have in obedience to the order of reference of January 30, 1958, examined the said bill, and now report the same without any amendment.

The report was adopted.

#### THIRD READING

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

**Hon. Mr. Aseltine:** I move the third reading now.

**Hon. Arthur W. Roebuck:** Honourable senators, all here will remember the remarks made in this chamber on second reading of this measure. The bill was referred to committee, and was considered at some length this morning. The Minister of Northern Affairs and National Resources, who has jurisdiction over the Northwest Territories, and Mr. MacLeod of the Department of Justice, were present, and the points I raised yesterday were discussed.

Honourable senators will remember that the bill would give the commissioner certain powers for the borrowing of money for territorial, municipal or local purposes and for the lending of money to municipalities and school districts in the Territories, and that under the bill he would require the approval of the Governor in Council for borrowing money but not for lending. I expressed the view in committee, as I did in this chamber yesterday, that he should not be empowered either to borrow or to lend money without the approval of the Governor in Council. The minister pointed out that in the past the commissioner has performed these services, and moreover that it was the desire of the present administration, as indeed it had been of the last administration, to give to the local authorities in the Territories a greater autonomy than they have enjoyed hitherto,

and, in fact, to develop them for the complete management of their own affairs. Well, that of course is quite satisfactory to me. I can foresee the time when they will be required to take over the management of their affairs, and in a democratic country that is good.

Nevertheless, I do think it should have been clearly stated that loans should not be made by the commissioner, but by the commissioner in council, and I so proposed. However, we were, I think, good natured about the matter in committee, and the bill has come back to the house without any amendment. I still hold the view that we should have cleared up beyond all pre-adventure that loans are made by the commissioner in council and not, as expressed in this bill, by the commissioner.

But the other section of the bill, section 2, I look on as being much more serious. There has been a movement among people who are informed in these matters—I am one of them—to increase the status and so on of our police courts. In the province of Ontario, when I was Attorney General, we appointed only barristers as police magistrates and we made a change requiring that they should be stipendiary magistrates, that they should not carry on any business other than that of a magistrate and thus should not be subject to outside influences. They are judges just as much as are the presiding officers on the County and Supreme Court bench. They may decide cases that are of more importance to humanity than do some of the superior courts.

The act as it now stands provides that a magistrate in the Territories shall live therein and shall be a stipendiary magistrate, not carrying on the practice of law or engaged in any other business. That is the rule now, and it is a good rule.

Of course, there must be this qualification, that at times it is necessary that a magistrate be replaced by a temporary substitute. In the Northwest Territories it is imperative on certain occasions that the administration be able to send the magistrate to some remote town, or possibly out into the wilds on a particular job; and should the present one magistrate fall ill or for any other reason be unable to carry on his duties, it is essential that a substitute be appointed to take his place. But these would be temporary appointments.

I have no desire to prevent the administration from appointing a temporary magistrate who is a practising solicitor and allowing him to carry on his business. We do that in the province of Ontario; it is satisfactory so long as it is temporary. But this bill seeks to provide that deputy police magistrates may be appointed and that the provisions of

the act as it now stands requiring residence within the Territories and prohibiting the carrying on of a law practice shall not apply to these deputies. I do not like that, because it is obvious that as population increases in that territory the one magistrate who is now sitting will, in the very nature of things, have a deputy. That deputy may be and likely will be a permanent appointee. At some time in the future he certainly will be. The bill opens the way for the appointment in the Territories of a permanent deputy magistrate who is at the same time a practising solicitor.

I do not look upon my protest in connection with this measure as entirely futile or unfruitful, because it is my impression that, as a result of what has been said, the administration will be much more stringent than the act, and if a deputy magistrate is appointed by the department it will likely be required that during his term of office he shall not carry on his profession as a solicitor. I hope so; but if that is the result it will be due to the good sense of those in the department rather than to our care in the passing of this bill. The bill permits appointments without that requirement, and it is just too bad for us to pass it.

**Hon. Mr. Farris:** Will you propose an amendment?

**Hon. Mr. Roebuck:** No, because someone moved in committee that the bill be adopted as it stands, and the motion was agreed to. I suggested that it be amended. I, however, pointed out that the amendment should be drawn with a good deal of care, because I had no desire to interfere in the matter of residence. I was unconcerned whether an appointee resided in or outside the Territories; I was interested only to prevent the appointment of a permanent deputy magistrate or a magistrate who during his tenure of office would be allowed to practise as a lawyer. During the discussion of the form of amendment, somebody moved that we approve the section as it stands. That seemed to be the will of the committee, and approval was given. That, however, does not prevent me from expressing, as is my right, my opinion when we are on third reading. I intend to vote against this measure so that it shall be on record that, I, at least, disagree with the giving of this power to the administration. At the same time I express the hope that if the bill is carried the actual administration will be better than the act.

**The Hon. the Speaker:** Honourable senators, the question is on the motion of the Honourable Senator Aseltine, seconded by the

Honourable Senator White, for the third reading of the bill. Is it your pleasure to adopt the motion?

**Some Hon. Senators:** Carried.

**Hon. Mr. Roebuck:** On division.

The motion was agreed to, and the bill was read the third time, and passed, on division.

## ANNUAL VACATIONS BILL

### THIRD READING

**Hon. William R. Brunt** moved the third reading of Bill 16, to provide for annual vacations with pay for employees in federal works, undertakings and businesses.

He said: Honourable senators, I do not propose making a speech at this time, but yesterday the honourable the junior senator from Winnipeg (Hon. Mr. Wall) asked me a question which I was unable to answer at the time. I now have the information. The honourable gentleman asked if I could give him any idea of the number of employees who would benefit under this bill. I have ascertained that between 4,000 and 5,000 employees will benefit immediately, and approximately 150,000 additional employees will eventually benefit. The benefit arises in this way. These employees are now working under a collective bargaining agreement which provides that they must be employed for a period of three years before they become entitled to two weeks' vacation with pay. Under this bill these same employees will be entitled to two weeks' vacation with pay upon the completion of two years' employment.

**Hon. Mr. Roebuck:** How many does the honourable senator say are subject to being employed for three years before getting two weeks' vacation with pay?

**Hon. Mr. Brunt:** The answer is 150,000, of whom 90 per cent are employed by the railways.

**Hon. Mr. Roebuck:** That seems to be an extraordinarily large figure. I wonder if I have understood the sponsor aright. Do I understand him to say there are now 150,000 employees who come under a collective bargaining agreement that requires them to be employed for a period of three years before they become entitled to two weeks' vacation with pay, and who will benefit under this legislation to the extent they will have to be employed only two years before becoming entitled to the vacation?

**Hon. Mr. Brunt:** Yes, the figure is 150,000, and I have no hesitation in disclosing the source of my information. It was furnished to me this morning by the Department of

Labour. I have been told that 150,000 employees will eventually benefit upon the passing of this bill.

**Hon. Mr. Roebuck:** You said immediately.

**Hon. Mr. Brunt:** I am sorry. I said that 4,000 to 5,000 employees will benefit immediately and that 150,000 employees will benefit eventually.

**The Hon. the Speaker:** What is the first figure the honourable senator from Hanover (Hon. Mr. Brunt) gave?

**Hon. Mr. Brunt:** Between 4,000 and 5,000 sir.

**Hon. Mr. Roebuck:** Four to five thousand people will what? It is a little difficult to understand.

**Hon. Mr. Brunt:** Four to five thousand persons will benefit immediately, and 150,000 will eventually benefit.

The motion was agreed to, and the bill was read the third time, and passed.

## INDIAN BILL

### SECOND READING

**Hon. W. M. Aseltine** moved the second reading of Bill 246, to amend the Indian Act.

He said: Honourable senators, I move the second reading of this bill, which has been brought down for the purpose of amending section 12 of the Indian Act. All parties in the other house unanimously approved the bill, and I feel sure it will receive the same consideration in this chamber.

Before dealing with the amendment I should perhaps give a brief history in connection with this legislation. Between 1871 and 1910 certain treaties were made with Canadian Indians who then owned practically all the land in the Prairie provinces. Under these treaties the Indians surrendered their lands and in return they were given certain reservations and annual payments, which later became known as "treaty money". At the time those treaties were being negotiated, persons of mixed blood, commonly known as half-breeds, also claimed an interest in these lands which were being taken from the Indians. The half-breeds were given a choice between becoming treaty Indians or receiving an allotment of Crown lands or money scrip. A person who took half-breed lands or money scrip relinquished on behalf of himself and his descendants any right to be recognized as a treaty Indian. As a result, many recipients of half-breed lands and money scrip never settled on the lands as intended. They sold, gave away, or in some manner or other disposed of their rights in the lands or transferred their scrip, and later found themselves in dire poverty and

unable to provide for themselves in a white community. Consequently, they drifted back to Indian reserves, where they were allowed to remain, although not legally entitled to do so, and over the years they and their families came to be recognized as treaty Indians.

Section 5 of the Indian Act provides for an Indian register, consisting of band lists and general lists, in which shall be recorded the name of every person who is entitled to be registered as a Indian. The section is short, and I will read it:

An Indian register shall be maintained in the department, which shall consist of band lists and general lists and in which shall be recorded the name of every person who is entitled to be registered an Indian.

Section 7 of the act provides that the registrar may at any time delete from a band list or a general list, which together make up the Indian register, the name of any person who is not entitled to have his name included in that list. Subsection 1 of section 7 reads as follows:

The registrar may at any time add to or delete from a band list or a general list the name of any person who, in accordance with the provisions of this act, is entitled or not entitled, as the case may be, to have his name included in that list.

Subsection 2 provides:

The Indian register shall indicate the date on which each name was added thereto or deleted therefrom.

Section 12 sets out certain classes of persons not entitled to be registered as Indians, and includes a person who has received or has been allotted half-breed lands or money scrip, and his descendants. Subsection 1 reads:

The following persons are not entitled to be registered, namely, a

- (a) a person who
  - (i) has received or has been allotted half-breed lands or money scrip,
  - (ii) is a descendant of a person described in subparagraph (i).

Section 12 contains other provisions, but these are the important ones pertaining to this bill.

Honourable senators, the purpose of the proposed legislation is to revoke the authority which the Registrar of Indians has under section 7 of the Indian Act to delete the name of a person from the Indian register, on the ground that he received half-breed lands or money scrip or is a descendant of such a recipient, and thereby deprive that person of his Indian status.

Section 8 of the act, provides as follows:

Upon the coming into force of this Act, the band lists then in existence in the department shall constitute the Indian register, and the applicable lists shall be posted in a conspicuous place in the superintendent's office that serves the band or

persons to whom the list relates and in all other places where band notices are ordinarily displayed.

Section 9 of the act provides for a period of protest, six months in extent, during which time the council of the band or other members may protest the inclusion or omission of any name. This section also provides that the registrar shall investigate such protests and render a decision, which is subject to appeal for three months to a county court judge. Honourable senators will remember the dispute which arose about a year ago among the Hobbema Indians and which went before the courts.

Arising out of the original posting of membership lists in 1951, there were 409 protests against inclusions and 220 against omissions. These were investigated by the registrar and decisions were rendered. In 100 cases requests were made to have the registrar's decision referred to a judge for review. This was done in each case, and the final result of the protests and appeals was that 2,245 individuals were found to be entitled to be registered, and 21 individuals were not entitled to be registered. Of the latter group, 12 were found not entitled to be registered on account of non-Indian paternity, and 9 because they descended from persons who had received scrip.

Now I come to the bill itself, which is very simple. Section 12 of the act provides in subparagraphs (i) and (ii) of paragraph (a) that persons who have received or have been allotted half-breed lands or money scrip, and their descendants, are not entitled to be registered as Indians. The purpose of the amendment proposed in the bill is to make this provision inapplicable to persons who are now registered and to their descendants. I hope the amendment will meet with the approval of this chamber.

**Hon. Mr. Roebuck:** May I ask the sponsor of the bill if there are any persons not registered under the act, but who desire to be registered, and will not therefore benefit by the bill? Are there any persons who have the same right to be registered as those who are registered? Does the bill go far enough?

**Hon. Mr. Aseltine:** This only goes so far as to certify to the list as it stands at the present time. If there are any persons not on the list I cannot see how they can get on, because they had three months in which to make their appeal.

**Hon. Mr. Roebuck:** Yes, they had three months in which to make their appeal. Were there any who appealed but were not put on the list?

**Hon. Mr. Aseltine:** Only 100 appealed. It was found that 2,245 were entitled to be registered, and they were.

**Hon. Mr. Roebuck:** This bill satisfies the representatives who would speak on behalf of the Indians, does it?

**Hon. Mr. Aseltine:** Every one who is entitled to be on the register is now on.

**Hon. Mr. Golding:** May I ask the honourable senator a question? Was the legislation that he is now seeking to amend brought into effect as the result of an inquiry made by a committee which spent a lot of time inquiring into the Indian situation some years ago?

**Hon. Mr. Aseltine:** I do not think so. These amendments were brought in as the result of the court proceedings which took place on appeal by the 100 persons who said they were entitled to be on the list but were left off.

**Hon. Mr. Golding:** It will be recalled that that committee sat and carried on its investigation over a lengthy period. It made certain recommendations that are now being changed.

**Hon. Mr. Aseltine:** I do not think that is the only reason why this bill is presented. It was not put forward until after certain appeals were taken. Whether the decision to introduce the bill was made as a result of the judgment which was delivered by the court that heard the cases, I am not sure.

The motion was agreed to, and the bill was read the second time.

#### THIRD READING POSTPONED

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

**Hon. Mr. Aseltine:** I move this bill be read the third time now.

**Hon. Mr. Macdonald:** Is there any urgency requiring the third reading of this bill now? Why can it not be allowed to stand until the next sitting?

**Hon. Mr. Aseltine:** I thought it was such a simple measure that there would be no objection to giving it third reading now. There will be a Royal Assent at 5.45, and I can see no reason why this bill should be put over for another sitting.

**Hon. Mr. Macdonald:** There will more than likely be another Royal Assent to bills shortly. A number of questions were asked here this afternoon about the bill, and I think it should go to a committee. I do not insist on that, but I feel the bill is of sufficient importance that we should have an opportunity to read the remarks of the honourable senator who explained it. It is quite an involved measure, and unless there is some very good reason why it should be given third reading at this time I suggest that it be allowed to stand until the next sitting.

**Hon. Mr. Aseltine:** I did not say the bill was involved; I said it was quite simple. It is really intended to bring into effect the judgment of the court which decided that these Indians were entitled to be on the register. That is all it amounts to, and I can see no reason why we should go into the whole Indian Act to see what other amendments should be made. This bill provides one simple amendment.

**Hon. Mr. Macdonald:** I do not think the bill should get third reading today. No reason for urgency has been shown. I feel very strongly that third reading should stand until we have had an opportunity to read today's *Hansard*, and then, on Monday night or whenever the Senate sits again, the bill could be given third reading.

**The Hon. the Speaker:** Honourable senators, it has been moved by the Honourable Senator Aseltine, seconded by the Honourable Senator Horner, that this bill be now read the third time. Is it your pleasure to adopt the motion?

**Hon. Mr. Farris:** With deference, I submit that the bill cannot be read a third time now that an honourable senator has objected.

**Hon. Mr. Roebuck:** That rule has been suspended.

**Hon. Mr. Farris:** I did not know that.

**Hon. Mr. Vien:** Honourable senators, on a point of order: Under the rules of the house the bill cannot receive second and third readings on the same day, except with unanimous consent. I am quite sure there would be unanimous consent if it were shown that there is urgent need for passage of the bill today. If the Senate is going to sit on Monday and Tuesday of next week there is no reason why the third reading could not stand until that time; but if there is an important reason why we shall not sit on Monday and Tuesday we might agree to the third reading today.

**Hon. Mr. Horner:** Honourable senators, may I add a few words?

**Hon. Mr. Vien:** If the honourable senator from Blaine Lake (Hon. Mr. Horner) will yield for one moment, I may say that the Clerk of the Senate has just advised me that the rule governing notice for the third reading of public bills has been suspended. That being so, my remarks are unfounded.

But even though the rule has been suspended, there remains the question whether there is any urgent reason why this bill should be given the third reading now. I agree with the honourable Leader of the Opposition (Hon. Mr. Macdonald) that if there is no substantial reason for urgency we should have an opportunity to read what has

been said on the motion for second reading of the bill. We should be allowed a day or two.

**Hon. Mr. Horner:** Honourable senators, I live within a few miles of two Indian reservations, and I can go a little further in commenting on the effect of the provisions of the bill than did the honourable senator who explained it.

Many Indians who never considered themselves of pure descent were faced with the threat of banishment from their reserve. Some of the reserves have become quite valuable property, by reason of the discovery of oil, and the threat of banishment of these Indians caused considerable difficulty. They appealed to the court for assistance, because there was considerable ill feeling on the reserve.

As has already been said, this bill could be referred to a committee, but we would not get any more information there than we now have. It is a simple and straightforward bill to implement the direction of the court that those Indians who are recognized and are in the band shall not be removed from the register.

I think this is one of the simplest bills that have come before the Senate in my time. It satisfies the Indians, and one can see that there is some urgency attached to it. There is drilling for oil on some reserves, and passage of the bill would prevent quarrelling among the Indians. I fail to understand what necessity there is for holding the third reading of this bill over for another day.

**Hon. Mr. Farris:** Honourable senators, I am beginning to think there must be a necessity. I have been in this house almost as long as has my honourable friend who has just spoken, and I do not recall any occasion, whether the rules had been suspended or not, when the ordinary rule of allowing at least one day to intervene between the second and the third readings of a bill was not followed, except when there was some vital reason for it.

**Hon. Mr. Aseltine:** I have no objection to the order for third reading going over to the next sitting.

**The Hon. the Speaker:** Third reading stands.

## EDUCATION

### APPOINTMENT OF ROYAL COMMISSION BY ALBERTA GOVERNMENT

On the order for resuming the adjourned debate on the inquiry of Honourable Mr. Cameron drawing the attention of the Senate to

—the necessity for Canada to mobilize and expand the educational resources of the nation

with a view to maintaining and strengthening her position as a member of the world community.

**Hon. W. Ross Macdonald:** Honourable senators, the order which has just been called has been standing on our Order Paper for a number of days, and, as it may not be proceeded with further this session, may I be permitted to refer to a relevant matter of much importance?

I was very pleased to read in the press that a six-member Royal Commission, headed by the Honourable Senator Donald Cameron, has been appointed by the Government of Alberta to study elementary and secondary education in that province. When the honourable senator's inquiry on education was initiated in the Senate it was received with mixed feelings. Some honourable members thought the matter should not be discussed here, while others felt strongly that it should. It was discussed, and we had some excellent speeches on it.

I regard it as a compliment to not only Senator Cameron, but to this house, that he has been chosen by the Province of Alberta to head this important Royal Commission. The other members of the commission are: Mrs. Wilma Hansen, of Calgary, past president of the Alberta Federation of Home and School Associations; Mrs. W. C. Taylor, of Wainwright, Alberta, past president of the Farm Women's Union of Alberta; Professor G. L. Mowat, of the University of Alberta; Norman W. Douglas of Calgary, and John S. Cormack, an Edmonton lawyer. I mention these names so that the house will realize the importance which the province of Alberta attaches to this problem of education.

The specific matters which the commission will study are:

- (1) The curricular program of the several school levels.
- (2) The attainment of school pupils and the procedure governing their classification and promotion.
- (3) The extent to which various special services are desirable and necessary and the nature of those services which should be adopted as integral parts of the educational system of the province.
- (4) Types of school organization.
- (5) Physical facilities.
- (6) The quality and supply of teachers.
- (7) Relationship of the education system to the requirements of industry and the modern community.
- (8) The economics of education.

Honourable senators will recall that many of the subjects which the commission will study were discussed in this house.

I bring the appointment of this commission to the notice of the house because, as I have said, I feel that it is a compliment to not only one of our senators but also to the Senate.

**Hon. Senators:** Hear, hear.

**ADJOURNMENT**

**Hon. John T. Haig:** Honourable senators, I move that when the house adjourns today it stand adjourned until tomorrow, Saturday, February 1, at 3 p.m.

The motion was agreed to.

**BUSINESS OF THE SENATE**

**Hon. Mr. Macdonald:** May I ask the Leader of the Government if there will be any business tomorrow other than the third reading of the Indian Act?

**Hon. Mr. Haig:** I do not know. Some supply measures may come over tomorrow and I want to be here to take care of them if they do come. The House of Commons is on supply now. What progress it will make I do not know, but some supply bills may come over and if so I would like to get them considered then.

The Senate adjourned during pleasure.

**ROYAL ASSENT**

The Honourable Patrick Kerwin, P.C., Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the

House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following bills:

An act for the relief of Ernest Frank Cross.

An act for the relief of Gordon Frank Skilling.

An act to authorize a loan to the government of New Brunswick in respect of the Beechwood power project.

An Act to provide assistance in respect of electric power development in the Atlantic provinces.

An act to provide for the stabilization of the prices of agricultural commodities.

An act respecting the boundary between the province of Alberta and the Northwest Territories.

An act to amend the Criminal Code.

An act to amend the Federal-Provincial Tax-Sharing Arrangements Act.

An act to implement an agreement between Canada and Australia for the avoidance of double taxation with respect to income tax.

An act to amend the Northwest Territories Act.

An act to provide for annual vacations with pay for employees in federal works, undertakings and businesses.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Governor General was pleased to retire.

The Senate adjourned until tomorrow at 3 p.m.

## THE SENATE

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Saturday, February 1, 1958

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

Prayers.

### INDIAN BILL

#### THIRD READING

**Hon. W. M. Aseltine** moved the third reading of Bill 246, to amend the Indian Act.

**Hon. W. Ross Macdonald:** Honourable senators, I have now had an opportunity of reading the remarks of the honourable senator who explained the bill (Hon. Mr. Aseltine) and also those of the honourable senator from Blaine Lake (Hon. Mr. Horner). I think the legislation is very desirable. I am in complete accord with it and intend to support it.

The motion was agreed to, and the bill was read the third time, and passed.

### BUSINESS OF THE SENATE

**Hon. Mr. Haig:** Honourable senators, I move the adjournment of the house.

**Hon. Mr. Macdonald:** Before the house adjourns, may I ask the honourable Leader of the Government (Hon. Mr. Haig) if he proposes that we adjourn until Monday, in accordance with the rules?

**Hon. Mr. Haig:** Monday at 3 p.m.

**Hon. Mr. Macdonald:** Is there any reason why this house should meet on Monday? There is no business on our Order Paper. The House of Commons is considering estimates, and I cannot conceive of any way in which further legislation, other than for supply, could come to us from the other place. I wonder if the Leader of the Government could take us into his confidence and tell us whether he thinks we shall have business to conduct on Monday.

**Hon. Mr. Haig:** I would think about the 14th of June.

There may be a Supplementary supply bill coming that has not been passed yet by the Commons, but whether it will be put through or not I do not know.

**Hon. Mr. Macdonald:** What about the 14th of June?

**Hon. Mr. Haig:** That is what I said, the 14th of June.

**Hon. Mr. Macdonald:** I do not understand what is meant by the 14th of June.

**Hon. Mr. Haig:** You asked me when the house will sit again and I said probably the 14th of June.

**Hon. John J. Connolly:** What day of the week is that?

The Senate adjourned until Monday, February 3, at 3 p.m.

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The Twenty-Third Parliament was dissolved by Proclamation of His Excellency the Governor General this day, February 1, 1958.

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# INDEX

## Abbreviations

1r, 2r, 3r,	= First, second, third reading
Amdts	= Amendments
Com	= Committee
Div	= Division
M	= Motion
Ref	= Referred
Rep	= Report
r.a.	= Royal Assent

- Address in reply to Speech from the Throne**  
at opening of session  
Motion for, 4; adopted, 376  
Speakers: Hon. Senators White (mover), 19-24; Méthot (seconder), 24-26; Burchill, 200-2; Crerar, 243-7; Croll, 330-5; Davies, 63-69; Emerson, 171-3; Euler, 239-43; Farris, 207-18; Gershaw, 59-61; Gouin, 256-8; Haig, 45-49; Horner, 251-6; Hugessen, 305-6; Inman, 247-9; Macdonald, 32-37; McDonald, 81-85; Monette, 367-76; Pouliot, 259-64, 267-72; Pratt, 137-41; Reid, 133-7; Robertson, 164-8; Roebuck, 302-5, 306-7; Smith (Queens-Shelburne), 218-22; Sullivan, 273-81; Vaillancourt, 173-7; Wall, 146-53
- Agricultural Stabilization bill.** 1r, 513; 2r, 513-25; ref to com, 525-6; rep of com, 540; 3r, 540-7; authority to print com proceedings, 549, r.a., 578
- Agriculture**  
Alberta, irrigation of wastelands, 59  
Apple production, bonuses suggested, 84  
Market, 84  
Farming  
Income, 46-47, 82, 513, 515  
Management, education in, 83, 85  
Maritimes  
Drainage, erosion, soil improvement, 84, 85  
Livestock production, 83, 84  
Marketing, transportation problems, 82-85  
New Brunswick, farm lands, decrease in, 201  
Potatoes, 248, 291, 516, 540  
Prices in Maritimes, 291, 540  
Mechanization of western farms, 514  
Prices, stabilization of, 3-4, 513-26, 540-7  
Rural credits, 85  
See Grain
- Alaska-Yukon Pipelines Ltd. bill.** 1r, 131; 2r, 177-8; ref to com, 178; rep of com, 237; amdts concurred in-3r, 265; Commons amdts concurred in, 391; r.a., 459
- Alberta**  
Medicine Hat, motor traffic, fatal accident record, 61  
Mineral wealth, oil, coal, gas, sulphur, 59-60  
Northwest Nitro Chemical Company Limited, 60  
Oil rentals, 187  
Royal Commission on Education, 577  
Wastelands, irrigation of, 59
- Alberta-Northwest Territories Boundary bill.** 1r, 58; 2r, 86-87; 3r, 124; r.a., 578
- Annual Vacations bill.** 1r, 551; 2r, 564-7; 3r, 567-8 (postponed), 574; r.a., 578
- Annulment bill**—See p. 608
- Appropriation bills**  
No. 6. (1957) 1r, 13; 2r, 13-18; 3r, 30-32; r.a., 57  
No. 7. (1957) 1r, 346; 2r, 346-50; 3r, 350; r.a., 357  
No. 1. (1958) 1r, 460; 2r, 460-3; 3r, 463-7; r.a., 470
- Aseltine, Hon. W. M.,** Deputy Leader of the Government in the Senate  
Address to Her Majesty, motion for, 4  
Agricultural Stabilization bill, 518, 522, 523, 544  
Appropriation bill No. 6 (1957), 17  
Atlantic Provinces Power Development bill, 508  
Banking and Commerce committee, membership, 106

- Aseltine, Hon. W. M.**, Deputy Leader of the Government in the Senate—*Concluded*
- Canada-Australia Income Tax Agreement bill, 556
- Canadian Broadcasting Corporation, estimates, 17
- Committee of Selection, reports, 6-8, 9, 11-12, 26, 28-29
- Divorce, report of Committee of Selection, 6, 7, 8
- Estimates, interim supply, 17
- Felicitations on return to Senate Chamber, 507
- Indian bill, 574-5, 576, 577
- Historical sketch of legislation, 574
- Indian Register, 575
- Internal Economy Committee, report, 108
- Investors Trust Company bill, 58, 128-9
- Pension plan, 128
- Library of Parliament, Joint Committee, Senate members, 29
- Northwest Territories bill, 568-9, 570, 571, 572
- Commissioner, power to borrow and lend, 569
- Deputy police magistrates, 568-9, 570
- Prairie Grain Advance Payments bill, 94-96, 97-99, 100, 102, 103, 104, 105, 111, 114, 117, 119, 121-2, 123
- Advances
- Estimated amount of, 97-98
- Interest free, 98
- Canadian Wheat Board, 95-96, 97-98
- Oats and barley, 1957 crop and carry-over, 114
- Prairie Grain Interim Financing Act, 99
- "Specified acre" category, 96-97, 98, 121
- Wheat (and other grains)
- Marketing problems, 95-96
- Prices, 98, 100, 121
- Storage, 100
- Surplus, 95, 97, 121
- Printing of Parliament, Joint Committee, Senate members, 28
- Railways bill (*pro forma*), 4
- Restaurant of Parliament, Joint Committee, Senate members, 29
- Rio de Janeiro Tramway, Light and Power Company, Limited, bill, 73
- Senate
- Committee of the Whole, 119
- Internal Economy Committee report, 114, 145
- Char staff, salaries, 145
- Rules, 119, 120
- Atlantic provinces**
- Coal subventions, 221, 494-9, 503, 506
- Economic conditions, 500-1
- Economic Council, 83, 228
- Eminent men, natives of, 202
- Marketing difficulties in lumber, pulpwood and fishing industries, 201-2, 211
- Atlantic provinces—Concluded**
- New Brunswick
- Beechwood power project, 4, 23, 172-3, 212, 219, 474-87, 490-2
- Chignecto canal project, 173
- Farm lands, statistics, 201
- Forestry products—pulpwood, pit-props—decreased market for, 201-2
- Saint John harbour, improvements needed, 173
- Universities, 388-9
- Newfoundland
- Codfish exports to Jamaica, 76-77, 163-4
- Hydro power potential, 508
- Port aux Basques, 508
- Tariffs, 324
- Nova Scotia
- Apple production and markets, 84
- Economic conditions, 82-83, 226-9
- Electric power, inquiry, 237; answer, 266
- Halifax, industrial development, 83, 84, 226-7
- Trading position, 502
- Prince Edward Island
- Fisheries, unemployment from loss of markets, 248
- Potatoes, importance to Island economy, 248; growers need financial aid, 248
- Resources, development of, 249
- Tourism, transportation problems, 249
- Atlantic Provinces Power Development bill.**
- 1r, 494; 2r, 494-506; ref to com, 506; rep of com, 508; 3r, 508-11; r.a., 578
- Australia—See Canada-Australia Income Tax Agreement bill**
- Baird, Hon. A. B.**
- Atlantic Provinces Power Development bill, 508
- Newfoundland
- Hydro power potential, 508
- Port aux Basques, 508
- Rio de Janeiro Tramway, Light and Power Company, Limited, bill, 72
- Banking and Commerce Committee**
- Members, 11, 106; quorum, 30
- Reports, 131-2, 195-6, 196, 197, 234-7, 407, 490, 540, 549, 572
- Authority to print proceedings, 549
- Barbour, Hon. George H.**
- Agricultural Stabilization bill, 515, 516, 540
- Atlantic Provinces Power Development bill, 496
- Beechwood Power Project bill, 486
- Potato prices in Maritimes, 291 (inquiry), 516, 540
- Parity prices, 291, 516
- Wheat production costs, 256

- Beechwood Power Project bill.** 1r, 474; 2r, 474-84; motion for 3r, 485; negatived, 487; ref to com, 485-7; *See* 488; rep of com, 490; 3r, 490-2; r.a., 578
- Bell Telephone Company of Canada bill.** 1r, 19; 2r, 49-53; ref to com, 53; rep of com, 62; 3r, 77-81, 106-7, 124-8; r.a., 356
- Bill, Annulment—***See* p. 608
- Bills, Divorce—***See* pp. 608-11
- Bills, Private**
- Alaska-Yukon Pipelines, Ltd. 1r, 131; 2r, 177-8; ref to com, 178; rep of com, 237; amdts concurred in-3r, 265; Commons amdts concurred in, 391; r.a., 459
- Bell Telephone Company of Canada. 1r, 19; 2r, 49-53; ref to com, 53; rep of com, 62; 3r, 77-81, 106-7, 124-8; r.a., 356
- Brazilian Hydro Electric Company, Limited. 1r, 45; 2r-ref to com, 74; rep of com, 132; 3r, 146; r.a., 356
- Brazilian Traction, Light and Power Company, Limited. 1r, 45; 2r-ref to com, 74; rep of com, 132; 3r, 146; r.a., 356
- British Columbia Telephone Company. 1r, 19; 2r, 53-57; ref to com, 57; rep of com, 62; 3r, 77; r.a., 356
- Investors Trust Company. 1r, 58; 2r, 128-9; ref to com, 129; rep of com-3r, 132; r.a., 356
- Mexico Tramways Company. 1r, 76; 2r, 129-30; ref to com, 130; rep of com, 198; 3r, 206; r.a., 356
- Ottawa and New York Railway Company. 1r, 44; 2r-ref to com, 70; rep of com, 132-3; 3r, 146; r.a., 459
- Rio de Janeiro Tramway, Light and Power Company, Limited. 1r, 44; 2r, 70-73; ref to com, 73; rep of com, 131; 3r, 146; r.a., 356
- St. Mary's River Bridge Company. 1r, 223; 2r-ref to com, 264; rep of com, 289-90; 3r, 290; r.a., 459
- Sao Paulo Electric Company, Limited. 1r, 45; 2r, 73; ref to com, 74; rep of com, 131; 3r, 146; r.a., 356
- Bills, Public**
- Agricultural Stabilization. 1r, 513; 2r, 513-25; ref to com, 525-6; rep of com, 540; 3r, 540-7; authority to print com proceedings, 549; r.a., 578
- Alberta-Northwest Territories Boundary. 1r, 58; 2r, 86-87; 3r, 124; r.a., 578
- Annual Vacations. 1r, 551; 2r, 564-7; 3r, 567-8, 574; r.a., 578
- Appropriation No. 6 (1957). 1r, 13; 2r, 13-18; 3r, 30-32; r.a., 57
- Bills, Public—Continued**
- Appropriation No. 7 (1957). 1r, 346; 2r, 346-50; 3r, 350; r.a., 357
- Appropriation No. 1 (1958). 1r, 460; 2r, 460-3; 3r, 463-7; r.a., 470
- Atlantic Provinces Power Development. 1r, 494; 2r, 494-506; ref to com, 506; rep of com, 508; 3r, 508-11; r.a., 578
- Beechwood Power Project. 1r, 474; 2r, 474-84; motion for 3r, 485; negatived, 487; ref to com, 485-7 (*see* 488); rep of com, 490; 3r, 490-2; r.a., 578
- Blind Persons. 1r, 131; 2r, 169-70, 186-7; ref to com, 187; rep of com-3r, 197; r.a., 265
- Buffalo and Fort Erie Public Bridge Company. 1r, 266; 2r, 291-3, 298-300; 3r, 293; r.a., 459
- Canada-Australia Income Tax Agreement. 1r, 540; 2r, 552-6; amdt concurred in, 556; 3r, 557; amdt concurred in by Commons, 572; r.a., 578
- Canadian and British Insurance Companies bill. 1r, 391; 2r, 391-404; ref to com, 404; rep of com-3r, 407; r.a., 459
- Canadian National Railway Company (Construction and purchase of railway lines in Manitoba). 1r, 440; 2r, 440-2; ref to com, 442-3; rep of com-3r, 453; r.a., 459
- Canadian Vessel Construction Assistance. 1r, 58; 2r, 85-86, 153-61, 164; ref to com, 161; rep of com, 195-6; 3r, 196; r.a., 459
- Criminal Code. 1r-2r-3r, 551; r.a., 578
- Disabled Persons. 1r, 131; 2r, 170, 187; ref to com, 187; rep of com-3r, 198; r.a., 265
- Excise Tax. 1r, 404; 2r, 404-5; 3r, 408; r.a., 459
- Export Credits Insurance. 1r, 417; 2r, 422-6; 3r, 448, 449-50; r.a., 459
- Federal-Provincial Tax-Sharing Arrangements. 1r, 551; 2r, 557-64; 3r, 564; r.a., 578
- Hamilton Harbour Commissioners. 1r, 443; 2r, 443-7; ref to com, 447; rep of com-3r, 453; r.a., 459
- Income Tax. 1r, 405; 2r, 405, 408-12; 3r, 418-22; r.a., 459
- Indian. 1r, 571; 2r, 574-6; 3r postponed, 576-7; 3r, 579
- National Housing. 1r, 428; 2r, 428-39; 3r, 439-40; r.a., 459
- Northwest Territories. 1r, 551-2; 2r, 568-71; ref to com, 571; rep of com-3r, 572-4; r.a., 578
- Old Age Assistance. 1r, 131; 2r, 169, 179-86; ref to com, 186; rep of com, 196-7; 3r, 197; r.a., 265
- Old Age Security. 1r, 108; 2r, 142-4; 3r, 144; r.a., 162
- Pension. 1r, 453; 2r, 453-5; consid. in com, 455-8; 3r, 458; r.a., 459

**Bills, Public—Concluded**

- Prairie Grain Advance Payments. 1r, 94; 2r, 94-105, 108-22; ref to com, 122-4, 130; rep of com-3r, 132; authority to print proceedings, 132; r.a., 162
- Railways (*pro forma*). 1r, 3
- Territorial Lands. 1r, 58; 2r, 87-88; ref to com, 88; authority to print proceedings, 250
- Unemployment Assistance. 1r, 451; 2r, 451-3; 3r, 453; r.a., 459
- Unemployment Insurance. 1r, 284; 2r, 284-7; 3r, 287-9; r.a., 297
- War Veterans Allowance. 1r, 163; 2r, 187-94, 203; ref to com, 203, rep of com, 234-7; 3r, 237; r.a., 265

**Blais, Hon. Aristide**

- Education, 412-14
- Crerar, Hon. T. A., speech on, 414
- Teaching profession, qualifications, 414
- University of Alberta, 413
- Broadus, Dr. Edmund K., author of *Story of English Literature*, 413; Dr. Edouard Sonet, Professor of French Language and Literature, 413

**Blind Persons Bill.** 1r, 131; 2r, 169-70, 186-7; ref to com, 187; rep of com-3r, 197; r.a., 265

**Bouffard, Hon. Paul H.**

- Alaska-Yukon Pipelines, Ltd. bill, 131, 177-8
- Amendment to remove restrictions on location of pipe lines, 177-8
- Atlantic Provinces Power Development bill, 496, 497, 498, 499, 503, 509
- Proposed amendment requiring production of federal-provincial agreements in Parliament, 509
- Bell Telephone Company of Canada bill, 49-53, 62, 106, 107
- Authorized capital, increase requested, 50
- Board of Transport Commissioners, jurisdiction, 50, 53
- Growth of company's business, 50-52
- Securities commissions, provincial jurisdiction, 106
- Mexico Tramways Company bill, 198
- National Housing bill, 435

**Brazilian Hydro Electric Company, Limited bill.** 1r, 45; 2r-ref to com, 74; rep of com, 132; 3r, 146; r.a., 356

**Brazilian Traction, Light and Power Company, Limited bill.** 1r, 45; 2r-ref to com, 74; see p. 71; rep of com, 132; 3r, 146; r.a., 356

**Britain—See** United Kingdom

**British Columbia**

- Centenary, design for commemorative dollar, 467-8
- Disabilities under Canadian Wheat Board, 118
- Lumber, 296
- Population increase, 54

**British Columbia Telephone Company bill.** 1r, 19; 2r, 53-57; ref to com, 57; rep of com, 62; 3r, 77; r.a., 356

**Broadcasting**

- Canadian Broadcasting Corporation estimates, 17, 31
- Pronunciation of "Noël" on French stations, 447
- Royal Visit broadcast commended, 81

**Brunt, Hon. William R.**

- Agricultural Stabilization bill, 515, 518, 519, 520, 524, 525, 544
- Base price formula, 518
- Annual Vacations bill, 564-8, 574
- Collective bargaining agreements, 566, 574
- Employees affected, 565, 574
- Penalty for violation, 566
- Retroactive effect of bill, 565
- Statutory holidays, 565
- Atlantic Provinces Power Development bill, 494-500, 503, 505
- Coal subventions, 494-5, 496-7, 498-9
- Northern Canada Power Commission, 498, 499
- Plan of federal aid, 494
- Thermal plants and transmission lines, 494, 499
- Costs, 494-5, 497
- Beechwood Power Project bill, 482
- Bell Telephone Company of Canada bill, 77, 78
- Capital stock, validity of sales, 77
- Canada-Australia Income Tax Agreement bill, 554
- Canadian and British Insurance Companies bill, 391-8, 400, 407
- Companies to which bill applies, 391
- Fraternal benefit societies, 392, 397-8
- Life insurance companies
- Foreign control of Canadian companies, 392
- Mutualization, 392, 394-7
- Restriction on transfer of shares to non-residents, 391, 392-4
- Excise Tax bill, 404
- Federal-Provincial Tax-Sharing Arrangements bill 559, 560, 562, 564
- Maritimes, equalization payments, 564
- Free trade in natural products, 229

**Brunt, Hon. William R.—Concluded**

- Hamilton Harbour Commissioners bill, 443-5, 446, 447
- Commissioners
  - Financial statement, 445
  - Loans to, proposed, 443-4, 445
  - Rate of interest, 443, 445
- Development program, 443
- Hospital insurance, 332
- Introduction to Senate, 1-2
- Library of Parliament, Civil Service Commission report, 513, 549
- National Housing bill, 430
- Natural gas prices, export and domestic, 487, 492
- Postal Congress, Universal, accommodation in Parliament Buildings, 430
- Rio de Janeiro Tramway, Light and Power Company, Limited bill, 72

**Budget, federal,** 409, 411, 421-2, 562

**Buffalo and Fort Erie Public Bridge Company bill.** 1r, 266; 2r, 291-3, *see* 298-300; 3r, 293; r.a., 459

**Burchill, Hon. G. Percival**

- Address in reply to Speech from the Throne, 200-2
- Atlantic provinces
  - Atlantic Provinces Power Development bill, 500-2
  - Coal subventions, 501
  - Economic conditions, 500-1
  - Provincial commissions, control of plants, 502
- Eminent men, natives of, 202
- New Brunswick
  - Agriculture, statistics, 201
  - Decrease in farm lands, 201
- United Kingdom market for pulpwood, pitprops and lumber, 201-2
- United States currency discount, effect on pulp and paper industry, 201
- Bell Telephone Company of Canada bill, 79, 80
  - Trans-Canada telephone service, 80
- Canadian dollar, relationship to national economy, suggested field for study by Senate, 202
- Canadian Vessel Construction Assistance bill, 158, 160
- Education, 387-9
  - Balanced education, chief objective, 387-8
  - Crerar, Hon. Mr., outstanding speech, 387
  - Knowledge and wisdom, 387
  - New Brunswick universities, 388-9
    - Donations and grants, 388-9
    - Scholarships, 389
    - Student residences, 388-9
- Prairie Grain Advance Payments bill, 122
- War Veterans Allowance bill, 203

96702—38½

**Cameron, Hon. Donald**

- Education
  - Appointed chairman of Alberta Royal Commission, 577
  - Contributions by federal Government, inquiry, 290; answer, 290-1, 301
  - Necessity to mobilize and expand educational resources, 308-20, 328
    - Australian expansion, 319
    - Crisis in education, 308-11
    - Enrolments in schools and universities, 309-10
    - Federal contributions, 308
    - Management training schools, 309, 316
    - Salaries, professors and teachers, 312, 315-16
    - Scholarship and loan fund, 312-13, 316-17
    - Secondary school drop-outs, 311-12, 313
    - Summary of proposals, 318-19
    - Teachers, steps necessary to retain, 312
    - Technicians, scientists, engineers, scarcity of graduates, 310-11, 316
    - Trained manpower needs, 310
      - National Conference of Canadian Universities (1956), 310
      - National Conference on Engineering, Scientific and Technical Manpower, 310
    - Universities
      - Costs involved, 313-14
      - Development needs, 313-15
      - Relation to defence and industrial position, 314
      - Student residence situation, 317-18, 328

**Canada-Australia Income Tax Agreement bill.** 1r, 540; 2r, 552-6; amdt agreed to, 556; 3r, 557; amdt concurred in by Commons, 572; r.a., 578

**Canada Council**

- "Culture buying", 252
- Scholarships 150

**Canada's Economic Prospects,** Royal Commission on, inquiry as to reports, 549

**Canada's Foreign Policy**

- United Nations, Canadian delegation, 48
- Need for united foreign policy, 49

**Canadian and British Insurance Companies**

**bill.** 1r, 391; 2r, 391-404; ref to com, 404; rep of com-3r, 407; r.a., 459

**Canadian Broadcasting Corporation—See Broadcasting**

- Canadian National Railway Company bill.**  
(Construction and purchase of railway lines in Manitoba). 1r, 440; 2r, 440-2; ref to com, 442-3; rep of com-3r, 453; r.a., 459
- Canadian Trade Relations Committee**  
Empowered to conduct inquiry into international trade, 379-80  
Members, 12; quorum, 30
- Canadian Vessel Construction Assistance bill.**  
1r, 58; 2r, 85-86, 153-61, 164; ref to com, 161; rep of com, 195-6; 3r, 196; r.a., 459
- China, trade with, 135**
- Citizenship, 142-4, 179, 180-1, 184**
- Civil Service Administration Committee, 27**  
Members, 12; quorum, 30
- Clergy Reserves, Abolition Act (Ontario), 261-2, 270**
- Coal subventions, 494-9, 503-4, 506**
- Colombo Plan, 3, 110, 112, 257**
- Columbia River hydro-electric development, 4, 135-6, 367, 464-5, 471-2**  
Danger to salmon industry, 135-6  
Inquiry (dropped), 367
- Committees**  
Appointments, 5, 6, 8, 9, 11-12, 28-29, 44  
Inquiry, 10, 27; answer, 30, 38-43  
Membership, proposed reduction, 26  
Quorums, 26  
See Committees under individual names
- Commonwealth**  
Colonies, development of self-government, 138  
Prime Ministers' meeting in London (June 26-July 5, 1957), final statement, 75-76, 89-90  
Trade and Economic Conference, 3  
West Indies, 138-9
- Connolly, Hon. John J.**  
Bell Telephone Company of Canada bill, 51, 53  
Brazilian Hydro Electric Company, Limited bill, 45, 74, 146  
Brazilian Traction, Light and Power Company, Limited bill, 45, 73, 74, 146  
British Columbia Telephone Company bill, 56
- Connolly, Hon. John J.—Concluded**  
Canadian and British Insurance Companies bill, 393, 394  
Restriction on transfer of shares to non-residents, 392, 394  
Canadian Vessel Construction Assistance bill, 153-61, 164  
Depreciation, 155, 160  
Encouragement to shipbuilding, 160  
Escrow fund, 154, 156, 160  
Maritime Commission, 155  
Merchant service operations, 153-4, 157  
Replacement plan, 154  
Transfer plan, 154  
Taxation payments, 155-7  
Freedom of religion—Ontario statute, 270; Quebec statute, 270, 375  
Hamilton Harbour Commissioners bill, 444, 445, 446  
McGuire, the late Hon. W. H., tribute to, 94  
Mexico Tramways Company bill, 76, 129-30  
Formation as investment company, 129  
Old Age Assistance bill, 179-80  
Ottawa and New York Railway Company bill, 44, 70, 146  
Assets, disposal of, 70  
Employees, placement of, 70  
Historical survey, 70  
Pension bill, 456  
Rio de Janeiro Tramway, Light and Power Company, Limited bill, 44; 70-73, 146  
Transfer of head office, 71, 72-73  
Sao Paulo Electric Company Limited bill, 45, 73, 146  
Transfer of head office, 73  
Senate adjournment, 579
- Cost of living, rent increases, 185-6**
- Creer, Hon. T. A., P.C.**  
Address in reply to Speech from the Throne, 243-7  
Agricultural Stabilization bill, 517-21, 546-7  
Base price formula, 518-19, 520  
Inflation, 520-1  
Parity prices, 519  
Principle of bill may have to be applied to all industries, 520  
Appropriation bill No. 6 (1957), 15, 16, 17, 31-32  
Atlantic Provinces Power Development bill, 496, 498, 500  
Canadian Broadcasting Corporation, estimates, 31  
Drouin, Hon. Mark R., Speaker, felicitations to, 243  
Education, 352-6  
Family allowances, question of wisdom of payment in certain categories, 354  
Federal-provincial fiscal relations, 355  
Home influences, 353-4  
Purpose of education, 352-3, 354, 355

- Crerar, Hon. T. A., P.C.—Concluded**  
 Education, 352-6—*Concluded*  
 Russia, material progress, 354; weakness in philosophy and humanities, 354  
 Salaries of teachers, 354-5  
 Estimates  
 Interim supply, 15, 16, 17  
 Supplementary, presentation with main estimates suggested, 31  
 Federal-provincial fiscal conference, 244-5  
 Equalization principle, burden on federal treasury, 245  
 Ontario, federal-provincial tax sharing, 245  
 Government expenditures, 244, 246-7  
 Haig, Hon. Mr., Leader of Government in Senate, felicitations to, 243  
 Hospital insurance, 332  
 Howe, Right Hon. C. D., 244  
 Indian and Eskimo health services, 31-32  
 Inflation, menace of, 246  
 Old age pensions, 245-6  
 Erosion of individual desire to provide for old age, 246  
 Prairie Grain Advance Payments bill, 96, 97, 100-4, 105  
 Canadian Wheat Board, 100-2, 105  
 Compulsory powers, 101-2  
 Liens, 103-4  
 Discrimination against other industries, 104  
 Prairie Grain Producers Interim Financing Act, 102  
 Wheat  
 Agreements, British and International, 101, 105; losses by farmers, 101  
 Marketing problems, 109  
 Prices, 101  
 Surplus, 102  
 Queen Elizabeth II, opening of Parliament by Her Majesty, 243  
 St. Laurent, Right Honourable Louis S., 244  
 Senate  
 Government legislation, consideration in committee, 288-9  
 Procedure, amendments to bills on 3r, 546  
 Trade, international  
 European economic integration, 294-5  
 Federal expenditures on welfare services would decline as result of increased trade, 296  
 Free trade with Britain, Europe and United States advocated, 296-7  
 Peace between nations—unifying influence of trade, 296-7  
 Unemployment Insurance bill, 288-9
- Criminal Code bill.** 1r-2r-3r, 551; r.a., 578
- Criminal law**—Royal Commission on law of insanity as a defence, 251
- Croll, Hon. David A.**  
 Address in reply to Speech from the Throne, 330-5  
 Atlantic Provinces Power Development bill, 508-9  
 Bell Telephone Company of Canada bill, 107, 124-8  
 Authorized capital, increase requested, 124  
 Joint Standing Committee on public service corporations proposed, 127  
 Monopolies, 124-7  
 Rates increase, application for, 124-5  
 Brazilian Traction, Light and Power Company, Limited bill, 74  
 Education, 412, 414-17  
 Expenditures, federal and provincial, 415  
 Form of national defence, 417  
 Quebec, non-acceptance of federal grants, 415  
 Teaching profession  
 Public attitude toward, 415-16  
 Salaries, 415  
 Trained personnel, emigration of, 415  
 Health insurance, 330-5  
 Abuses, unfounded fears of, 334  
 Costs, 334  
 Medical profession, status in national health insurance plan, 334  
 Press comments, 331-2, 333  
 United Kingdom plan, 332-3  
 Windsor (Ontario) plan, 332  
 Old Age Assistance bill, 183-4  
 Ability of country to pay, 184  
 Naturalized citizen, qualification for assistance, 184  
 Residence clause, 184  
 Prairie Grain Advance Payments bill, 123  
 Senate  
 Adjournment of debate on Speech from the Throne, 321-2  
 Char staff, salaries, 144-5  
 Committees, request for verbatim report of proceedings, 526  
 Committee of the Whole, 123  
 Work, Government legislation, 282, 283  
 Taxation, increases necessary, 415
- Daigle, the late Hon. Armand,** tribute to, 368
- Davies, Hon. W. Rupert**  
 Address in reply to Speech from the Throne, 63-69  
 Education  
 Scholarships, restriction on emigration of graduates, question of, 343  
 Old Age Assistance bill, 186  
 Old age pensions, residence clause, 63-64  
 Prairie Grain Advance Payments bill, 105, 121

**Davies, Hon. W. Rupert—Concluded**  
Senate

Appointments to, press criticism, 65-66  
Committee work, important results, 69  
Members, qualifications of, 66-68  
Opposition, attitude toward Government  
legislation, 63, 64  
Reform, 64-69

**Debates and Reporting Committee**

Members, 12; quorum, 30

**Defence program**

Expenditures, 148, 182, 240-1  
Relation to education, 314, 337-8, 417

**Dessureault, Hon. J. M.**

Unemployment Insurance bill, 289

**Diefenbaker, Right Hon. John G., P.C., M.P.,  
Prime Minister**

Felicitations and tributes, 21, 25-26  
Senate reform, reference to in speeches,  
64, 65

**Disabled Persons bill.** 1r, 131; 2r, 170, 187;  
ref to com, 187; rep of com-3r, 198; r.a.,  
265

**Divorce**

Bills, see pp. 608-11

## Committee

Appointment, 6, 8-9; quorum reduced,  
authority to sit during adjournments  
and to appoint subcommittees, 18, 30  
Reports, 18, 58, 74, 75, 105, 107, 130, 163,  
171, 198, 204, 206, 222, 223, 232, 238,  
266, 297, 301, 327, 363-6  
Services of members, 364, 376; staff, 364-5  
Work, 6-8, 75, 167-8, 208, 363-5, 370  
Petitions, 223  
Statistics, 75, 250, 365-6

**Dominion-provincial fiscal relations,** 147,  
148-9

Tax rental agreements, 147, 148-9

See Federal-provincial fiscal conference

**Drouin, Hon. Mark R., Speaker**

Appointment as Speaker, reading of Com-  
mission, 1

Beechwood Power Project bill, 486

Felicitations and tributes, 20, 24-25, 34-35,  
45-46, 49, 59, 133, 165, 174, 200, 207,  
218, 243, 259-60, 273, 368, 380, 391, 401,  
412, 440, 476

Introduction to Senate, 1

## Library of Parliament

Civil Service Commission report, 513

Report tabled, 6

Pearson, Hon. Lester B., dinner in honour  
of Nobel Peace Prize winner, 266

Property qualifications of senators, return  
tabled, 94, 289

**Drouin, Hon. Mark R., Speaker—Concluded**  
Queen Elizabeth II, Her Majesty's broadcast  
(Oct. 13), printing of as appendix to  
Senate records, 329

Routine proceedings, change in headings on  
Order Paper, 469

Royal Assent, notice, 44, 146, 250, 297, 350,  
451, 460, 572

## Rulings and statements

Adjournment of debate, right of senator  
to move, 282

Bills may be amended on third reading  
stage, 544, 547

Debate, irrelevancy of, 438

House of Commons debates, reference to  
out of order, 181, 420, 421

Remark ordered withdrawn, 420, 421

Natural gas prices, export and domestic,  
proposed inquiry not proper, 487

Senate accounts tabled and ref to com, 58

**Drug traffic—See Narcotics****Dupuis, Hon. Vincent**

Education, 412, 416, 417, 470

Legislative measures, belated receipt by  
Senate, 437

National Housing bill, 437

**Education**

Alberta, Royal Commission appointed by,  
577

Necessity to mobilize and expand educa-  
tional resources, 308-21, 328, 335-45,  
352-6, 380-6, 387-90, 412-17

Australian expansion, 319, 341

Contributions by federal Government,  
290-1, 301, 308

Inquiry and answer, 290-1, 301

Costs, 338-9,

Crisis in, 147, 149-50, 308-11, 340

Engineers, emigration of, 255, 316, 336-7,  
338, 415

Farm management and extension work-  
ers, 83, 85

Federal grants, 342-5, 384, 415

Federal-provincial expenditures, 290-1,  
301, 338-9, 355

Gross national product, percentage  
relationship to educational expendi-  
tures, 150-1, 339

Management training schools, 309, 316

National conference (Feb. 1958), 342

North Atlantic Alliance, pooling of re-  
sources, 149

Provincial responsibility, 319-20, 338, 342,  
343, 344, 345, 381

Purpose of education, 352-3, 354, 355,  
387-8

Salaries, professors and teachers, 312,  
315-16, 321, 354-5, 382-3, 384, 415

**Education—Concluded**

- Necessity to mobilize and expand educational resources, 308-21, 328, 335-45, 352-6, 380-6, 387-90, 412-17—*Concluded*
- Scholarship and loan fund, 312-13, 316-17, 340, 341, 343
  - Restriction on emigration of graduates, question of, 343
- School pupils, statistics, 150, 340-1
- Secondary school drop-outs, 311-12, 313
- Teachers and professionally-trained personnel, shortage, 149-50, 310-11, 316
- Technical training in armed forces, 384-5; in industry, 385
- Trained manpower needs, 310
  - Conferences on, 310
- Quebec, non-acceptance of federal grants, 415
- Russia
  - Communist challenge, 149
  - Material progress, 354
  - Strides in education, 150
  - Weakness in philosophy and humanities, 354
- Universities
  - Alberta, 413
  - Canada Council scholarships, 150
  - Development needs, 313-15
  - Entrants, shortage of, 341
  - Federal grants, 384
  - Graduates, 149-50, 336, 340-1, 342
  - Incomes, 386
  - National Federation of Canadian University Students, 150
  - New Brunswick, 388-9
  - Student residence situation, 317-18, 328

**Election, federal**

- Necessary within year, 47
- Result in 1957, 411

**Emerson, Hon. Clarence V.**

- Address in reply to Speech from the Throne, 171-3
- Atlantic Provinces Power Development bill, 505
- Introduction to Senate, 1-2
- New Brunswick
  - Beechwood power project, 172-3
  - Chignecto Canal project, 173
  - Electric power problems—efforts of Hon. Hugh John Flemming, Premier, to obtain federal assistance, 172-3
  - Saint John harbour, improvements needed, 173

**Energy, Royal Commission on, 135****Estimates**

- Consideration, 17, 18
- Interim supply, 13-15, 16, 17, 463
- Supplementary, 31, 47-48

**Euler, Hon. W. D., P.C.**

- Address in reply to Speech from the Throne, 239-43
- Agricultural Stabilization bill, 515, 517, 518, 523
- Beechwood Power Project bill, 483, 484, 486
- Bell Telephone Company of Canada bill, 78, 79
- Canadian Vessel Construction Assistance bill, 155
- Civil Service overmanned, 241
- Defence expenditures, 240-1
- Education, federal grants, 344
- Federal-provincial Tax-sharing arrangements bill, 557, 562, 564
- Haig, Hon. Mr., Leader of Government in the Senate
  - Felicitations to, 239
  - Statement on Prairie Grain Advance Payments bill, 239
- Inquiries, obtaining of answers to, 465
- Russia, co-existence with is alternative to total destruction, 241, 242, 243
- Senate
  - Adjournment, 488
  - Chamber, paintings, 240
  - Vacancies, 239
- Tax reductions, election campaign promises of Prime Minister, 240
- Territorial Lands bill, 87
- Trade with United Kingdom and United States, 229, 230-1
  - Political union ultimate result of free trade, 231

**Excise Tax bill.** 1r, 404; 2r, 404-5; 3r, 408; r.a., 459

**Export Credits Insurance bill.** 1r, 417; 2r, 422-6; 3r, 448, 449-50; r.a., 459

**Exports**

- Marketing difficulties, 252
- Production costs, 244
- See Trade

**External Relations Committee**

- Members, 11; quorum, 30, 44

**Farming—See Agriculture****Farris Hon. J. W. de B.**

- Address in reply to Speech from the Throne, 207-18
- Agricultural Stabilization bill, 517, 544
- Appropriation bill No. 1 (1958), 462
- Atlantic Provinces Power Development bill, 497, 498
- Beechwood Power Project bill, 476, 477, 485, 492

**Farris Hon. J. W. de B.—Concluded**

- British Columbia Telephone Company bill, 19, 53-57, 62
- Board of Transport Commissioners, jurisdiction, 54, 56
- Growth of company's business, 54-55
- Increase in authorized capital, proposed, 54
- Canada-Australia Income Tax Agreement bill, 555
- Canadian Vessel Construction Assistance bill, 156
- Dissolution of Parliament, limitation on right to, 217-18
  - Correction of statement, 291
- Divorce committee, work, 208
- Federal election campaign promises, 213-14
- Federal-Provincial Tax-Sharing Arrangements, 213-14, 215
  - Bill, 564
  - Conference, 215
  - Ontario, 213-14
- Foreign policy, 211
  - Secretary of State for External Affairs, 211
- Government legislation, potential costs, 211, 212-15, 218
- Haig, Hon. Mr., statement on Prairie Grain Advance Payments bill, 215-16
- Indian bill, 576, 577
- Inquiries, suggestion to Leader of Government, 467
- Natural gas prices, export and domestic, —proposed inquiry by Hon. Mr. Reid, 487
- New Brunswick, Beechwood power project, 212
- Old Age pensions
  - Costs, 212
  - Principle of legislation will require reconsideration, 210-11
- Prairie Grain Advance Payments bill, 99, 102, 123, 215-16
- Quebec, Speech from the Throne, reference to tax-sharing agreements, 215, 217
- Senate
  - Government legislation, introduction in Senate by ministers, 209-10
  - Delay in receipt from Commons, 210
  - Parliamentary assistants in, approval of suggestion for appointment, 208
  - Reform, 208
- South Saskatchewan River, proposed dam, 212-13
- Statements made behind closed doors by Leader of Government and Leader of Opposition, 474

- Federal-provincial fiscal conference, 3, 23, 134-5, 147, 213-14, 215, 244-5, 266
- Equalization principle, burden on federal treasury, 245
- Municipalities, administration costs, 23
- Ontario, income tax revenue, 213-14, 215, 245
- Provincial responsibilities handed to federal Government, 134-5
- Report of proceedings, inquiry and answer, 266
- Tax revenues, distribution, 134-5, 147, 148-9

**Federal-Provincial Tax-sharing Arrangements bill.** 1r, 551; 2r, 557-64; 3r, 564; r.a., 578**Fergusson, Hon. Muriel McQ.**

- Canada-Australia Income Tax Agreement bill, 554, 555
- Students, lack of provision for, 554, 555

**Finance Committee**

- Members, 11, 44; quorum, 30

**Fisheries**

- Codfish, salted, exports to Jamaica, 76-77, 163-4
- Fraser River salmon, effect on if waters diverted from Columbia River, 136
- Markets, 4
- Prince Edward Island, loss of markets, 248
- Sockeye salmon run, Adams River, British Columbia, 468

**Flag, national**

- Distinctive design needed, 267-8
- Suggested design, 473

**Foreign policy—See Canada's foreign policy****Fournier, Hon. Sarto**

- Election as Mayor of Montreal, 260
- Felicitations, 407

**Fraser, Hon. William A.**

- Agricultural Stabilization bill, 546
- Farmers' costs of production difficult to determine, 546
- Provisions already covered in existing legislation, 546

**Freedom of religion, 261-3, 268-72, 370-6****Free trade—See Trade****Freight rates**

- Labour strikes, factor in, 252-3
- Maritimes, 82, 379
  - Assistance to, supplementary estimates, 379
- St. Lawrence seaway tolls, effect on, 253

- Gas prices, export and domestic**—Inquiry, 308, 405-6, 487, 492-3, 507; answer, 526-7
- Germany, industrial comeback, 252**
- Gershaw, Hon. F. W.**  
Address in reply to Speech from the Throne, 59-61
- Alberta  
Agriculture  
Irrigation of wastelands, 59  
Sugar beet industry, 59  
Mineral wealth, 59-60  
Northwest Nitro Chemical Company Limited, 59-60
- Blind Persons bill, 186-7  
Federal-provincial contributions, 187  
Overpayments, hardship caused by recovery of, 187
- Divorce  
Committee reports, 18, 105, 107  
Petitions, 18
- Farmers' income tax, more humane method of assessment desirable, 60
- Highway traffic accidents, one of greatest modern problems, 60-61  
Canadian Medical Association, recommendations of research board, 61  
Medicine Hat, fatal accident record, 61  
Queen Elizabeth II, opening of Parliament, 59
- Wheat prices, 60
- Golding, Hon. William H.**  
Agricultural Stabilization bill, 516, 517  
Bell Telephone Company of Canada bill, 19, 77  
Indian bill, 576  
Northwest Territories bill, 572  
Old Age Assistance bill, 180  
Prairie Grain Advance Payments bill, 97, 100, 122-3  
St. Mary's River Bridge Company bill, 223, 264, 290  
Extension of 3-year limit for construction, 264
- Senate  
Committee of the Whole, 122-3, 455, 458  
Chairman, 455; appreciation of services, 458  
Unemployment Insurance bill, 285
- Gouin, Hon. L. M.**  
Address in reply to Speech from the Throne, 256-8  
International relations, 257-8  
Colombo plan, 257  
Commonwealth association, persuasive force for good, 257  
NATO, need for unity among allies, 257  
Pearson, Hon. Lester B., achievements at United Nations, 258
- Gouin, Hon. L. M.—Concluded**  
International relations, 257-8—*Concluded*  
St. Laurent, Right Hon. Louis S., tribute to, 258  
United States, close co-operation with, a necessity, 258  
Queen Elizabeth II, opening of Parliament, 256-7  
Unemployment, 258
- Grain**  
Canadian Wheat Board, 95-96, 97-98, 100-2, 105, 113, 115, 119, 252  
Compulsory powers, 101-2, 115  
Liens, 103-4  
Cash advances to grain growers, 4, 47, 82  
Oats and barley, 97, 114, 117  
1957 carryover and crop, 97, 114
- Wheat  
Agreements, British and International, 101, 104-5, 113, 119, 252  
Effect on flour prices in Newfoundland, 104-5  
Losses by farmers, 101, 104-5, 113, 252  
Feed grain, 118  
Joint North American wheat pool, proposed, 117, 118, 139  
Marketing problems, 95-96, 100, 109, 115-16  
Prices, 60, 98, 100-1, 112-13, 114, 118-19, 121  
Production costs, 254, 256  
Saskatchewan, largest producer, 252  
Storage, 100  
Surplus, 95, 97, 102, 112, 116, 118-19, 121  
Sales, 109, 111-12  
United States give-away policy, 109-10
- Haig, Hon. John T., P.C., Leader of the Government in the Senate**  
Address in reply to Speech from the Throne, 45-49
- Agriculture  
Agricultural Stabilization bill, 544-6  
Acceptance by farmers' agencies, 545  
Need for new legislation, 545  
Cash advances to grain growers, 47  
Financial problems of farmer, 46-47  
Alberta-Northwest Territories Boundary bill, 58, 86-88  
Appropriation bill No. 6 (1957), 13, 14, 15, 16-17  
Appropriation bill No. 7 (1957), 346-9, 350  
Appropriation bill No. 1 (1958), 460-7  
Beechwood Power Project bill, 474-6, 483, 484, 485, 486  
Atlantic provinces, aid to, 474  
Manitoba, power development, 474-5  
New Brunswick, Government loan to, 474-5  
Blind Persons bill, 170, 197  
Budget, federal, 411

- Haig, Hon. John T., P.C.,** Leader of the Government in the Senate—*Continued*
- Buffalo and Fort Erie Public Bridge Company bill, 266, 291-3, 298-300
  - Canada-Australia Income Tax Agreement bill, 552-3, 555, 556
  - Canadian National Railway Company bill (construction and purchase of lines in Manitoba), 440, 441, 442-3, 453
  - Canadian Vessel Construction Assistance bill, 58, 85-86, 160-1, 195, 196
    - Taxation adjustments to encourage ship-building, 86
  - Codfish, salted, exports to Jamaica, inquiry, 77; answer, 164
  - Columbia River Hydro-Electric development, inquiry, 367, 465-6, 471-2
  - Commonwealth Prime Ministers, meeting in London (June 26-July 5, 1957), 75-76
  - Criminal law, report of Royal Commission on insanity as a defence, 251
  - Declaration of Common Purpose, United States President and United Kingdom Prime Minister, 76
  - Divorce Committee—Report of Committee of Selection, 7; appointment, 8
  - Drouin, Hon. Mark R., Speaker, tribute to, 45-46
  - Economic Prospects, reports of Royal Commission, 549
  - Education, contributions by federal Government, answer to inquiry, 290-1, 301, 319-20
    - Provincial responsibility, 319-20
  - Election, federal, necessary within year, 47; result in 1957, 411
  - Electric power in Nova Scotia, answer to inquiry, 266
  - Estimates
    - Interim supply, undertaking that passage will not preclude later discussion of estimates, 13, 346, 460
  - Excise Tax bill, 404, 408
    - Automobiles, decrease in tax, 404
  - Export Credits Insurance bill, 426, 448
  - Federal-provincial conference, report of proceedings, answer to inquiry, 266
  - Federal-Provincial Tax-Sharing Arrangements bill, 557-9, 563, 564
    - Atlantic provinces, annual grants for four years, 557-9, 563, 564
    - Government spending, 558
    - Defence expenditures, 558
    - Income tax, increase in provincial shares, 557
  - Felicitations and tributes to, 34-35, 133, 165, 239, 243, 368
  - Fournier, Hon. Sarto, felicitations on election as Mayor of Montreal, 407
  - Government legislation, examination by Senate, 49, 463-4
    - Delay in receipt from Commons, 463-4
- Haig, Hon. John T., P.C.,** Leader of the Government in the Senate—*Continued*
- Grain growers, cash advances to, 47
  - House of Commons proceedings, 420, 421
  - Income Tax bill, 405, 408, 410-12, 418, 420, 421
    - Construction workers, 410
    - Corporation tax, 405, 410-11
    - Exemptions, 405
  - Investors Trust Company bill, 129
  - Land Use, special committee appointed to conduct inquiry, 58-59
  - Library of Parliament, Civil Service Commission report, 513
  - Maritime freight rates assistance, 379
  - McGuire, the late Hon. W. H., tribute to, 93-94
  - National Gallery
    - Trustees, Director, purchases—inquiry, 473, 493, 506; answer, 526, 528-39
    - Works of art—inquiry, 308, 329-30; answer, 350-1
  - National Housing bill, 428-9, 433-4, 435
    - Loans, increase in amounts available, 428-9, 433-4, 435, 439
    - Prompt passage of bill urged, 434, 435
  - National income, problem of proper distribution among farmers and other groups, 47
  - Natural gas prices, export and domestic, inquiry, 308, 405-6, 465, 507; answer, 526-7
  - Natural Resources Committee
    - Addition to membership, 329
    - Adjournment of meeting, 408
  - Nobel Peace Prize, award to Hon. Lester B. Pearson, 10
  - Old Age Assistance bill, 169, 178, 179, 180, 181, 196, 197
  - Old Age Security bill, 144
  - Opposition, tributes to, 46
  - Pension bill, 453, 454-5, 457, 458
    - Death benefits, 454-5
    - World War I veterans, "death-bed mariages", 455
  - Potato prices in Maritime provinces, 291
  - Prairie Grain Advance Payments bill, 103, 112-14, 119, 122
    - Public mandate for bill, 113-14
    - Senate urged to pass bill, 114
  - Wheat
    - British wheat agreement, loss to farmers, 113
    - Colombo Plan, 112
    - Prices, 112-13, 114
    - Surplus, 112
    - United States give-away policy, 112
  - Property qualifications of senators, 105
  - Queen Elizabeth II, opening of Parliament, 45

- Haig, Hon. John T., P.C.**, Leader of the Government in the Senate—*Continued*
- Senate
- Adjournment, 487-9, 579
  - Adjournment of debate, 281, 282, 283, 321-2
  - Business, 9, 44, 307, 387, 427, 507, 550, 571, 578, 579
  - Committee of the Whole, 122, 123-4
  - Emergency sittings, authority to convene, 44
  - Finance Committee, not convened, 433
  - Internal Economy—Char staff, salaries, 145, 161
  - Routine proceedings, change in headings on Order Paper, 468, 469
  - Rules, suspension of, 146
  - Staff, commendation, 46
  - Standing Committees, report of Committee of Selection, 9
- Territorial Lands bill, 58, 87, 88
- Title "His Excellency", answer to inquiry, 367
- Trade, stable government necessary to maintain, 47
- Unemployment Assistance bill, 451-3
- Additional expenditures by federal Government, 451-2
  - Removal of "threshold" provision, 451
- Unemployment Insurance bill, 284-6, 287-8
- Extension of seasonal benefit period, 284-5, 287-8
  - Married women, 285
  - Reference to committee opposed, 287
  - Unemployment statistics, 284, 285-6
- United Nations, 48-49
- Canadian delegation, 48-49
  - United foreign policy necessary, 48-49
- War Veterans Allowance bill, 236-7
- Halifax**, Nova Scotia, industrial development, 83, 84, 226-7
- Hamilton Harbour Commissioners bill**. 1r, 443; 2r, 443-7; ref to com, 447; rep of com—3r, 453; r.a., 459
- Hayden, Hon. Salter A.**
- Agricultural Stabilization bill, 540, 541-3, 549
  - "Agricultural commodity", definition capable of wide interpretation, 541-2
  - Agricultural Products Board Act compared with bill, 542-3
  - Atlantic Provinces Power Development bill, 496, 497, 498-9
  - Beechwood Power Project bill, 486, 490
  - Blind Persons bill, 197
  - Brazilian Hydro Electric Company, Limited bill, 132
  - Brazilian Traction, Light and Power Company, Limited bill, 132
- 96702—39½
- Hayden, Hon. Salter A.**—*Concluded*
- Canada-Australia Income Tax Agreement bill, 553-4, 556
  - Basis for determining what is taxable, 553
  - Exchange of information, 553-4
  - Exemptions, 553
  - Withholding tax, 553
  - Canadian Vessel Construction Assistance bill, 195
  - Federal-Provincial Tax-Sharing Arrangements bill, 559-61
  - Atlantic provinces, federal obligation to, 559
  - Responsibility for taxing and spending, 559-61
  - Income Tax bill, 410
  - Investors Trust Company bill, 132
  - Old Age Assistance bill, increased costs, 196, 197
  - Prairie Grain Advance Payments bill, 132
  - Rio de Janeiro Tramway, Light and Power Company bill, 131
  - Sao Paulo Electric Company, Limited bill, 131
  - War Veterans Allowance bill, 234
- Health insurance**—*See* Hospital insurance; State medicine
- "His Excellency"—persons officially entitled to be so called: inquiry (Hon. Mr. Pouliot) answered, 367
- Hopkins, E. Russell**, Law Clerk and Parliamentary Counsel of the Senate, author of booklet *How Parliament Works*, 34
- Horner, Hon. R. B.**
- Address in reply to Speech from the Throne, 251-6
  - Agricultural Stabilization bill, 519, 520, 523, 541
  - Application of bill to other than food products, 541
  - Appropriation bill No. 6 (1957), 18
  - Beechwood Power Project bill, 485
  - Beef cattle, embargo on shipments to United States, loss to Saskatchewan, 253
  - Bell Telephone Company of Canada bill, 79
  - Canada Council, "culture buying", 252
  - Education—emigration of engineers, 255
  - Estimates, interim supply, 18
  - Excise Tax Bill, 404-5
  - Exports, marketing difficulties, 252
  - Freight rates
    - Labour strikes, factor in, 252-3
    - St. Lawrence Seaway tolls, effect on, 253  - Germany, industrial comeback, 252
  - Government Leader (Hon. Mr. Haig), statement on Prairie Grain Advance Payments bill, 256

**Horner, Hon. R. B.—Concluded**

- Indian bill, 576, 577
- Inflation, 254, 256
- Juvenile delinquency, highway traffic accidents, 255
- Land Use Committee, report, 146
- Legislative measures, belated receipt by Senate, 431
- National Housing bill, 431, 438
- Old age pensions, 254
- Opposition, attitude since change of Government, 256
- Postal Congress, Universal, accommodation in Parliament Buildings, 431
- Prairie Grain Advance Payments bill, 118-19
  - Feed grain, 118
  - International Wheat Agreement, 119
  - Prices, 118-19
  - Surplus, disposal of, 118-19
  - Home consumption, 118
- Queen Elizabeth II, opening of Parliament, 251
- Senate reform, 251-2
- Trans-Canada Pipe Lines, 253
- Wheat
  - Saskatchewan, largest producer, 252
  - Western farmers, losses under United Kingdom agreement, 252

**Hospital insurance**

- Abuses, unfounded fears of, 334
- Costs, 147, 334
- Medical practitioners, status in national health insurance plan, 334
- Press comments, 331-2, 333
- United Kingdom plan, 332-3
- See State medicine

**Howard, Hon. Charles B.**

- National Housing bill, 436-7
  - Exterior designs, improvement needed, 437
  - Housing development in Sherbrooke, 437
  - Prompt passage of bill in general interest, 437
- Senate
  - Accounts, rep of com, 290
  - Stationery, rep of com, 290

**House of Commons**

- Debates, reference to in Senate out of order, 181, 420, 421
- Televising of proceedings, 133

**Howe, Right Hon. C. D., P.C., 244****Hudson's Bay Company, 393, 399****Hudson Bay Mining and Smelting Company, 441****Hugessen, Hon. A. K.**

- Address in reply to Speech from the Throne, 305-6
- Alaska-Yukon Pipelines, Ltd. bill, 237
- Annual Vacations bill, 567
  - Collective bargaining agreements, 567
- Appropriation bill No. 7 (1957), 347
- Beechwood Power Project bill, 475
- Bell Telephone Company of Canada bill, 62, 78, 79
  - Capital stock
    - Authorized capital, proposed increase in, 79
    - Commission on sales, 79
- British Columbia Telephone Company bill, 62
- Canada-Australia Income Tax Agreement bill, 555-6
  - General legislation implementing agreements, objection to, 556
- Canadian and British Insurance Companies bill, 393, 402-3, 407
  - Life insurance companies, mutualization, 403
  - Restriction on transfer of shares to non-residents, 403
- Export Credits Insurance bill, 424-5
- Freedom of religion, federal jurisdiction, 305-6, 375, 378
- Natural gas prices, export and domestic—inquiry (Hon. Mr. Reid), 406
- St. Mary's River Bridge Company bill, 289-90

**Immigration—Maintenance of new immigrants, estimates, 17****Immigration and Labour Committee**

- Members, 12; quorum, 30

**Income Tax bill. 1r, 405; 2r, 405, 408-12; 3r, 418-22; r.a., 459****Indian and Eskimo health services, 31-32****Indian bill. 1r, 571; 2r, 574-6; 3r postponed, 576-7; 3r, 579****Inflation, 168, 174, 254, 256, 432, 520-1**

- Rising cost of living, 168

**Inman, Hon. F. Elsie**

- Address in reply to Speech from the Throne, 247-9
- Prince Edward Island
  - Fisheries, loss of markets, need for more federal aid, 248
  - Pit-prop and pulpwood industry, decline of, 248
  - Potatoes, production and marketing problems, 248
  - Tourist industry—attractions, 248-9; transportation difficulties, 249
- Queen Elizabeth II, opening of Parliament, 247

**Inquiries**

- Canada's Economic Prospects—reports of Royal Commission (Hon. Mr. Reid), 549
- Codfish, salted, exports to Jamaica (Hon. Mr. Pratt), 76-77, 163-4
- Columbia River Hydro-Electric Development (Hon. Mr. Reid), 367, 464-5, 471-2
- Education, contributions by federal Government (Hon. Mr. Cameron), 290-1, 301
- Electric power in Nova Scotia (Hon. Mr. Robertson), 237, 266
- Maritime freight rates assistance (Hon. Mr. Isnor), 379
- Narcotic Control bill (Hon. Mr. Reid), 30
- National Gallery (Hon. Mr. Pouliot), works of art, 308, 329-30, 350-1, 467; Trustees, Director, purchases, 467, 473, 493, 506, 511, 526, 528-39, 552
- Natural gas prices, export and domestic (Hon. Mr. Reid), 308, 405-6, 465, 466, 487, 492-3, 507, 526-7
- Potato prices in Maritime provinces (Hon. Mr. Barbour), 291
- Standing Committees (Hon. Mr. Pouliot), 10, 27, 30, 38-43
- Title "His Excellency", official usage, (Hon. Mr. Pouliot), 367

**Interest rates, 219, 220, 221, 504**

- Central Mortgage and Housing, 219
- Federal loan to Atlantic provinces, 504

**Internal Economy and Contingent Accounts Committee**

- Accounts tabled; ref to com, 58
- Appointment, 11; quorum, 30
- Reports, 108, 144-5, 161, 237, 290
- Three senators to act during recess of Parliament, 237

**International Chamber of Commerce, biennial congress, Naples, 324-5****Isnor, Hon. Gordon B.**

- Appropriation bill No. 7 (1957), 350
- Atlantic Provinces Power Development bill, 495, 496, 498, 499, 505, 506, 510-11
- Coal subsidies, 506
- Construction costs, 505-6
- Beechwood Power Project bill, 485
- Reference to committee, motion for, 485; agreed to, on division, 486
- Bell Telephone Company of Canada bill, 51, 52
- Blind Persons bill, 197
- British Columbia Telephone Company bill, 55, 56
- Canadian Vessel Construction Assistance bill, 154, 158
- Codfish, salted, exports to Jamaica, 77

**Isnor, Hon. Gordon B.—Concluded**

- Disabled Persons bill, 198
- Maritime freight rates assistance, 350, 379
- Old Age Assistance bill, increased costs, 196, 197
- Senate adjournment, 489

**Investors Trust Company bill. 1r, 58; 2r, 128-9; ref to com, 129; rep of com-3r, 132; r.a., 356****Jehovah's Witnesses—See Freedom of religion****Juvenile delinquency, 174-7, 255****Kerwin, Hon. Patrick, P.C., Chief Justice of Canada, Deputy of the Governor General**

- Opening of session, 1, 2
- Royal Assent to bills, 162, 265, 297, 356, 458-9, 578

**Kinley, Hon. John J.**

- Canadian Vessel Construction Assistance bill, 159, 196
- Education, 380-6
- Costs, 385
- Enrolments, 384
- Federal grants to universities, 384
- Home influences, 386
- Provincial jurisdiction, 381
- Salaries, professors and teachers, 382-3, 384
- Increases, effect on taxation, 383
- Nova Scotia, 383
- Technical training in armed forces, 384-5; in industry, 385
- University incomes, 386

**Lambert, Hon. Norman P.**

- Appropriation bill No. 6 (1957), 18
- Bell Telephone Company of Canada bill, 52, 128
- British Columbia Telephone Company bill, 56
- Canadian National Railway Company bill (construction and purchase of lines in Manitoba), 442
- Canadian Vessel Construction Assistance bill, 157, 158, 160
- Economic justification for bill questioned, 158, 160
- Estimates, supplementary, 18
- Hamilton Harbour Commissioners bill, 445-6
- Prospective development of harbour, 446
- National Housing bill, 431-2, 435
- Advances, increase in limit, 431
- Consideration by committee proposed, 431-2
- Amendment to motion for 2r seconded, 436, 439
- Inflation, 432

- Lambert, Hon. Norman P.**—*Concluded*  
National Gallery works of art, responsibility for selection, 330  
Prairie Grain Advance Payments bill, 98, 114-17  
Canadian Wheat Board, powers of, 115  
Grain marketing problem, 114-16  
Troubles due to under-marketing rather than over-production, 116  
United States  
Desirability of co-operative efforts with, 117  
Joint North American pool for disposal of surplus production suggested, 117  
Prairie Grain Producers Interim Financing Act, 115
- Lamoureux, Major C. R.**, Gentleman Usher of the Black Rod, commended on performance of duties, 34
- Land use**  
Special committee appointed to conduct inquiry, 58-59  
Authority to print proceedings, 146  
Members, 59; quorum, 146; reports, 146, 447
- Lefrançois, Hon. J. Eugène**  
Canadian and British Insurance Companies bill, 401  
Introduction to Senate, 1-2
- Leonard, Hon. T. D'Arcy**  
Canadian and British Insurance Companies bill, 399-401  
Foreign capital investments in Canada, 399-400, 401  
Discrimination against non-residents, 400  
Gordon Commission, preliminary report quoted, 399, 401  
Life insurance companies  
Mutualization, 399  
Restriction on transfer of shares to non-residents, 399, 400-1
- Library of Parliament**  
Civil Service Commission report, 513; concurred in, 549  
Joint Committee, Senate members, 11, 29; Commons members, 223  
Report of Parliamentary Librarian tabled, 6
- Macdonald, Hon. W. Ross, P.C.**, Leader of the Opposition in the Senate  
Address in reply to Speech from the Throne, 32-37  
Agricultural Stabilization bill, 521-3, 525, 544, 545  
"Agricultural commodity", definition, 544  
Farm problems, 522  
Opposition to principle of bill, 523
- Macdonald, Hon. W. Ross, P.C.**, Leader of the Opposition in the Senate—*Continued*  
Annual Vacations bill, 567, 568  
Appropriation bill No. 6 (1957), 13-15, 16, 17, 18  
Appropriation bill No. 7 (1957), 347, 349-50  
Appropriation bill No. 1 (1958), 463  
Bell Telephone Company of Canada bill, 51, 52, 77, 78, 81, 107  
British Columbia Telephone Company bill, 55  
Budget—need for financial statement, 409, 421-2  
Buffalo and Fort Erie Public Bridge Company bill, 293  
Canada-Australia Income Tax Agreement bill, 556  
Canadian and British Insurance Companies bill, 394, 398-9  
Canadian National Railway Company bill (construction and purchase of lines in Manitoba), 440, 442  
Canadian Vessel Construction Assistance bill, 86, 155, 195, 196  
Clergy Reserves, Abolition Act (Ontario), 261, 270  
Criminal law, report of Royal Commission on insanity as a defence, 251  
Disabled Persons bill, 187  
Dissolution of Parliament in 1926, correction of statement (Hon. Mr. Farris), 291  
Divorce  
Committee membership, 7, 8, 199-200  
Fees, 366  
Drouin, Hon. Mark, R., Speaker, felicitations, 35  
Education  
Provincial jurisdiction, 320  
Royal Commission (Hon. Mr. Cameron, Chairman), appointed by Alberta Government, 577  
Salaries in teaching profession, 321  
Estimates  
Consideration by committee suggested, 17, 18  
Interim supply, 13-15, 16, 17, 349-50, 463  
Exports Credits Insurance bill, 425, 426, 448  
Federal-Provincial Tax-Sharing Arrangements bill, 561-3, 564  
Equalization payments, 561, 564  
Government spending, without budget, 562  
Hasty legislation, 561-2  
Fournier, Hon. Sarto, felicitations on election as Mayor of Montreal, 407  
Gentleman Usher of the Black Rod, commended on performance of duties, 34  
Haig, Hon. John T., Leader of the Government in the Senate, felicitations and tribute to, 34-35

- Macdonald, Hon. W. Ross, P.C.**, Leader of the Opposition in the Senate—*Continued*  
 Hamilton Harbour Commissioners bill, 444, 446, 447  
 House of Commons debates, reference to out of order, 420, 421  
*How Parliament Works*, booklet by E. Russell Hopkins, Law Clerk and Parliamentary Counsel of the Senate, 34  
 Income Tax bill, 405, 408-10, 411, 420, 421-2  
   Construction companies' employees, 408  
   Corporation tax, 408, 409, 411  
   Personal exemptions, 408, 409-10  
 Indian bill, 576  
 Land Use, special committee to conduct inquiry, 58  
 Liberal administration, accomplishments, 36  
 Library of Parliament, Civil Service Commission report, 513  
 McGuire, the late Hon. W. H., tribute to, 93  
 National Housing bill, 429, 430-1, 433, 434, 435, 439  
 Natural gas prices, export and domestic, inquiry (Hon. Mr. Reid), 406  
 Natural Resources Committee, adjournment of meeting, 407-8  
 Nobel Peace Prize, award to Hon. Lester B. Pearson, 10  
 Northwest Territories bill, 569, 570, 571  
 Old Age Assistance bill, 185-6  
   Contributory system suggested, 185-6  
 Old Age Security bill, 143-4  
   Residence clause, 143-4  
 Parliamentary session, belated opening, 430-1  
 Pension bill, 453-4, 455, 456, 457, 458  
 Postal Congress, Universal, accommodation for at Ottawa, 430-1  
 Prairie Grain Advance Payments bill, 96, 97, 98, 99, 101, 103, 108-12, 114, 121, 123  
   Liens, priority, 110  
   Limited assistance to farmers, 111  
 Wheat  
   Colombo Plan, 110  
   Marketing problems, 109  
   Surplus, sales of, 109, 111-12  
   Trade policy of new Government, 109-10  
     Competition from United States give-away policy, 109-10
- Senate  
 Adjournment of debate on Speech from the Throne, 322  
 Business, 426-7, 549, 571, 578, 579  
 Chamber, renovations, 32-34  
 Committee of the Whole, 123  
 Debate procedure  
   Amendments to bills on 3r, 547-8  
   Point of order, 417
- Macdonald, Hon. W. Ross, P.C.**, Leader of the Opposition in the Senate—*Concluded*  
 Senate—*Concluded*  
   Government legislation, consideration of, 36-37, 282, 283, 463  
   Delay in receipt from Commons, 429-31, 453-4, 463  
   Opposition attitude, 36-37  
   Internal Economy Committee report  
     Char staff, salaries, 144-5  
     Money bills, powers respecting, 37  
     Routine proceedings, change in headings on Order Paper, 468-9  
   Work, 9  
 Senators, new, welcome to, 35  
 Trade, international, committee empowered to conduct inquiry, 380  
 Queen Elizabeth II, opening of Parliament 32; printing of broadcast (Oct. 13) as appendix to Senate records, 329  
 Unemployment, 404  
 Unemployment Assistance bill, 452-3  
 Unemployment Insurance bill, 286, 288, 452-3  
   Charge on Fund, 286  
 War Veterans Allowance bill, 190-1, 234-5  
 Theatre of war, definition, 190-1, 234-5  
   Period of service, 191, 234-5
- Maritime Provinces**—*See* Atlantic Provinces
- McDonald, Hon. John A.**  
 Address in reply to Speech from the Throne, 81-85  
 Agricultural Stabilization bill, 516  
 Atlantic Provinces Economic Council, 83  
 Canadian Broadcasting Corporation, broadcast on Royal visit commended, 81  
 Excise Tax bill, 404  
   Automobiles, decrease in tax, 404  
 Grain growers, cash advances to, 82  
 Maritime Provinces, 81-85  
   Apple production, bonuses suggested, 84  
     Market, 84  
   Drainage, erosion, soil improvement, 84, 85  
   Education, farm management, 83, 85  
   Freight rates, 82  
   Halifax, industrial development, suggestions for, 83, 84  
   Income of farmers, 82  
   Livestock production, 83, 84  
   Nova Scotia, economic problems, 82-83  
   Rural credits, 85  
   Solutions suggested for improved economy, 83, 84, 85  
   Transportation problems, 82-83, 85  
 Queen Elizabeth II, opening of Parliament, 81
- McGuire, Hon. William H.**  
 Death of—tributes, 93-94

**McKeen, Hon. Stanley S.**

Alaska-Yukon Pipelines, Limited bill, 391  
 Atlantic Provinces Power Development bill, 496, 497, 498  
 Canadian and British Insurance Companies bill, 394

**McLean, Hon. A. Neil**

Beechwood Power Project bill, 483, 486, 487  
 Bell Telephone Company of Canada bill, 80  
 Trade, international—Canadian Trade Relations Committee empowered to conduct inquiry, 379-80  
 Unemployment Insurance bill, 288

**Méihot, Hon. Léon**

Address in reply to Speech from the Throne, 24-26; motion for seconded, 24  
 British Columbia Telephone Company bill, 56  
 Criminal Code bill, 551  
   French version, correction, 551  
 Diefenbaker, Right Hon. John G., Prime Minister, tribute to, 25  
 Drouin, Hon. Mark R., congratulated upon appointment as Speaker, 24-25  
 Duplessis, Hon. Maurice, tribute to, 24  
 Introduction to Senate, 1-2  
 Queen Elizabeth II, opening of Parliament, 25  
 Three Rivers, industrial highlights, 24

**Mexico Tramways Company bill.** 1r, 76; 2r, 129-30; ref to com, 130; rep of com, 198; 3r, 206; r.a., 356

**Michener, Hon. Roland,** Speaker of House of Commons, 2-3, 57, 357, 470

**Ministry, the,** according to precedence (as at February 1, 1958), iii-iv

**Miscellaneous Private Bills Committee**

Appointment, 11; quorum, 30  
 Report, 198

**Molson, Hon. Hartland de M.**

Atlantic Provinces Power Development bill, 497  
 Old Age Assistance bill, 180  
 Ottawa and New York Railway Company, 132

**Monette, Hon. Gustave**

Address in reply to Speech from the Throne, 367-76  
 Adjournment of debate, 321-2  
 Atlantic Provinces Power Development bill, 506

Bell Telephone Company of Canada bill, 77, 78, 106-7

**Monette, Hon. Gustave—Concluded**

Capital stock, validity of sales, 77; bill amended, 106-7  
 Daigle, the late Hon. Armand, tribute to, 368  
 Divorce Committee, work of, 370  
 Education, 343-5, 389  
   Economic conditions, improvement program suggested, 344  
   Provincial jurisdiction, 343-5  
     Federal grants, 343-5  
 Export Credits Insurance bill, 422-6, 448, 449-50  
   Corporation, purposes and powers, 422-3  
   Extension of insurance, 422-3  
   Limits on policies, 423, 425  
 Freedom of religion, 306, 370-6  
 Supreme Court of Canada, decisions should be respected, 370-1, 376  
 Jehovah's Witnesses case (*Saumur v. City of Quebec*), 306, 371, 372, 375-6  
 Quebec City bylaw, 371-2  
 Quebec statutes, 371-4  
 Income tax, legitimate field of provinces, 344-5  
 Introduction to Senate, 1-2  
 Mille Isles, senatorial division, 368  
 National Housing bill, 432  
 Old Age Assistance bill, 183-4  
   Proposed increase in pensions to needy persons, 183  
 Old Age Security bill, 142-4  
   Absence from Canada, 142  
   Citizenship not a requirement, 142-3  
   Principle of legislation unchanged, 142  
   Proposed increase in pension, 142  
   Residence clause, 142  
 Queen Elizabeth II, opening of Parliament, 367-8  
 Russia, need for understanding with, 369  
 Unemployment, 370  
 Tight money, 370

**Money bills,** powers of Senate respecting, 37

**Narcotics**

Government clinics for supply of drugs to addicts, proposal opposed, 137  
 Narcotic Control bill, inquiry, 30  
 Senate committee, work, 136-7

**National Gallery**

Trustees, Director, purchases, inquiry, 467, 473, 493, 506, 511; answer 526, 528-39, 549  
 Board of Trustees, suggested appointment of Hon. Mr. Pouliot, 526; of Speakers of both Houses, 552  
 Works of art, inquiry, 308, 329-30; answer, 350-1, 467

**National Housing bill.** 1r, 428; 2r, 428-39; 3r, 439-40; r.a., 459

- National resources**, development policy, 4
- NATO** (North Atlantic Treaty Organization), 3, 225, 257  
Canadian NATO Parliamentary Association, proposal for economic co-operation, 225  
Unity among allies, need for, 257
- Natural gas**—See Gas
- Natural Resources Committee**  
Authority to print proceedings, 250  
Meeting adjourned, 407-8  
Members, 12, 329; quorum, 30  
Reports, 250, 407-8
- New Brunswick**—See Atlantic Provinces
- Newfoundland**—See Atlantic Provinces
- Nobel Peace Prize**, award to Hon. Lester B. Pearson, 10; dinner in honour of Mr. Pearson, 266
- Northwest Territories bill**. 1r, 551-2; 2r, 568-71; ref to com, 571; rep of com—3r, 572-4; r.a., 578
- Nova Scotia**—See Atlantic Provinces
- Old Age Assistance bill**. 1r, 131; 2r, 169, 179-86; ref to com, 186; rep of com, 196-7; 3r, 197; r.a. 265
- Old Age Security bill**. 1r, 108; 2r, 142-4; 3r, 144; r.a., 162
- Ontario**  
Federal-provincial tax-sharing, 213-14, 215, 245  
Freedom of religion, provincial statute, 261, 262, 269, 270, 303-4
- Opposition**  
Attitude toward Government legislation, 36-37, 64, 256
- Orders and Privileges Committee**  
Appointment, 5
- Ottawa and New York Railway Company bill**. 1r, 44; 2r-ref to com, 70; rep of com, 132-3; 3r, 146; r.a., 459
- Parliament**  
Dissolution, limitation on right to, 217-18, 291  
*How Parliament Works*, booklet by E. Russell Hopkins, Law Clerk and Parliamentary Counsel of the Senate, 34  
Legislative program, 3  
Opening, 1: Speech from the Throne, 3-4; dissolution, 579
- Parliamentary Assistants** (as at February 1, 1958), iv
- Paterson, Hon. Norman McL.**  
Canadian Vessel Construction Assistance bill, 159  
Drouin, Hon. Mark R., Speaker, birthday felicitations, 49
- Peace Bridge**, outline of information respecting, 298-300
- Pearson, Hon. Arthur M.**  
Acting Speaker, 93  
Agricultural Stabilization bill, 513-17, 522, 525, 541  
Base price formula, 515-16  
Farm income declining, 513, 515  
High cost of production, 514  
Mechanization of western farms, 514  
Canadian National Railway Company bill (construction and purchase of lines in Manitoba), 440-1, 442  
Hudson Bay Mining and Smelting Company, shipment of ore, 441  
International Nickel Company, proposed purchase of line from, 441  
Hamilton Harbour Commissioners bill, 453  
Introduction to Senate, 1-2
- Pearson, Hon. Lester, B., P.C., M.P.**  
Achievements at United Nations, 258  
Nobel Peace Prize, awarded to, 10  
Dinner in honour, 266
- Pension bill**. 1r, 453; 2r, 453-5; consid. in com, 455-8; 3r, 458; r.a., 459
- Pensions**—See Social security
- Pipe lines**  
Alaska-Yukon Pipelines, Limited bill, 131, 177-8, 237, 265, 391, 459  
Monopoly powers of companies, 125-6  
Price of gas to Canadian consumers, 136, 253  
Westcoast Transmission Company Limited, 125-6
- Postal Congress, Universal**, accommodation in Parliament Buildings, 430, 431
- Pouliot, Hon. Jean-François**  
Address in reply to Speech from the Throne, 259-64, 267-72  
Agricultural Stabilization bill, 540-1  
"Agricultural commodity", broad definition, 540-1  
Amendment proposed, 543  
Atlantic Provinces Power Development bill, 505-6  
Governmental responsibility for taxing and spending, 506

**Pouliot, Hon. Jean-François—Continued**

- Beechwood Power Project bill, 490-2
- Precedent in granting of loan, 490
- Water storage facilities, 491
- Blind Persons bill, 197
- Canadian National Railway Company bill (construction and purchase of lines in Manitoba), 440-1
- Canadian Vessel Construction Assistance bill, 156, 196
- Maritime unions, 196
- Disabled Persons bill, 198
- Divorce Committee
  - Work of, 6-8; proposed reduction in membership of subcommittees, 198, 199; and in number of sessional hearings, 8, 198, 199
- Drouin, Hon. Mark R., Speaker, tribute to, 259-60
- Flag, national, distinctive design needed, 267-8
  - Suggested design, 473
- Fournier, Hon. Sarto, felicitations on election as Mayor of Montreal, 260
- Freedom of religion, jurisdiction of provinces, 261-3, 268-72, 374, 375, 377-8
- Bill of Rights, 261-2, 268-72
  - Clergy reserves, act for abolition of, 261-2
  - Jehovah's Witnesses case (Saumur v City of Quebec), Supreme Court decision, 262, 263, 270-2, 377-8
  - Press report, question of privilege, 377
- Government leader (Hon. Mr. Haig), statement on motion for 3r of Unemployment Insurance Bill, 289
- "His Excellency"—persons officially entitled to be so called: inquiry, 367
- Legislative measures, belated receipt by Senate, 435-6
- National Gallery
  - Board of Trustees, suggested appointment of Speakers of both Houses, 552
  - Trustees, Director, purchases, inquiry, 467, 473, 493, 506, 511; answer, 526, 528-39, 549
  - Works of art, inquiry, 308, 329-30; answer, 350-1; answer discussed, 467
- National Housing bill, 435-6
- Newspaper article, question of privilege, 493
- Prairie Grain Advance Payments bill, motion to refer to Committee of the Whole, 119-20, 122
- Provincial Prime Ministers, suggested appointment to Privy Council, 206, 263, 267
- Queen Elizabeth II, opening of Parliament, 259
  - Broadcast (October 13, 1957), motion to print as appendix to Senate records, 329. (See pp. 5a-5b)
  - Suggested distribution to schools, 418

**Pouliot, Hon. Jean-François—Concluded**

- Radio broadcasting, pronunciation of "Noël" on French stations, 447
- Senate
  - Adjournment, motion for seconded, 487
  - Adjournment of debate "on division", 267
  - Chamber
    - Galleries, 260
    - Improvements, 260
    - Lighting, acoustics, ventilation, walls, rug, 26-27
  - Char staff, salaries, 144-5, 161
  - Committees
    - Banking and Commerce, reference of bills to, 122, 197, 198
    - Committee of the Whole, bills should be considered in, 27
    - Standing Committees, 26-28, 30, 38-43
    - Civil Service Administration, 27
    - Inquiry, 10, 27; answer, 30, 38-43
    - Reduction in membership proposed, 26
  - Procedure, amendments to bills on 3r, 548-9
  - Reform can be brought about only by Senate, 27
  - Stationery—Letter-heads and envelopes for bilingual senators, 76
  - Vacancies and absenteeism, 28
  - Work, distribution of, 27, 28
- Territorial Lands bill, reference to committee, 87, 88

**Power, Hon. C. G., P.C.**

- Agricultural Stabilization bill, 518
- Canadian National Railway Company bill (construction and purchase of lines in Manitoba), 441, 442, 443, 453
- Export Credits Insurance bill, 424
- Hamilton Harbour Commissioners bill, 446, 453
- Inquiries, responsibility of Leader of Government for obtaining answers, 465, 466
- Land Use committee report, 447
- Pension bill, 455-6, 458
  - World War I veterans, "death-bed marriages", 455-6
- Religion and language rights, Quebec view, 306
- War Veterans Allowance bill, 191-4
  - Pension acts, fundamental principles established in previous years, 191-4
  - Residence requirement, 193-4

**Prairie Grain Advance Payments bill.** 1r, 94; 2r, 94-105, 108-22; ref to com, 122-4, 130; rep of com-3r, 132; authority to print proceedings, 132; r.a., 162

**Pratt, Hon. Calvert C.**

- Address in reply to Speech from the Throne, 137-41
- Appropriation bill No. 7 (1957), 347
- Bell Telephone Company of Canada bill, 51
- Canadian and British Insurance Companies bill, 393, 401-2
  - Restriction on transfer of shares to non-residents, 402
- Canadian Vessel Construction Assistance bill, 156, 158, 169
- Codfish, salted, exports to Jamaica
  - Inquiry, 76-77; answer, 163-4
  - Price decrease since 1948, 77
  - Trading position, examination advisable, 76
- Commonwealth relations, 138-40
  - Colonies, development of self-government, 138
  - West Indies, 138-9
- Senate work, publicity inadequate, 137
- Trade
  - Chamber of Commerce, International, Biennial Congress, 324-5
  - European Common Market, 324, 325-6
  - Exports necessary for national survival, 323; importance to Newfoundland, 324
  - Industry and labour, co-operation necessary, 323
  - Statistics, 326
  - Tariffs, 323-4, 326
    - Newfoundland, 324
- Unemployment Insurance bill, suggested reference to committee, 287, 288
- United States
  - Canadian economy must be tied in with that of, 139
  - Capital investment in Canada, 140-1
  - Exports to, 139
- Publicity officers for Canada needed in, 140-1
  - Trading position with, unbalanced, 139-41
  - Tariffs, 140-1
- West Indies
  - Canada-West India conference, Mount Allison University, 138
- Wheat
  - British agreement, effect on flour prices in Newfoundland, 104-5
  - Joint North American pool, approval of suggestion, 139
  - Prairie Grain Advance payments bill, 104-5

**Press and periodicals**

- Atlantic Monthly, education, 387
  - Financial Post, Russian Sputnik, 242
  - Globe and Mail
    - Hospital insurance, 331
    - Inflation, 254
    - Nova Scotia, economic conditions, 226-7
    - Provincial tax-sharing agreements, election issue, 213-14
    - Senate reform, 65
    - Unemployment Assistance Act, 452
  - Halifax Chronicle Herald
    - Freedom of religion, 377
    - Tight money, 220
  - Lancet, training of student doctors, 279
  - La Presse, exclusion of legislative councillor from Quebec Liberal party, 493
  - Le Droit, article on Hon. Mark R. Drouin, Speaker, 259-60
  - Maritime Merchant, tight money policy and unemployment, 220
  - Moncton Telegraph Journal, Maritime power development, 481-2
  - Montreal Gazette
    - Bell Telephone Company profits, 125
    - Eminent men, natives of Maritimes, 202
    - Highway traffic accidents, 255
    - Preservation of provincial and municipal autonomy, 214
  - Montreal Star, Maritime power development, 481
  - Ottawa Journal, equalization of economic position of provinces, 214
  - Regina Leader Post, Saskatchewan River dam, 213
  - Toronto Daily Star
    - Hospital insurance, 332-3
    - Provincial tax-sharing agreements, 215
  - Toronto Telegram, Trans-Canada pipe lines, 125-6
  - Victoria Times, Senate reform, 64-65
  - Washington Post, Russian Sputnik, 242
  - Winnipeg Free Press
    - Provincial tax-sharing agreements, 214
    - Winnipeg Central Gas Company, monopoly power, 125-6
- Prime Minister**—See Diefenbaker, Right Hon. John G.
- Prince Edward Island**—See Atlantic Provinces
- Printing of Parliament**
- Joint Committee, Senate members, 11, 28; Commons members, 223
- Privy Council**, principal officers, iv
- Public Buildings and Grounds Committee**
- Members, 12; quorum, 30
- Public Health and Welfare Committee**
- Members, 12; quorum, 30

**Quebec**

- Education, non-acceptance of federal grants, 415
- Tax-sharing agreements, reference in Speech from the Throne, 215, 217
- See Freedom of religion

**Queen Elizabeth II**

- Address to, 4
- Opening of session—Speech from the Throne, 3-4
- References to, 19-20, 25, 32, 45, 59, 81, 147, 164, 166, 172, 173-4, 200, 202, 207, 243, 247, 251, 256-7, 259, 273, 367-8
- Text of broadcast to the Nation on October 13, 1957, 5a-5b
- See Address in reply

**Quinn, Hon. Felix P., Chief Government Whip**

- Canadian Vessel Construction Assistance bill, 154

**Railways**

- Canadian National Railway Company bill (construction and purchase of lines in Manitoba), 440-3, 453, 459
- Ottawa and New York Railway Company bill, 44, 70, 132-3, 146

**Railways bill (*pro forma*), 3****Reid, Hon. Thomas**

- Address in reply to Speech from the Throne, 133-7
- Agricultural Stabilization bill, 516, 523
- Alberta-Northwest Territories Boundary bill, 87
- Appropriation bill, No. 6 (1957), 18
- Appropriation bill, No. 7 (1957), 350
- Atlantic Provinces Power Development bill, 496
- Beechwood Power Project bill, 475, 479, 483, 484
- Bell Telephone Company of Canada bill, 126, 127
- British Columbia Centenary, design for commemorative dollar, 467-8
- Canada's Economic Prospects, inquiry as to reports of Royal Commission, 549
- Canadian Vessel Construction Assistance bill, 156, 159
- Columbia River Hydro-Electric development, inquiry, 367, 464-5, 471-2
- Right of senators to obtain report, 465
- Education
  - Federal grants, 342, 343, 344
  - Provincial responsibility, 342, 343, 344
- Energy, Royal Commission on, 135
- Columbia River development, 135-6

**Reid, Hon. Thomas—Concluded**

- Estimates, interim supply, 18
- Federal-provincial conference
  - Provincial responsibilities being handed to federal Government, 134-5
  - Report of proceedings, inquiry and answer, 266
  - Tax revenues, distribution, 134-5
- Fraser River salmon, effect on if waters diverted from Columbia River, 136
- House of Commons, televising of proceedings, 133
- Narcotic control
  - Government clinics for supply of drugs to addicts, proposal opposed, 137
  - Narcotic Control bill, inquiry, 30
  - Senate committee work, 136-7
- Natural gas prices, export and domestic, 136; inquiry, 308, 405, 465, 466, 487, 492-3, 507; answer, 526-7
- Old Age Assistance bill, 178-83, 186, 197
- Citizenship should be requirement, 179
- Costs of assistance (1926-58), 178
- Means test, opposition to, 181-2
- Provinces, probable inability of some to meet increased costs, 179
- Residence clause, 178, 179, 180
- Retirement age should be extended, 182-3
- Old Age Security bill, 142, 143, 144
- Prairie Grain Advance Payments bill, 96, 100, 117-18, 123
- Canadian Wheat Board, regulations socialistic, 118
- British Columbia, disabilities under, 118
- Wheat prices, 100
- Rio de Janeiro Tramway, Light and Power Company, Limited bill, 72
- Russia, aggravation of cold war, 134
- Sockeye salmon run, Adams River, 468
- Trade
  - China, trade with advocated by British Columbia Young Liberals, 135
  - Free trade, 135
  - Western European Union, pooling of resources, 134

**Restaurant of Parliament**

- Joint Committee, Senate members, 11, 29; Commons members, 223

**Rio de Janeiro Tramway, Light and Power Company, Limited bill. 1r, 44; 2r, 70-73; ref to com, 73; rep of com, 131; 3r, 146, r.a., 356****Robertson, Hon. Wishart McL., P.C.**

- Address in reply to Speech from the Throne, 164-8
- Appropriation bill No. 7 (1957), 347
- Atlantic Provinces Economic Council, 228

- Robertson, Hon. Wishart McL., P.C.—**
- Concluded*
- Atlantic Provinces Power Development bill, 497, 502-3, 509
- Bill timely, 502, 503
- Coal subventions, 503
- Taxes on power corporations in Nova Scotia—rebate proposed, 503
- Beechwood Power Project bill, 476, 485-6
- Divorce Committee, heavy demand on time and effort of members, 167-8
- Estimates, surplus, 418-19
- Federal-Provincial Tax-Sharing Arrangements bill, 558, 563
- Fiscal policy of Liberal administrations, 166-7
- Haig, Hon. John T., Leader of Government in Senate
- Felicitations to, 165-6
- Statement on Prairie Grain Advance Payments bill, 165
- “Have-not” areas in Canada, 226
- Income Tax bill, 418-20, 421
- Inflation and rising cost of living, 168
- NATO
- Economic co-operation among members, need for, 224, 225, 228
- United Kingdom proposal on trading area, 225
- Nova Scotia
- Economic conditions, 226-8, 229
- Electricity, project to provide cheaper power, 228
- Inquiry, 237, 266; answer, 266
- Favourable location for trade with Britain, 502
- Halifax, industrial development, 226-7
- Position in Confederation, 168
- Pension bill, 454
- Senate
- Parliamentary assistants in, appointment of at least six proposed, 167
- Reform, 167
- Superannuation account, deficit, 419, 421
- Trade, international, desirability of enlarging Canada's trading area, 171, 223-9, 327
- Agreements with United Kingdom and United States for removal of trade restrictions recommended, 225, 228, 229
- Exports, costs of production, 224
- Russia, prospect of serious competition from, 224
- United Kingdom and Western Europe, plans for free trade area, 224
- Unemployment Assistance bill, 453
- Roebuck, Hon. Arthur W.**
- Address in reply to Speech from the Throne, 302-5, 306-7
- Agreements between Canada and other countries, making and implementation of, 554-5
- Roebuck, Hon. Arthur W.—Continued**
- Agricultural Stabilization bill, 523-5, 541, 543, 545
- Farm problems, 524
- Inflation, 524
- Principle of bill criticized, 524
- Tariffs, effect on farmers' costs, 524-5
- Annual Vacations bill, 566, 567, 568, 574
- Atlantic Provinces Power Development bill, 499
- Appropriation bill No. 7 (1957), 347
- Beechwood Power Project bill, 484, 486
- Bell Telephone Company of Canada bill, 62, 78, 79, 80
- Capital stock
- Authorized capital, proposed increase in, 78, 79
- Commission on sales, 78
- Blind Persons bill, 170
- Brazilian Traction, Light and Power Company, Limited bill, 73
- British Columbia Telephone Company bill, 62
- Canada-Australia Income Tax Agreement bill, 554-5, 556
- Uniform statute proposed for all agreements, 554-5
- Canadian National Railway Company bill (construction and purchase of lines in Manitoba), 440, 441
- Criminal Code bill, 551
- Divorce
- Committee
- Accommodation, 199
- Members, 6, 8-9
- Membership on subcommittees, 199, 200
- Reports, 58, 74, 75, 163, 171, 198, 204, 206, 222, 223, 232, 238, 266, 297, 301, 327, 363-6
- Services of members, 364, 376; staff, 364-5
- Work, 75, 199, 363-5
- Petitions, filing date, 223
- Rules, 363
- Statistics, 75, 250, 365-6
- Education, 336-8
- Costs, 338-9
- Defence expenditures in relation to, 337-8
- Graduates, universities and high schools, 336
- Engineers, shortage of employment in Canada, 336-7, 338
- Productive power in Canada and Russia, 337
- Provincial jurisdiction, 338
- Federal-Provincial Tax-Sharing Arrangements bill, 564
- Free trade, reciprocal agreements with United States and United Kingdom favoured, 229-30
- Tariffs, restrictive effect on trade, 230

- Roebuck, Hon. Arthur W.**—*Concluded*  
 Hamilton Harbour Commissioners bill, 446-7  
 Indian bill, 575, 576  
 Jehovah's Witnesses case (*Saumur v City of Quebec*), 302, 303, 305, 306  
 Quebec City bylaw on distribution of literature, 303  
 Religious liberty, federal jurisdiction, 304-7  
 Supreme Court of Canada decision, 302-5, 306-7  
 National Housing bill, 430, 438  
 Prompt passage of bill desirable, 438  
 Northwest Territories bill, 569-70, 571, 572-4  
 Commissioner, power to borrow and lend, 570-1, 572-3  
 Deputy magistrates, right to practise law, 569-70, 573  
 Nova Scotia, economic conditions, 229  
 Old Age Assistance bill, 185  
 Cost of living justifies increased payments, 185  
 Rents, increases, 185  
 Ottawa and New York Railway Company bill, 70  
 Pension bill, 456  
 Rio de Janeiro Tramway, Light and Power Company, Limited bill, 72
- Senate**  
 Adjournment, motion for, 487; withdrawn, 489  
 Procedure, amendments to bills on 3r, 547  
 Territorial Lands bill, 87  
 Unemployment Insurance bill not solution to unemployment problem, 287  
 United States investments in Canada, 438
- Royal Assent**—Notice, 44, 146, 250, 297, 350, 451, 460, 572  
 Kerwin, Hon. Patrick, Chief Justice of Canada, 162, 265, 297, 356, 458-9, 578  
 Taschereau, Hon. Mr. Justice Robert, 57, 470
- Royal Commissions**  
 Canada's Economic Prospects, inquiry as to reports, 549  
 Energy, 135  
 Law of insanity as a defence in criminal cases, inquiry as to report, 251
- Russia**  
 Co-existence with, alternative to total destruction, 241, 242, 243, 369  
 Education, 149-50, 354  
 Universities, 150  
 Lenin, first planner of nationalization of medicine, 274  
 Satellites, Sputnik and Novoputnik, 134, 149, 242  
 Submerged nationalities, 147, 151-2  
 Trade competition, serious prospect, 224
- St. Laurent, Right Hon. Louis S., M.P., P.C.**, 244, 258
- St. Lawrence Seaway** tolls, effect on freight rates, 253
- St. Mary's River Bridge Company bill.** 1r, 223; 2r-ref to com, 264; rep of com, 289-90; 3r, 290; r.a., 459
- Sao Paulo Electric Company, Limited bill.** 1r, 45; 2r, 73; ref to com, 74; rep of com, 131; 3r, 146; r.a., 356
- Saskatchewan**  
 Losses from embargo on shipments of beef cattle to United States, 253  
 South Saskatchewan River dam, 4, 212-13  
 Wheat, largest producer, 252
- Savoie, Hon. Calixte F.**  
 Canadian and British Insurance Companies bill, 396
- Secretary of State for External Affairs, Hon. Sidney E. Smith, M.P.**, 211
- Selection Committee**  
 Appointment, 28-29; reports, 6-8, 9, 11-12, 26-28
- Senate**  
 Accounts tabled—ref to Committee on Internal Economy, 58  
 Rep of com, 290; adopted, 307  
 Business, 9, 44, 307, 387, 426-7, 487-9, 507, 549-50, 571, 578, 579  
 Adjournment, 459, 487-9, 579  
 Chamber  
 Galleries, 260  
 Improvements, 260  
 Lighting, acoustics, ventilation, walls, rug, 26-27  
 Paintings, 240  
 Renovations, 33-34  
 Char staff, salaries, 144-5  
 Committees  
 Banking and Commerce, reference of bills to, 122, 197, 198  
 Committee of the Whole, 27, 119-20, 122-4  
 Verbatim report of proceedings recommended, 509, 510-11, 526  
 Work, important results of, 69  
 Criticisms, 65-66  
 Debate procedure  
 Adjournment of debate on Speech from the Throne, 267, 321-2  
 Amendments to bills on third reading, 544, 546, 547-9  
 House of Commons debates, reference to out of order, 181, 420, 421

**Senate—Concluded**

- Divorce
  - Committee work, 6-8, 75, 167-8, 198-200, 208, 363-5, 370, 376
  - Proposed reduction in membership of subcommittees, 198, 199; and in number of sessional hearings, 8, 198, 199
- Emergency sittings, authority to convene, 44
- Internal economy, three senators to act during recess of Parliament, 237
- Legislation, consideration of, 36-37, 49, 209-10, 281-3, 429-31, 435-6, 437, 453-4, 463-4
  - Delay in receipt from Commons, 210
  - Introduction in Senate by ministers, 209-10
  - Not enough initiated in Senate, 210
- Members, qualifications of, 66-68
- Money bills, powers respecting, 37
- Officers and Chiefs of principal branches, xix
- Opposition, attitude toward Government legislation, 36, 64, 256
- Parliamentary assistants in, appointments proposed, 167, 208
- Reform, 26-28, 64-69, 167, 208, 251-2
  - Press comment, 64-65
  - Reference in speeches of Prime Minister, 64, 65
  - Responsibility of Senate, 69
  - Representation of Maritimes, equality with other regions, 218-19
- Role of, 36-37
- Routine proceedings, change in headings on Order Paper, 468-9
- Rules
  - Suspension, private bills, 129; public bills, 146
- Staff, commendation, 46, 364-5
- Stationery
  - Letter-heads and envelopes for bilingual senators, 76
  - Report of Internal Economy Committee, 290; adopted, 307
- Vacancies, 239
- Work, publicity inadequate, 137

**Senators**

- As at February 1, 1958—according to seniority, v-vii; alphabetically, ix-xi; by provinces, xiii-xvii
- Deceased—Hon. W. H. McGuire, 93-94
- New—introduction, 1-2
- Property qualifications, declarations, 94, 105, 289

**Smith, Hon. Donald**

- Address in reply to Speech from the Throne, 218-22
- Atlantic provinces
  - Beechwood hydro project, 219
  - Coal subventions, 221
  - Maritimes representation in Senate, equality with other regions, 218-19
  - Marketing difficulties in lumber, pulp-wood and fishing industries, 221
- Canadian economy
  - Emergency action needed, 220
  - Tight money policy, 219-21
  - Interest rate, 219, 220, 221
  - Problems of industry, 219-20
  - Unemployment, 219-20

**Social Security**

- Blind Persons bill, 131, 169-70, 186-7, 197, 265
- Costs, 147, 178, 179, 212
- Disabled Persons bill, 131, 170, 187, 198, 265
- Moral security and, 173-7
- Old Age Assistance bill, 131, 169, 179-86, 196-7
- Old age pensions, 245-7, 254
- Old Age Security bill, 108, 142-4, 162
- Pension bill, 453-8, 459
- War Veterans Allowance bill, 163, 187-94, 203, 234-7, 265

**Speaker, The**

- See Drouin, Hon. Mark R.
- Acting Speaker, Hon. Arthur M. Pearson, 93

**Speech from the Throne, 3-4**

- See Address in reply

**Stambaugh, Hon. J. Wesley**

- Prairie Grain Advance Payments bill, 99-100, 117, 123
  - Oats and barley, quota per specified acre, 99-100, 117
- Senate, Committee of the Whole, 123
- Standing Orders Committee
  - Members, 11; quorum, 30

**State medicine**

- Compulsory system, socialistic implications, 279
- Medical practitioners, professional levelling trend, 277-8, 280-1
- Russia—Lenin, first planner of nationalization of medicine, 274
- Unfair exploitation, 277
- United Kingdom plan, 274, 275-6, 277, 278, 332-3
  - British National Health Service Act (1946), 275

**Succession Duty Act, Dominion, revision suggested, 22, 63**

**Sullivan, Hon. Joseph A.**

- Address in reply to Speech from the Throne, 273-81
- Blind Persons bill, 169-70, 187
- Commander Knight of St. Gregory, title conferred, 172
- Disabled Persons bill, 170
- Introduction to Senate, 1-2
- Old Age Assistance bill, 169, 186
- Queen Elizabeth II, opening of Parliament, 273
- State medicine, 273-81
  - Compulsory system
    - Engenders economic instability, 279-80
    - Socialistic implications, 279
  - Medical practitioners, professional levelling trend, 277-8, 280-1
  - Russia—Lenin, first planner of nationalization of medicine, 274
  - Unfair exploitation, 277
  - United Kingdom plan, 274, 275-6, 277, 278
    - British National Health Service Act (1946), 275

**Supreme Court of Canada**

- Jehovah's Witnesses case (*Saumur v. City of Quebec*), 262, 263, 270-2, 306, 307, 377-8

**Taschereau, Hon. Mr. Justice Robert, Deputy of the Governor General**

- Royal Assent to bills, 57, 470

**Taxation**

- Canada-Australia Income Tax Agreement bill, 540, 552-6, 557, 572, 578
- Excise Tax bill, 404-5, 408, 459
- Federal-Provincial Tax-Sharing Arrangements bill, 551, 557-64, 578
- Income Tax bill, 405, 408-12, 418-22, 459

**Taylor, Hon. Austin C.**

- Atlantic Provinces Power Development bill, 499, 500, 503-5, 509
  - Coal subventions, 504
  - Interest rate on federal loan, 504
- Beechwood Power Project bill, 476-83, 484
- Interest rate on federal loan, 478, 482, 483
- New Brunswick power development, background, 476-83
  - Proposal for interconnection of systems between Nova Scotia and New Brunswick, 481
- Tenders, 479-80, 484
- Water storage, 479, 480
- Federal-Provincial Tax-Sharing Arrangements bill, 563-4
  - Maritimes, contribution to wealth of other provinces, 563
  - Principle of tax rental agreements approved, 563

**Territorial Lands bill.** 1r, 58; 2r, 87-88; ref to com, 88; authority to print proceedings, 250**Tourist industry**

- Prince Edward Island
  - Attractions, 248-9
  - Transportation problems, 249

**Tourist Traffic Committee**

- Members, 12; quorum, 30, 44

**Trade, international**

- Agreements with United Kingdom and United States recommended, 225, 228, 229-30, 231, 296
- China, trade with, 135
- Committee on Canadian Trade Relations empowered to conduct inquiry, 379-80
- Desirability of enlarging Canada's trading area, 171, 223-9
- European economic integration, 294-5
  - Common market, 324, 325-6
- Exports
  - Costs of production, 224
  - Necessary for national survival, 323
  - Statistics, 326
- Federal expenditures on welfare services would decline as result of increased trade, 296
- Peace between nations, unifying influence of trade, 296-7
- Russia, prospect of serious competition from, 224
- Tariffs
  - Restrictive effects, 225, 228, 229, 230, 323-4
  - United States, 139-41

**Traffic accidents, 60-61**

- Canadian Medical Association, research board appointed to inquire into, 61

**Transport and Communications Committee**

- Members, 11, 44; quorum, 30; reports, 62, 132-3, 237, 289-90

**Turgeon, Hon. Gray**

- Internal Economy Committee report, 237

**Ukrainian National Republic, fortieth anniversary of declaration of independence, 151, 511-12****Unemployment, 219-20, 248, 258, 404, 432-3**

- Statistics, 284, 285-6
- Tight money, 370

**Unemployment Assistance bill.** 1r, 451; 2r, 451-3; 3r, 453; r.a., 459**Unemployment Insurance bill.** 1r, 284; 2r, 284-7; 3r, 287-9; r.a., 297

**United Kingdom**

- Declaration of Common Purpose, issued by Prime Minister and United States President, 76, 91-92, 133
- Forestry products, decrease in markets for products from Atlantic provinces, 201-2
- Hospital insurance, 274, 275-6, 277, 279, 332-3
  - British National Health Service Act (1946), 275
- Trade with Canada
  - Restrictions, removal urged, 225, 228, 229

**United Nations**

- Canadian delegation should comprise representatives of all political parties—suggestion, 48-49

**United States**

- Agricultural surplus, 521
- Currency discount, effect on Canadian pulp and paper industry, 201
- Declaration of Common Purpose, issued by President and United Kingdom Prime Minister, 76, 91-92, 133
- Exports to, 139
- Investments in Canada, 140-1, 438
- Joint North American pool for disposal of surplus grain production suggested, 117
- Publicity officers for Canada needed in, 140-1
- Soil bank, results of, 520
- Trade with Canada
  - Political union ultimate result of free trade, 231
  - Restrictions, removal urged, 225, 228, 229
  - Treaty suggested, 295
  - Benefits possible, 295-6

**Vaillancourt, Hon. Cyrille**

- Address in reply to Speech from the Throne, 173-7
- Aseltine, Hon. W. M., welcome on return to Senate Chamber, 507
- Bell Telephone Company of Canada bill, 128
- Education, 345
- Inflation, 174
- Jehovah's Witnesses case (*Saumur v. City of Quebec*), Supreme Court decision, 306
- Juvenile delinquency
  - Parental neglect, 174-5
  - Salacious literature, availability, 174-7
  - Federal-provincial conference suggested to prevent distribution, 176
- Old Age Assistance bill, 169
- Senate adjournment, 488-9
- Social Security measures, 174
- Territorial Lands bill, 250

**Vien, Hon. Thomas, P.C.**

- Appropriation bill No. 6 (1957), 18, 30
- Estimates, 17, 18
- Export Credits Insurance bill, 423, 426
- Indian bill, 576-7
- National Housing bill, 432-3, 434, 436, 438-9, 440
  - Consideration by committee proposed, 432-3, 436, 438-9
  - Amendment to motion for 2r, 436
- Senate debate procedure, 421

**Wall, Hon. William M.**

- Address in reply to Speech from the Throne, 146-53
- Annual Vacations bill, 566, 567
  - Existing legislation, 566
- Alberta-Northwest Territories Boundary bill, 87
- Atlantic Provinces Power Development bill, 497, 498, 500, 509-10
  - Lack of comprehensiveness of bill, 509
  - Newfoundland, danger of discrimination under bill, 510
  - Power projects delimited to thermal projects, 510
- Bell Telephone Company of Canada bill, 52-53
- Dominion-provincial fiscal relations, 147, 148-9
  - Manitoba, position at forthcoming conference, 149
  - Tax rental agreements, 148-9
- Education, 149-51, 339-43
  - Continuing crisis in, 147, 149-50, 340
  - Costs, 150, 339, 342
    - Gross national product, percentage relationship to, 150-1, 339
  - National conference (Feb. 1958), 342
  - North Atlantic Alliance, pooling of resources, 149
  - Russia, 149-50; universities, 150
- Scholarship fund, 340, 341, 343
  - Emigration restriction, question of, 343
- School pupils, statistics, 150, 340-1
- Teacher scarcity, 150
- Universities
  - Australian Government, contribution to costs, 341
  - Canada Council scholarships, 150
  - Entrants, shortage of, 341
  - Graduates, 149-50, 340-1, 342
    - Professionally trained, shortage of, 340-1, 342
  - National Federation of Canadian University Students, 150
- Federal expenditures, budgetary implications, 147-8
- Defence, 148
- Social security, 147
- Taxation, 148

**Wall, Hon. William M.—Concluded**

## Russia

Satellites—*Sputnik* and *Novoputnik*, 149  
Submerged nationalities, 147, 151-2,  
511-12

Ukrainian National Republic, fortieth anni-  
versary of declaration of independence,  
151, 511-12

**War Veterans Allowance bill.** 1r, 163; 2r, 187-  
94, 203; ref to com, 203; rep of com,  
234-7; 3r, 237; r.a., 265

**Western European Union,** 116, 225, 294-5

**West Indies**

Canada-West India conference, Mount Alli-  
son University, 138

**Wheat—See Grain**

**White, Hon. George S.**

Address in reply to Speech from the  
Throne, 19-24; motion for, 19

## Agriculture

Competition from imports, 23  
Costs of production in relation to return,  
23

Labour, migration to cities, 22  
Stability of prices, provision for, 22

## Federal-provincial fiscal conferences, 23

National development policy, 23

Introduction to Senate, 1-2

## Madoc, Ontario

Eminent men and women natives of, 21;  
mining, 21

New Brunswick, Beechwood power project,  
attraction to industry, 23

Prime Minister, felicitations to, 21

Queen Elizabeth II, opening of Parliament,  
19-20

Social security increases, 21

Succession Duty Act, revision necessary, 22

War Veterans Allowance bill, 187-90, 235-6,  
237

Income ceiling, 188-9

Residence clause, 188, 236

Salary increases to Board members, 189

Widows' eligibility, 188

United Kingdom, restriction as to period  
of service in, 190, 203

**BILL OF ANNULMENT**

Robert, Maurice. 1r, 204; 2r, 231; 3r, 237; r.a.,  
458

**BILLS OF DIVORCE**

**Asman, Mark.** 1r, 133; 2r, 169; 3r, 171; r.a.,  
356

Azeman, Bertha Wexler. 1r, 206; 2r, 232; 3r,  
238; r.a., 458

**Badeaux, Martine Rolland.** 1r, 301; 2r, 327;  
3r, 330; r.a., 470

Balleine, Marion Gloria Ewart. 1r, 351; 2r-3r,  
352; r.a., 470

Barter, Frances Maud Mercer. 1r, 301; 2r,  
327; 3r, 330; r.a., 470

Beakes, Robert James. 1r, 163; 2r, 204; 3r,  
207; r.a., 356

Bedard, Paul-Emile. 1r, 351; 2r-3r, 352; r.a.,  
470

Bellenger, Dorothy Elizabeth Allen. 1r, 108;  
2r, 162; 3r, 171; r.a., 356

Bersier, Roger Albert. 1r, 204; 2r, 231; 3r,  
238; r.a., 358

Bielinski, Zygmunt Habdank. 1r, 206; 2r, 232;  
3r, 238; r.a., 458

Bisson, Reine Isabel Charles. 1r, 206; 2r, 232;  
3r, 238; r.a., 458

Blacklock, Elizabeth Janet Davidson. 1r, 163;  
2r, 204; 3r, 207; r.a., 356

Blake, Bernice Edith Knights. 1r, 206; 2r, 232;  
3r, 238; r.a., 458

Bloomfield, Frances Dorothy Denenberg. 1r,  
204; 2r, 231; 3r, 237; r.a., 458

Botham, Leonne Laine Andree Belanger. 1r-  
2r, 250; 3r, 267; r.a., 459

Bouchard, Marie Cecile Philemone Gilberte  
Pregent. 1r, 204; 2r, 231; 3r, 238; r.a., 458

Bouffard, Conrad Donat Joseph. 1r, 163; 2r,  
204; 3r, 207; r.a., 356

Boxerman, Moe. 1r, 133; 2r, 169; 3r, 171; r.a.,  
356

Boychuk, Alice Florence Chaisson. 1r, 204;  
2r, 231; 3r, 238; r.a., 458

Boyd, Elizabeth Dermer. 1r, 108; 2r, 162; 3r,  
171; r.a., 356

Brault, Joseph Napoleon Leon Prosper. 1r-  
2r-3r, 366; r.a., 470

Brien, Anne Marie Fontaine. 1r, 163; 2r, 203;  
3r, 207; r.a., 356

Brien, Yvonne Florence Kee, otherwise known  
as Yvonne Florence Kee Durocher. 1r, 351;  
2r-3r, 352; r.a., 470

Brisebois, Pola Baron. 1r, 204; 2r, 231; 3r,  
237; r.a., 458

Brown, Irene Patricia Heffernan. 1r, 204; 2r,  
231; 3r, 237; r.a., 458

Bucci, Antonio. 1r, 204; 2r, 231; 3r, 237; r.a.,  
458

Bunte, Karina Mercés. 1r-2r, 250; 3r, 267;  
r.a., 458

- Chadwick**, Elizabeth Ann Vedder. 1r, 163; 2r, 204; 3r, 207; r.a., 356
- Champion**, Marthe Helene Le Bel. 1r, 105; 2r, 141; 3r, 164; r.a., 356
- Chartrand**, Maria Torossi. 1r, 351; 2r-3r, 352; r.a., 470
- Church**, Charles Frederick. 1r, 105; 2r, 141; 3r, 164; r.a., 356
- Cichella**, Florence Bloomfield. 1r, 301; 2r, 327; 3r, 330; r.a., 470
- Cohen**, Irene Elsa Rubin. 1r, 133; 2r, 169; 3r, 171; r.a., 356
- Cooke**, Theresa Mary Moran Redmond. 1r, 108; 2r, 162; 3r, 171; r.a., 356
- Cote**, Jacqueline Marchand. 1r, 204; 2r, 231; 3r, 237; r.a., 458
- Cottier**, Marie Reina Pauline Duquette. 1r, 163; 2r, 204; 3r, 207; r.a., 356
- Couture**, Catherine Ann Naylor. 1r, 204; 2r, 231; 3r, 237; r.a., 458
- Crease**, John Alfred. 1r, 204; 2r, 231; 3r, 237; r.a., 458
- Cross**, Ernest Frank. 1r, 233; 2r, 264; 3r, 267; r.a., 578
- Cybuliak**, Dorothy Maureen Allan. 1r, 163; 2r, 204; 3r, 207; r.a., 356
- Deegan**, John Francis Bernard. 1r, 301; 2r, 327; 3r, 330; r.a., 470
- Deguisse**, Lucille Therrien. 1r, 205; 2r, 231; 3r, 238; r.a., 458
- Deschambault**, Marcelle Richard. 1r-2r, 250; 3r, 267; r.a., 459
- Desparois**, Jean Guy Joseph. 1r, 301; 2r, 327; 3r, 330; r.a., 470
- Desrochers**, Lita Eleanor Ciceri. 1r, 163; 2r, 204; 3r, 207; r.a., 356
- Dizazzo**, Viola Carmela Starnino. 1r, 301; 2r, 327; 3r, 330; r.a., 470
- Dorfman**, Marie Marguerite Eugenie Lucie Provost. 1r, 163; 2r, 204; 3r, 207; r.a., 356
- DuBoyce**, Elizabeth Cave Collyer. 1r, 206; 2r, 232; 3r, 238; r.a., 458
- Dudka**, Vasy. 1r, 301; 2r, 327; 3r, 330; r.a., 470
- Dunning**, Kathleen Louise Blaylock Hall. 1r, 105; 2r, 141; 3r, 164; r.a., 356
- Durocher**, Yvonne Florence Kee—*See* Brien, Yvonne Florence Kee
- Dzynaw**, Jerzy. 1r, 133; 2r, 169; 3r, 171; r.a., 356
- Elstorpff**, Claus. 1r, 204; 2r, 231; 3r, 238; r.a., 458
- Fishman**, Joseph. 1r, 205; 2r, 231; 3r, 238; r.a., 458
- Forbes**, Mona Areta Emsley. 1r, 163; 2r, 204; 3r, 207; r.a., 356
- Freeman**, Norma Rose Cohen. 1r, 206; 2r, 232; 3r, 238; r.a., 458
- Gagnon**, Jean-Baptiste. 1r-2r-3r, 366; r.a., 470
- Gagnon**, Pierrette Picard. 1r-2r, 250; 3r, 267; r.a., 459
- Gauthier**, Mildred Irene Mitchell. 1r, 205; 2r, 232; 3r, 238; r.a., 458
- Gold**, Sally Ruth Pall. 1r, 206; 2r, 232; 3r, 238; r.a., 458
- Goldmann**, Irene Tinkoff. 1r, 205; 2r, 231; 3r, 238; r.a., 458
- Good**, Violet June Bockus. 1r, 205; 2r, 232; 3r, 238; r.a., 458
- Gordon**, Mildred Weiner. 1r, 108; 2r, 162; 3r, 171; r.a., 356
- Hadden**, Mabel Florence Adams. 1r, 233; 2r, 264; 3r, 267; r.a., 459
- Hartt**, Florence Hewitt Scribner. 1r, 163; 2r, 204; 3r, 207; r.a., 356
- Hay**, Dorothy Nettie Clarke. 1r, 233; 2r, 264; 3r, 267; r.a., 459
- Hermann**, Gwendolyn Alice Wilson. 1r, 206; 2r, 232; 3r, 238; r.a., 458
- Hibbard**, Madeline Audrey Booth. 1r, 204; 2r, 231; 3r, 238; r.a., 458
- Holtham**, Theodore Elbert. 1r, 204; 2r, 231; 3r, 237; r.a., 458
- Hotte**, Venice Gosselin. 1r, 206; 2r, 232; 3r, 238; r.a., 458
- Houde**, Lionel. 1r, 351; 2r-3r, 352; r.a., 470
- Hovermann**, Frederick William. 1r, 233; 2r, 264; 3r, 267; r.a., 459
- Huint**, Annette Allard. 1r, 301; 2r, 327; 3r, 330; r.a., 470
- Isaacson**, Phyllis Freda Sabbath. 1r, 108; 2r, 162; 3r, 171; r.a., 356
- Jarvis**, Gennie Loza. 1r, 133; 2r, 169; 3r, 171; r.a., 356
- Johnstone**, Catherine Maitland Moenting. 1r, 351; 2r-3r, 352; r.a., 470
- Jolin**, Marguerite Lavoie. 1r, 108; 2r, 162; 3r, 171; r.a., 356
- Joly**, Mildred Mabel Desmarais Demers. 1r-2r, 250; 3r, 267; r.a., 459
- Joyce**, Helen May Verner. 1r, 108; 2r, 162; 3r, 171; r.a., 356

- Keith**, James. 1r, 133; 2r, 169; 3r, 171; r.a., 356  
**Kirk**, Claude Murray. 1r, 204; 2r, 231; 3r, 237; r.a., 458  
**Koomas**, Helen Frances Knight. 1r, 204; 2r, 231; 3r, 238; r.a., 458  
**Ladds**, Shirley Janet Whitton. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
**Ladouceur**, Marie Anna Eliza Labrecque. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
**Laker**, Catherine Rita Marian. 1r, 204; 2r, 231; 3r, 237; r.a., 458  
**Lamont**, Donald Ernest. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
**Langevin**, Joseph Roland. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
**Laplante**, Gertrude Laurence Delisle. 1r, 301; 2r, 327; 3r, 330; r.a., 470  
**Lauzon**, Lena Therese Dean. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
**Leavitt**, Christine Mary Mackay. 1r, 351; 2r-3r, 352; r.a., 470  
**Leblanc**, Denis. 1r, 204; 2r, 231; 3r, 237; r.a., 458  
**Leclaire**, Mary Russell. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
**Lefebvre**, Manola Mainville. 1r, 163; 2r, 203; 3r, 207; r.a., 356  
**Livingston**, Mary Isabel Bristow. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
**Loikkanen**, Kaarlo Kustaa. 1r-2r-3r, 366; r.a., 470  
**Lomon**, Ethel Rappaport. 1r, 205; 2r, 232; 3r, 238; r.a., 458  
**Madge**, Mary Hilbert. 1r, 105; 2r, 141; 3r, 164; r.a., 356  
**Maiste**, Joyce Hahn. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
**Major**, Evelyn Mahaffy. 1r, 204; 2r, 231; 3r, 238; r.a., 458  
**Malcolm**, Bertha Viola Beatrice Good. 1r, 233; 2r, 264; 3r, 267; r.a., 459  
**Malo**, Marguerite Downie. 1r, 204; 2r, 231; 3r, 237; r.a., 458  
**Manchur**, Christine Silverson. 1r-2r-3r, 366; r.a., 470  
**Marceau**, Jean Marc. 1r, 133; 2r, 168; 3r, 171; r.a., 356  
**Matthes**, Siegmund Paul Fritz. 1r, 108; 2r, 162; 3r, 171; r.a., 356  
**Matucha**, Carmen Baron. 1r, 301; 2r, 327; 3r, 330; r.a., 470  
**McCorrison**, Lila Redmond. 1r, 108; 2r, 162; 3r, 171; r.a., 356  
**McLean**, Catherine Lammie Graham. 1r, 205; 2r, 231; 3r, 238; r.a., 458  
**McTigue**, Michael Francis. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
**Menard**, Omer Arthur. 1r, 233; 2r, 264; 3r, 267; r.a., 458  
**Mencher**, Molly Gloria Goldman. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
**Michael**, Bernhard Wilhelm. 1r, 351; 2r-3r, 352; r.a., 470  
**Millette**, Joyce Eugenie Swanburg. 1r, 204; 2r, 231; 3r, 238; r.a., 458  
**Mills**, William Garnet. 1r-2r, 250; 3r, 267; r.a. 459  
**Mullins**, Margaret Williams. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
**Murray**, Graziella Bernier. 1r, 204; 2r, 231; 3r, 237; r.a., 458  
**Neeley**, Claudine Yvette Felicite Cavallero. 1r, 105; 2r, 141; 3r, 164; r.a., 357  
**Neuss**, Zelda King. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
**Newell**, William. 1r, 205; 2r, 232; 3r, 238; r.a., 458  
**Newland**, Daphne Louisa Ruby Burrows. 1r, 206; 2r, 232; 3r, 238, r.a., 458  
**Pelletier**, Jean Paul. 1r-2r, 250; 3r, 267; r.a., 459  
**Perras**, Joseph Fabien Marcel. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
**Phillips**, Gwendoline Georgina Adelaide McNamee. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
**Pinsky**, Sarah Yampolsky. 1r-2r, 250; 3r, 267; r.a., 459  
**Pitman**, Olive Clara Benson. 1r, 205; 2r, 232; 3r, 238; r.a., 458  
**Pollender**, Laurette Racine. 1r, 205; 2r, 232; 3r, 238; r.a., 458  
**Pridmore**, George Wilkinson. 1r, 205; 2r, 232; 3r, 238; r.a., 458  
**Proulx**, Violet Pitman. 1r-2r, 250; 3r, 267; r.a., 459  
**Proulx**, William Lucien. 1r, 351; 2r-3r, 352; r.a., 470  
**Rainville**, Kathleen Mary Hicks. 1r, 205; 2r, 232; 3r, 238; r.a., 458  
**Rathburn**, Agnes Traiton. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
**Raymond**, Romeo. 1r, 301; 2r, 327; 3r, 330; r.a., 470  
**Rayvals**, Herman. 1r, 204; 2r, 231; 3r, 238; r.a., 458  
**Reid**, Beverley Joan Abbott. 1r, 133; 2r, 169; 3r, 171; r.a., 356  
**Renaud**, Albert. 1r, 232; 2r, 264; 3r, 266; r.a., 458

- Roberge, Loueisa Knutton. 1r, 232; 2r, 264; 3r, 266; r.a., 458  
 Rohrlich, Sally Baker Golding. 1r, 133; 2r, 169; 3r, 171; r.a., 356  
 Rothe, Pierre. 1r, 301; 2r, 327; 3r, 330; r.a., 470  
 Roy, Marie Marthe Moreau. 1r-2r, 250; 3r, 267; r.a., 459  
 Rubina, Ludek Peter. 1r, 301; 2r, 327; 3r, 330; r.a., 470  
 Rybikowski, Michal. 1r, 133; 2r, 169; 3r, 171; r.a., 356  
 Ryer, Norma Leibovitch. 1r, 163; 2r, 203; 3r, 206; r.a., 356  
**St. Martin**, Osbourne Denzil. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
 Saunderson, Amy Isabel Wonham. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
 Savard, Margo Jean Thornton. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
 Schecter, Claire Lenoff. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
 Schor, Sarah Sally Abramovici. 1r, 105; 2r, 141; 3r, 164; r.a., 356  
 Schubert, Karl. 1r, 133; 2r, 169; 3r, 171; r.a., 356  
 Scott, Eileen Hannah Thomson. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
 Sebaski, John Joseph. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
 Segal, Gwen Horne. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
 Skilling, Gordon Frank. 1r, 351; 2r-3r, 352; r.a., 578  
 Smallwood, Margaret Lillian Mackenzie. 1r, 108; 2r, 162; 3r, 171; r.a., 356  
 Standeven, Eunice Kennedy. 1r, 105; 2r, 141; 3r, 164; r.a., 356  
 Stein, Judith Sidney Browne. 1r, 351; 2r-3r, 352; r.a., 470  
 Stern, Miriam Jurist. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
 Stuckey, Dorothy Miriam Skinner. 1r, 232; 2r, 264; 3r, 266; r.a., 458  
 Suranow, Emilia Shutko. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
 Suttner, Lillian Boyce. 1r, 108; 2r, 162; 3r, 171; r.a., 356  
**Tasse**, Joseph Alfred Victor. 1r, 105; 2r, 141; 3r, 164; r.a., 356  
 Thomas, Doris Rose May Cook. 1r, 205; 2r, 231; 3r, 238; r.a., 458  
 Thompson, Edith Elizabeth Altherr. 1r, 108; 2r, 162; 3r, 171; r.a., 356  
 Thompson, John Howard Cooper. 1r, 301; 2r, 327; 3r, 330; r.a., 470  
 Titleman, Lily Sklar. 1r, 204; 2r, 231; 3r, 238; r.a., 458  
 Todascu, Michael. 1r, 351; 2r-3r, 352; r.a., 470  
 Touchette, Elizabeth Geroux. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
 Toulouse, William. 1r, 301; 2r, 327; 3r, 330; r.a., 470  
 Tremblay, Cecile Chagnon. 1r, 204; 2r, 231; 3r, 238; r.a., 458  
 Turner, Ronald Victor. 1r, 105; 2r, 141; 3r, 164; r.a., 356  
**Uditsky**, Clarice Mendell. 1r, 108; 2r, 162; 3r, 171; r.a., 356  
 Urb, Elvi Russak. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
 Uyeda, Evelyn Thelma Passineau. 1r, 105; 2r, 141; 3r, 164; r.a., 356  
**Vlahos**, Nicholas. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
 Volkman, Vera Dziedzic. 1r, 301; 2r, 327; 3r, 330; r.a., 470  
 Vuillaume, Gilberte Henriette Marie Harchoux. 1r, 351; 2r-3r, 352; r.a., 470  
**Wagner**, Sydney. 1r, 163; 2r, 204; 3r, 207; r.a., 356  
 Walker, Donald Stewart. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
 Wallace, Ruth Mary Ledden. 1r, 205; 2r, 231; 3r, 238; r.a., 458  
 Walsh, Patricia Mary Gorman. 1r, 204; 2r, 231; 3r, 238; r.a., 458  
 Watson, Marilyn Joan O'Bryan. 1r, 133; 2r, 169; 3r, 171; r.a., 356  
 Weber, Stefan. 1r, 206; 2r, 232; 3r, 238; r.a., 458  
 Whitlock, Florence Wedge. 1r, 351; 2r-3r, 352; r.a., 470  
 Williams, Florence Irene Burness. 1r-2r, 250; 3r, 267; r.a., 459  
 Wilson, David St. Clair. 1r, 232; 2r, 264; 3r, 267; r.a., 458  
 Wilson, Shirley Alma Lawson. 1r-2r, 250; 3r, 267; r.a., 459  
 Winterfeld, Pauline Mechanik. 1r, 133; 2r, 169; 3r, 171; r.a., 356  
**Yates**, Iris Dorothy Birks. 1r, 351; 2r-3r, 352; r.a., 470  
**Zukrowski**, Gun Elsa-Maria Stridh. 1r, 163; 2r, 204; 3r, 207; r.a., 356