

DEBATES
OF
THE SENATE

OF THE
DOMINION OF CANADA

1947

OFFICIAL REPORT

Editor: H. H. EMERSON, *C.S.R.*

Reporters: B. P. LAKE, *C.S.R.*, G. B. HAGEN, *C.S.R.*, P. H. SHELTON, *C.S.R.*

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Translators: THE BUREAU FOR TRANSLATIONS

THIRD SESSION—TWENTIETH PARLIAMENT—11 GEORGE VI



OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
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1947

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REVISED EDITION

THE CANADIAN MINISTRY

According to Precedence as at January 31, 1947

- THE RIGHT HONOURABLE WILLIAM LYON
MACKENZIE KING, C.M.G..... Prime Minister, President of the Privy
Council.
- THE RIGHT HONOURABLE IAN ALISTAIR
MACKENZIE, K.C..... Minister of Veterans Affairs.
- THE RIGHT HONOURABLE JAMES
LORIMER ILSLEY, K.C..... Minister of Justice and Attorney General
of Canada.
- THE RIGHT HONOURABLE CLARENCE
DECATUR HOWE..... Minister of Reconstruction and Supply.
- THE RIGHT HONOURABLE JAMES
GARFIELD GARDINER..... Minister of Agriculture.
- THE HONOURABLE JAMES ANGUS
MACKINNON Minister of Trade and Commerce.
- THE HONOURABLE COLIN GIBSON, M.C.,
K.C., V.D. Secretary of State of Canada.
- THE RIGHT HONOURABLE LOUIS
STEPHEN ST. LAURENT, K.C..... Secretary of State for External Affairs.
- THE HONOURABLE HUMPHREY
MITCHELL Minister of Labour.
- THE HONOURABLE ALPHONSE FOURNIER,
K.C. Minister of Public Works.
- THE HONOURABLE ERNEST BERTRAND,
K.C. Postmaster General.
- THE HONOURABLE BROOKE CLAXTON,
K.C. Minister of National Defence.
- THE HONOURABLE JAMES ALLISON
GLEN, K.C. Minister of Mines and Resources.
- THE HONOURABLE JOSEPH JEAN, K.C... Solicitor General of Canada.
- THE HONOURABLE LIONEL CHEVRIER,
K.C. Minister of Transport.
- THE HONOURABLE PAUL JOSEPH JAMES
MARTIN, K.C. Minister of National Health and
Welfare.
- THE HONOURABLE DOUGLAS CHARLES
ABBOTT, K.C..... Minister of Finance.

THE HONOURABLE JAMES J. McCANN,
M.D., C.M..... Minister of National Revenue and
Minister of National War Services.

THE HONOURABLE HEDLEY FRANCIS
GREGORY BRIDGES, K.C..... Minister of Fisheries.

THE HONOURABLE WISHART McL.
ROBERTSON Minister without Portfolio, and Leader
of the Government in the Senate.

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

Clerk of the Privy Council and Secre-
tary to the Cabinet..... A. D. P. HEENEY, Esquire, K.C.

Assistant Clerk of the Privy Council... A. M. HILL, Esquire.

SENATORS OF CANADA

ACCORDING TO SENIORITY

JANUARY 31, 1947.

THE HONOURABLE JAMES H. KING, P.C., SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
JAMES J. DONNELLY.....	South Bruce.....	Pinkerton, Ont.
CHARLES PHILIPPE BEAUBIEN.....	Montarville	Montreal, Que.
THOMAS JEAN BOURQUE.....	Richibucto	Richibucto, N.B.
EDWARD MICHENER.....	Red Deer.....	Calgary, Alta.
WILLIAM JAMES HARMER.....	Edmonton	Edmonton, Alta.
GERALD VERNER WHITE, C.B.E.....	Pembroke	Pembroke, Ont.
JOHN ANTHONY McDONALD.....	Shediac	Shediac, N.B.
JAMES A. CALDER, P.C.....	Saltcoats	Regina, Sask.
ARTHUR C. HARDY, P.C.....	Leeds	Brockville, Ont.
SIR ALLEN BRISTOL AYLESWORTH, P.C. K.C.M.G.	North York.....	Toronto, Ont.
WILLIAM ASHBURY BUCHANAN.....	Lethbridge	Lethbridge, Alta.
ARTHUR BLISS COPP, P.C.....	Westmorland	Sackville, N.B.
JOHN PATRICK MOLLOY.....	Provencher	Winnipeg, Man.
DANIEL E. RILEY.....	High River	High River, Alta.
WILLIAM H. MCGUIRE.....	East York	Toronto, Ont.
DONAT RAYMOND.....	De la Vallière	Montreal, Que.
GUSTAVE LACASSE	Essex	Tecumseh, Ont.
WALTER E. FOSTER, P.C.	Saint John.....	Saint John, N.B.
CAIRINE R. WILSON.....	Rockcliffe	Ottawa, Ont.
JAMES MURDOCK, P.C.....	Parkdale	Ottawa, Ont.
JOHN EWEN SINCLAIR, P.C.....	Queen's	Emerald, P.E.I.
JAMES H. KING, P.C. (Speaker).....	Kootenay East	Victoria, B.C.
ARTHUR MARCOTTE.....	Ponteix	Ponteix, Sask.
CHARLES COLQUHOUN BALLANTYNE, P.C...	Alma	Montreal, Que.

SENATORS OF CANADA

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
WILLIAM HENRY DENNIS.....	Halifax	Halifax, N.S.
LUCIEN MORAUD.....	La Salle	Quebec, Que.
RALPH BYRON HORNER.....	Blaine Lake	Blaine Lake, Sask.
WALTER MORLEY ASELTINE.....	Rosetown	Rosetown, Sask.
FELIX P. QUINN.....	Bedford-Halifax	Bedford, N.S.
JOHN L. P. ROBICHEAU.....	Digby-Clare	Maxwellton, N.S.
JOHN A. MACDONALD, P.C.....	Cardigan	Cardigan, P.E.I.
DONALD SUTHERLAND, P.C.....	Oxford	Ingersoll, Ont.
IVA CAMPBELL FALLIS.....	Peterborough	Peterborough, Ont.
GEORGE B. JONES, P.C.....	Royal	Apohaqui, N.B.
ANTOINE J. LÉGER.....	L'Acadie	Moncton, N.B.
HENRY A. MULLINS.....	Marquette	Winnipeg, Man.
JOHN T. HAIG.....	Winnipeg	Winnipeg, Man.
EUGÈNE PAQUET, P.C.....	Lauzon	St. Romuald, Que.
WILLIAM DUFF.....	Lunenburg	Lunenburg, N.S.
JOHN W. DE B. FARRIS.....	Vancouver South	Vancouver, B.C.
ADRIAN K. HUGESSEN	Inkerman	Montreal, Que.
NORMAN P. LAMBERT	Ottawa	Ottawa, Ont.
J. FERNAND FAFARD.....	De la Durantaye.....	L'Islet, Que.
ARTHUR LUCIEN BEAUBIEN	St. Jean Baptiste	St. Jean Baptiste, Man.
JOHN J. STEVENSON.....	Prince Albert	Regina, Sask.
ARISTIDE BLAIS.....	St. Albert	Edmonton, Alta.
DONALD MACLENNAN.....	Margaree Forks	Margaree Forks, N.S.
CHARLES BENJAMIN HOWARD.....	Wellington	Sherbrooke, Que.
ELIE BEAUREGARD.....	Rougemont	Montreal, Que.
ATHANASE DAVID.....	Sorel	Montreal, Que.
EDOUARD CHARLES ST-PÈRE.....	De Lanaudière	Montreal, Que.
SALTER ADRIAN HAYDEN	Toronto	Toronto, Ont.
NORMAN McLEOD PATERSON.....	Thunder Bay	Fort William, Ont.
WILLIAM JAMES HUSHION.....	Victoria	Westmount, Que.
JOSEPH JAMES DUFFUS.....	Peterborough West	Peterborough, Ont.
WILLIAM DAUM EULER, P.C.....	Waterloo	Kitchener, Ont.
LÉON MERCIER GOUIN.....	De Salaberry	Montreal, Que.
THOMAS VIEN, P.C.....	De Lorimier	Outremont, Que.
PAMPHILE RÉAL DUTREMBLAY.....	Repentigny	Montreal, Que.
WILLIAM RUPEET DAVIES.....	Kingston	Kingston, Ont.

SENATORS OF CANADA

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
J. JOSEPH BENCH.....	Lincoln	St. Catharines, Ont.
JAMES PETER MCINTYRE.....	Mount Stewart	Mount Stewart, P.E.I.
GORDON PETER CAMPBELL.....	Toronto	Toronto, Ont.
WISHART McL. ROBERTSON, P.C.....	Shelburne	Halifax, N.S.
JOHN FREDERICK JOHNSTON.....	Central Saskatchewan..	Bladworth, Sask.
TELESPHORE DAMIEN BOUCHARD.....	The Laurentides	St. Hyacinthe, Que.
ARMAND DAIGLE.....	Mille Iles	Montreal, Que.
JOSEPH ARTHUR LESAGE.....	The Gulf	Quebec, Que.
CYRILLE VAILLANCOURT.....	Kennebec	Levis, Que.
JACOB NICOL.....	Bedford	Sherbrooke, Que.
THOMAS ALEXANDER CRERAR, P.C.....	Churchill	Winnipeg, Man.
WILLIAM HORACE TAYLOR.....	Norfolk	Scotland, Ont.
FRED WILLIAM GERSHAW.....	Medicine Hat	Medicine Hat, Alta.
JOHN POWER HOWDEN.....	St. Boniface	Norwood Grove, Man.
CHARLES EDOUARD FERLAND.....	Shawinigan	Joliette, Que.
VINCENT DUPUIS.....	Rigaud	Longueuil, Que.
CHARLES L. BISHOP.....	Ottawa	Ottawa, Ont.
JOHN JAMES KINLEY.....	Queen's-Lunenburg ...	Lunenburg, N.S.
CLARENCE JOSEPH VENIOT.....	Gloucester	Bathurst, N.B.
ARTHUR WENTWORTH ROEBUCK.....	Toronto-Trinity	Toronto, Ont.
JOHN ALEXANDER McDONALD.....	King's	Halifax, N.S.
ALEXANDER NEIL McLEAN.....	Southern New Brunsw- wick	Saint John, N.B.
BREWER ROBINSON.....	Summerside	Summerside, P.E.I.
FREDERICK W. PIRIE.....	Victoria-Carleton ...	Grand Falls, N.B.
GEORGE PERCIVAL BURCHILL.....	Northumberland	South Nelson, N.B.
JEAN MARIE DESSUREAULT.....	Stadacona	Quebec, Que.
JOSEPH RAOUL HURTUBISE.....	Nipissing	Sudbury, Ont.
GERALD GRATTAN McGEER.....	Vancouver-Burrard ...	Vancouver, B.C.
PAUL HENRI BOUFFARD.....	Grandville	Quebec, Que.
JAMES GRAY TURGEON.....	.....	Vancouver, B.C.
STANLEY STEWART McKEEN.....	Vancouver	Vancouver, B.C.

SENATORS OF CANADA

ALPHABETICAL LIST

JANUARY 31, 1947.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ASELTINE, W. M.....	Rosetown	Rosetown, Sask.
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G...	North York	Toronto, Ont.
BALLANTYNE, C. C., P.C.....	Alma	Montreal, Que.
BEAUBIEN, A. L.....	St. Jean Baptiste	St. Jean Baptiste, Man.
BEAUBIEN, C. P.....	Montarville	Montreal, Que.
BEAUREGARD, ELIE.....	Rougemont	Montreal, Que.
BENCH, J. JOSEPH.....	Lincoln	St. Catharines, Ont.
BISHOP, CHARLE L.....	Ottawa	Ottawa, Ont.
BLAIS, ARISTIDE.....	St. Albert	Edmonton, Alta.
BOUCHARD, TELESOPHORE DAMIEN.....	The Laurentides.....	St. Hyacinthe, Que.
BOUFFARD, PAUL HENRI.....	Grandville	Quebec, Que.
BOURQUE, T. J.....	Richibucto	Richibucto, N.B.
BUCHANAN, W. A.	Lethbridge	Lethbridge, Alta.
BURCHILL, GEORGE PERCIVAL.....	Northumberland	South Nelson, N.B.
CALDER, J. A., P.C.....	Saltcoats	Regina, Sask.
CAMPBELL, G. P.....	Toronto	Toronto, Ont.
COPP, A. B., P.C.....	Westmorland	Sackville, N.B.
CRERAR, THOMAS ALEXANDER, P.C.....	Churchill	Winnipeg, Man.
DAIGLE, ARMAND.....	Mille Isles.....	Montreal, Que.
DAVID, ATHANASE.....	Sorel	Montreal, Que.
DAVIES, WILLIAM RUPERT.....	Kingston	Kingston, Ont.
DENNIS, W. H.....	Halifax	Halifax, N.S.
DESSUREAULT, JEAN MARIE.....	Stadacona	Quebec, P.Q.
DONNELLY, J. J.....	South Bruce	Pinkerton, Ont.
DUFF, WILLIAM.....	Lunenburg	Lunenburg, N.S.
DUFFUS, J. J.....	Peterborough West	Peterborough, Ont.
DUPUIS, VINCENT.....	Rigaud	Longueuil, P.Q.
DUTREMBLAY, PAMPHILE RÉAL.....	Repentigny	Montreal, Que.

SENATORS OF CANADA

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
EULER, W. D., P.C.....	Waterloo	Kitchener, Ont.
FAFARD, J. F.....	De la Durantaye	L'Islet, Que.
FALLIS, IVA CAMPBELL.....	Peterborough	Peterborough, Ont.
FARRIS, J. W. DE B.....	Vancouver South	Vancouver, B.C.
FERLAND, CHARLES EDOUARD.....	Shawinigan	Joliette, P.Q.
FOSTER, W. E., P.C.....	Saint John	Saint John, N.B.
GERSHAW, FRED WILLIAM.....	Medicine Hat	Medicine Hat, Alta.
GOUIN, L. M.....	De Salaberry	Montreal, Que.
HAIG, JOHN T.....	Winnipeg	Winnipeg, Man.
HARDY, A. C., P.C.....	Leeds	Brockville, Ont.
HARMER, W. J.....	Edmonton	Edmonton, Alta.
HAYDEN, S. A.....	Toronto	Toronto, Ont.
HORNER, R. B.....	Blaine Lake	Blaine Lake, Sask.
HOWARD, C. B.....	Wellington	Sherbrooke, Que.
HOWDEN, JOHN POWER.....	St. Boniface	Norwood Grove, Man.
HUGESSEN, A. K.....	Inkerman	Montreal, Que.
HURTUBISE, JOSEPH RAOUL.....	Nipissing	Sudbury, Ont.
HUSHION, W. J.....	Victoria	Westmount, Que.
JOHNSTON, J. FREDERICK.....	Central Saskatchewan ..	Bladworth, Sask.
JONES, GEORGE B., P.C.....	Royal	Apohaqui, N.B.
KING, J. H., P.C. (Speaker).....	Kootenay East	Victoria, B.C.
KINLEY, JOHN JAMES.....	Queen's-Lunenburg	Lunenburg, N.S.
LACASSE, G.....	Essex	Tecumseh, Ont.
LAMBERT, NORMAN F.....	Ottawa	Ottawa, Ont.
LÉGER, ANTOINE J.....	L'Acadie	Moncton, N.B.
LESAGE, J. A.....	The Gulf	Quebec, Que.
MACDONALD, J. A., P.C.....	Cardigan	Cardigan, P.E.I.
MACLENNAN, DONALD.....	Margaree Forks	Margaree Forks, N.S.
MARCOTTE, A.....	Ponteix	Ponteix, Sask.
MCDONALD, J. A.....	Shediac	Shediac, N.B.
MCDONALD, JOHN ALEXANDER.....	King's	Upper Dyke Village, N.S.
MCGEER, GERALD GRATTAN.....	Vancouver-Burrard	Vancouver, B.C.
MCGUIRE, W. H.....	East York	Toronto, Ont.
MCMINTYRE, JAMES P.....	Mount Stewart	Mount Stewart, P.E.I.
MCKEEN, STANLEY STEWART.....	Vancouver	Vancouver, B.C.
MCLEAN, ALEXANDER NEIL.....	Southern New Brunswick	Saint John, N.B.
MICHENER, E.....	Red Deer	Calgary, Alta.

SENATORS OF CANADA

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SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
MOLLOY, J. P.....	Provencher	Winnipeg, Man.
MORAUD, L.....	La Salle	Quebec, Que.
MULLINS, HENRY A.....	Marquette	Winnipeg, Man.
MURDOCK, JAMES, P.C.....	Parkdale	Ottawa, Ont.
NICOL, JACOB.....	Bedford	Sherbrooke, Que.
PAQUET, EUGÈNE, P.C.....	Lauzon	St. Romuald, Que.
PATERSON, N. McL.	Thunder Bay	Fort William, Ont.
PIRIE, FREDERICK W.....	Victoria-Carleton	Grand Falls, N.B.
QUINN, FELIX P.....	Bedford-Halifax	Bedford, N.S.
RAYMOND, D.....	De la Vallière	Montreal, Que.
RILEY, D. E.	High River	High River, Alta.
ROBERTSON, W. McL., P.C.....	Shelburne	Halifax, N.S.
ROBICHEAU, J. L. P.....	Digby-Clare	Maxwellton, N.S.
ROBINSON, BREWER.....	Summerside	Summerside, P.E.I.
ROEBUCK, ARTHUR WENTWORTH.....	Toronto-Trinity	Toronto, Ont.
SINCLAIR, J. E., P.C.....	Queen's	Emerald, P.E.I.
STEVENSON, J. J.....	Prince Albert	Regina, Sask.
ST-PÈRE, E. C.....	De Lanaudière	Montreal, Que.
SUTHERLAND, DONALD, P.C.....	Oxford	Ingersoll, Ont.
TAYLOR, WILLIAM HORACE.....	Norfolk	Scotland, Ont.
TURGEON, JAMES GRAY.....	.....	Vancouver, B.C.
VAILLANCOURT, CYRILLE.....	Kennebec	Levis, Que.
VENIOT, CLARENCE JOSEPH.....	Gloucester	Bathurst, N.B.
VIEN, THOMAS, P.C.....	De Lorimier	Outremont, Que.
WHITE, G. V., C.B.E.....	Pembroke	Pembroke, Ont.
WILSON, CAIRINE R.....	Rockcliffe	Ottawa, Ont.

SENATORS OF CANADA

BY PROVINCES

JANUARY 31, 1947.

ONTARIO—24

SENATORS	POST OFFICE ADDRESS
THE HONOURABLE	
1 JAMES J. DONNELLY.....	Pinkerton.
2 GERALD VERNER WHITE, C.B.E.....	Pembroke.
3 ARTHUR C. HARDY, P.C.....	Brockville.
4 SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.....	Toronto.
5 WILLIAM H. MCGUIRE.....	Toronto.
6 GUSTAVE LACASSE.....	Tecumseh.
7 CAIRINE R. WILSON.....	Ottawa.
8 JAMES MURDOCK, P.C.....	Ottawa.
9 DONALD SUTHERLAND, P.C.....	Ingersoll.
10 IVA CAMPBELL FALLIS.....	Peterborough.
11 NORMAN P. LAMBERT.....	Ottawa.
12 SALTER ADRIAN HAYDEN.....	Toronto.
13 NORMAN MCLEOD PATERSON.....	Fort William.
14 JOSEPH JAMES DUFFUS.....	Peterborough.
15 WILLIAM DAUM EULER, P.C.....	Kitchener.
16 WILLIAM RUPERT DAVIES.....	Kingston.
17 J. JOSEPH BENCH.....	St. Catharines.
18 GORDON PETER CAMPBELL.....	Toronto.
19 WILLIAM HORACE TAYLOR.....	Scotland.
20 CHARLES L. BISHOP.....	Ottawa
21 ARTHUR WENTWORTH ROEBUCK.....	Toronto.
22 JOSEPH RAOUL HURTUBISE.....	Sudbury.
23	
24	

QUEBEC—24

SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
THE HONOURABLE		
1 CHARLES PHILIPPE BEAUBIEN.....	Montarville	Montreal.
2 DONAT RAYMOND.....	De la Vallière.....	Montreal.
3 CHARLES C. BALLANTYNE, P.C.....	Alma	Montreal.
4 LUCIEN MORAUD.....	La Salle	Quebec.
5 EUGÈNE PAQUET, P.C.....	Lauzon	St. Romuald.
6 ADRIAN K. HUGESSEN.....	Inkerman	Montreal.
7 J. FERNAND FAFARD.....	De la Durantaye	L'Islet.
8 CHARLES BENJAMIN HOWARD.....	Wellington	Sherbrooke.
9 ELIE BEAUREGARD.....	Rougemont	Montreal.
10 ATHANASE DAVID.....	Sorel	Montreal.
11 EDOUARD CHARLES ST-PÈRE.....	De Lanaudière	Montreal.
12 WILLIAM JAMES HUSHION.....	Victoria	Westmount.
13 LÉON MERCIER GOUIN.....	De Salaberry	Montreal.
14 THOMAS VIEN, P.C.....	De Lorimier	Outremont.
15 PAMPHILE RÉAL DUTREMBLAY.....	Repentigny	Montreal.
16 TELESOPHORE DAMIEN BOUCHARD.....	The Laurentides.....	St. Hyacinthe.
17 ARMAND DAIGLE.....	Mille Îles	Montreal.
18 JOSEPH ARTHUR LESAGE.....	The Gulf	Quebec.
19 CYRILLE VAILLANCOURT.....	Kennebec	Levis.
20 JACOB NICOL.....	Bedford	Sherbrooke.
21 CHARLES EDOUARD FERLAND.....	Shawinigan	Joliette.
22 VINCENT DUPUIS.....	Rigaud	Longueuil.
23 JEAN MARIE DESSUREAULT.....	Stadacona	Quebec.
24 PAUL HENRI BOUFFARD.....	Grandville	Quebec.

NOVA SCOTIA—10

SENATORS	POST OFFICE ADDRESS
THE HONOURABLE	
1 WILLIAM H. DENNIS.....	Halifax.
2 FELIX P. QUINN.....	Bedford.
3 JOHN L. P. ROBICHEAU.....	Maxwellton.
4 WILLIAM DUFF.....	Lunenburg.
5 DONALD MACLENNAN.....	Margaree Forks.
6 WISHART McL. ROBERTSON, P.C.....	Halifax.
7 JOHN JAMES KINLEY.....	Lunenburg.
8 JOHN ALEXANDER McDONALD.....	Upper Dyke Village.
9	
10	

NEW BRUNSWICK—10

THE HONOURABLE	
1 THOMAS JEAN BOURQUE.....	Richibucto.
2 JOHN ANTHONY McDONALD.....	Shediac.
3 ARTHUR BLISS COPP, P.C.....	Sackville.
4 WALTER E. FOSTER, P.C.....	Saint John.
5 GEORGE B. JONES, P.C.....	Apohaqui.
6 ANTOINE J. LÉGER.....	Moncton.
7 CLARENCE JOSEPH VENIOT.....	Bathurst.
8 ALEXANDER NEIL McLEAN.....	Saint John.
9 FREDERICK W. PIRIE.....	Grand Falls.
10 GEORGE PERCIVAL BURCHILL.....	South Nelson.

PRINCE EDWARD ISLAND—4

THE HONOURABLE	
1 JOHN EWEN SINCLAIR, P.C.....	Emerald.
2 JOHN A. MACDONALD, P.C.....	Cardigan
3 JAMES PETER McINTYRE.....	Mount Stewart.
4 BREWER ROBINSON.....	Summerside.

BRITISH COLUMBIA—6

SENATORS	POST OFFICE ADDRESS
THE HONOURABLE	
1 JAMES H. KING, P.C. (Speaker).....	Victoria.
2 JOHN W. DE B. FARRIS.....	Vancouver.
3 GERALD GRATTAN MCGEER.....	Vancouver.
4 JAMES GRAY TURGEON.....	Vancouver.
5 STANLEY STEWART MCKEEN.....	Vancouver.
6	

MANITOBA—6

THE HONOURABLE	
1 JOHN PATRICK MOLLOY.....	Winnipeg.
2 HENRY A. MULLINS.....	Winnipeg.
3 JOHN T. HAIG.....	Winnipeg.
4 A. L. BEAUBIEN.....	St. Jean Baptiste.
5 THOMAS ALEXANDER CRERAR, P.C.....	Winnipeg.
6 JOHN POWER HOWDEN.....	Norwood Grove.

SASKATCHEWAN—6

THE HONOURABLE	
1 JAMES A. CALDER, P.C.....	Regina.
2 ARTHUR MARCOTTE	Ponteix.
3 RALPH B. HORNER.....	Blaine Lake.
4 WALTER M. ASELTINE.....	Rosetown.
5 J. J. STEVENSON.....	Regina.
6 J. FREDERICK JOHNSTON.....	Bladworth.

ALBERTA—6

THE HONOURABLE	
1 EDWARD MICHENER.....	Calgary.
2 WILLIAM JAMES HARMER.....	Edmonton.
3 WILLIAM ASHBURY BUCHANAN	Lethbridge.
4 DANIEL E. RILEY	High River.
5 ARISTIDE BLAIS	Edmonton.
6 FRED WILLIAM GERSHAW.....	Medicine Hat.

PRINCIPAL OFFICERS OF THE SENATE

L. Clare Moyer, D.S.O., K.C., B.A., Clerk of the Senate, Clerk of the Parliaments, and Master in Chancery.

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

Louvigny de Montigny, Litt.B., Second Clerk Assistant and Chief Translator.

John F. MacNeill, K.C., L.L.B., B.A., Law Clerk and Parliamentary Counsel.

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

Arthur H. Hinds, Chief Clerk of Committees.

H. D. Gilman, Chief Treasury and Disbursing Officer.

H. H. Emerson, Editor of Debates and Chief of Reporting Branch.

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Speaker: Hon. JAMES H. KING, P.C.

Thursday, January 30, 1947.

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

The Senate met at 11.30 a.m., the Speaker in the Chair.

Prayers.

OPENING OF THE SESSION

The Hon. the SPEAKER informed the Senate that he had received a communication from the Governor General's Secretary informing him that His Excellency the Governor General would arrive at the Main Entrance of the Houses of Parliament at 3 p.m., and, when it had been signified that all was in readiness, would proceed to the Senate Chamber to open the Third Session of the Twentieth Parliament of Canada.

NEW SENATORS INTRODUCED

The following newly-appointed senators were severally introduced and took their seats:

Hon. Paul Henri Bouffard, K.C., of Quebec, introduced by Hon. Wishart McL. Robertson and Hon. J. F. Fafard.

Hon. James Gray Turgeon, of Vancouver, British Columbia, introduced by Hon. Wishart McL. Robertson and Hon. C. J. Veniot.

Hon. Stanley Stewart McKeen, O.B.E., of Vancouver, British Columbia, introduced by Hon. Wishart McL. Robertson and Hon. Norman P. Lambert.

The Senate adjourned until 2.30 p.m.

SECOND SITTING

The Senate met at 2.30 p.m., the Speaker in the Chair.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

At three o'clock His Excellency the Governor General proceeded to the Senate Chamber and took his seat upon the Throne.

His Excellency was pleased to command the attendance of the House of Commons, and that House being come, with their Speaker, His Excellency was pleased to open the Third Session of the Twentieth Parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

Since my arrival in Canada, I have visited all nine provinces. Today, for the first time, I meet with you at the opening of a session of parliament. I should like at once to say how greatly I value this new association. I prize it the more in that it permits, in a time of peace, a continuance of the memorable association I had with Canada's armed forces at a time of war.

This new year has happily been marked by a lessening of international tension. During 1946, despite many disappointments, a notable advance was made towards world recovery. In the making of peace and in the tasks of world reconstruction, Canada has assumed a full share of responsibility. No country holds, today, a higher place in the esteem of other nations.

The establishment of enduring peace continues to be the first concern of all nations. It is the corner-stone of our external policy.

Unsettled world conditions, following inevitably in the wake of war, have rendered the making of the peace exceedingly difficult. Some progress has been made. After prolonged conferences, treaties of peace with Italy, Finland, Roumania, Hungary and Bulgaria have been agreed upon, and are about to be signed. You will be asked to approve the treaties to which Canada becomes a signatory.

The Allied Nations have now entered upon the task of determining the future of Germany and Austria. Canada has recently made clear our constructive attitude with regard to these settlements.

In international action for the relief of the destitute, and for the rehabilitation of areas desolated during the war, Canada has been much to the fore. We may indeed be grateful that our country has been able to take the part it has in the relief of human suffering, in the provision of food for the hungry, and in the restoration of devastated countries. Canada is joining with other nations in seeking to solve the perplexing problem of the displaced persons, and in the development of international co-operation in many fields.

It is the policy of the government to have Canada give whole-hearted support to the United Nations. Special attention is being given to the deliberations respecting atomic energy and the regulation and reduction of armaments. My ministers are also following with interest the activities of the United Nations with

regard to the question of human rights and fundamental freedoms, and the manner in which those obligations accepted by all members of the United Nations may best be implemented. It is the intention of the government to recommend the appointment of a select committee of members of both houses to consider and report upon these matters.

The General Assembly of the United Nations concluded, last month in New York, its first session begun in London a year ago. Canada's delegation both in London and in New York was representative of the government and the opposition, and of both Houses of Parliament. The Canadian delegation took an active and constructive part in the work of the Assembly, the Economic and Social Council, the Atomic Energy Commission and other international organizations. You will be invited to consider legislation to enable Canada to carry out our country's obligations under the United Nations Charter, and to approve other agreements arising out of the growing structure of international organization.

Canada welcomed the action of the United Nations in convening a World Conference on Trade and Employment. It is hoped that the conference may bring into being an international charter which, by the removal or reduction of restrictions, will result in the continuous expansion of world trade. During the autumn, preparatory trade discussions among the nations of the Commonwealth were held in London. Discussions are being continued with other of the United Nations. Canada's delegation to the conference will be instructed to further to the utmost this combined effort on the part of the United Nations to liberate trade and thereby to assist in the maintenance of a high level of employment.

In our own country, the change-over from wartime conditions has proceeded rapidly. The repatriation and demobilization of the armed forces have been practically completed. Almost all dependents of veterans have now arrived in Canada. The three armed services have been brought under the jurisdiction of one minister of the Crown. The navy, army and air force are being reorganized on a post-war basis.

Industry has been converted almost entirely from wartime purposes to peacetime production. Over a million persons have been transferred from the armed forces and war industry to regular civilian occupations. Employment is higher than it has ever been. It is over thirty per cent higher than it was in 1939. During 1946 Canada's external commerce reached heights unprecedented in peacetime. The national income is at its highest peacetime level. The outlook for trade and employment for 1947 is most favourable.

Despite the high volume of output in all the primary industries, the demand for the natural products of the farms, the fisheries, the mines and the forests continues to exceed production. Through marketing agreements, the government is seeking to give security and continuing stability to the incomes of primary producers.

Many of the controls and restrictions in force during and immediately after the war are no longer in existence. Others have been considerably relaxed. Controls over wages and salaries and over many prices and commodities have been removed. Other controls are being removed in an orderly manner.

The policy of the government is to maintain only such price and commodity controls as may be required to protect consumers from a sudden and drastic rise in the cost of living, and to ensure the fair distribution of essential goods and services which are in short supply. You will be invited to consider what measures may be necessary to continue this policy after the expiry of the National Emergency Transitional Powers Act. Where it may appear advisable to continue these or other transitional measures, the required legislation will be submitted for your approval at the earliest possible date.

Where measures enacted under wartime powers may be required for a considerable period, bills necessary to give statutory form to their provisions will be introduced without delay. This procedure will bring under your review a number of measures relating, among other matters, to labour relations, agriculture, marketing, immigration, defence, finance and export trade.

Progress is being made in overcoming the shortages in building supplies, thereby accelerating the provision of additional housing. Despite all obstacles, the number of housing units completed in 1946 approximated the objective set by the government. The co-operation of provincial and municipal authorities greatly contributed to the provision of emergency shelter.

Since the last session of parliament, negotiations for tax agreements have been carried on with certain of the provinces. In the course of these negotiations, modifications were made in the Dominion proposals to meet problems of individual provinces, and to ensure comparable treatment for all.

Tax agreements have now been reached with several of the provinces. The government is prepared to conclude agreements on a similar basis with the remaining provinces. You will be asked to approve such tax agreements as may be concluded.

Once suitable financial relationships have been arrived at with the provinces, my ministers have undertaken to seek, in a general conference or otherwise, to work out satisfactory arrangements with the provinces in regard to public investment and social security measures. Amendments to the Old Age Pensions Act will be introduced at the present session.

You will be invited to consider a measure to provide for the readjustment of representation in the House of Commons, in accordance with the provisions of the recent amendment to the British North America Act. Amendments to the Dominion Elections Act will also be submitted for your consideration.

In the course of the session, additional measures will be submitted for your approval.

Members of the House of Commons:

The public accounts for the last fiscal year and the estimates for the coming year will be laid before you. The estimates will disclose substantial and gratifying reductions in public expenditures.

You will be asked to make financial provision for all essential services.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence bless your deliberations and guide the nations in their efforts to establish a just and lasting peace.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

RAILWAY BILL

FIRST READING

Bill A, an Act relating to railways.—Hon. Mr. Sinclair (for Hon. Mr. Robertson).

CONSIDERATION OF SPEECH FROM THE THRONE

MOTION

On motion of Hon. Mr. Sinclair (for Hon. Mr. Robertson), it was ordered that the Speech of His Excellency the Governor General be taken into consideration on Tuesday next.

COMMITTEE ON ORDERS AND PRIVILEGES

Hon. Mr. SINCLAIR (for Hon. Mr. Robertson) moved:

That all the senators present during the 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

Hon. Mr. SINCLAIR (for Hon. Mr. Robertson) moved:

That pursuant to Rule 77, the following senators, to wit: Honourable Senators Ballantyne, Beaubien (Montarville), Buchanan, Copp, Haig, Howard, Robertson, White and the mover 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.

The motion was agreed to.

The Senate adjourned until Tuesday, February 4, at 3 p.m.

THE SENATE

Tuesday, February 4, 1947.

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

Prayers and routine proceedings.

DOCUMENTS TABLED

Hon. WISHART McL. ROBERTSON: Honourable senators, in order to allay the fears of honourable members, who may have

taken the pile of documents before me to be notes of the rambling remarks that I was planning to make in reply to any criticism offered by the honourable leader opposite (Hon. Mr. Haig), I will indicate that they are nothing of the kind, and I would ask the indulgence of the House to be permitted to table this formidable list of documents without naming them individually. The titles of the various documents will of course appear in the *Minutes of Proceedings*.

Hon. Mr. HAIG: May I ask the honourable leader of the government if the documents include all the correspondence between the provinces and the Dominion?

Hon. Mr. ROBERTSON: The first instalment, I think.

The documents were tabled.

THE LATE SENATOR GREEN TRIBUTES TO HIS MEMORY

On the Orders of the Day:

Hon. WISHART McL. ROBERTSON: Honourable senators, I regret very much that it is my duty to remind you that since we last met we have lost one of our most esteemed colleagues.

The Honourable Robert Francis Green died on October 5, 1946, at Victoria, British Columbia, after a lengthy illness, at the age of 84. He had been a senator for twenty-five years. Born November 14, 1861, at Peterborough, Ontario, of Irish parentage, his father was Benjamin Green and his mother Rebecca Lipsett. He was educated at public and high school in Peterborough. At the age of nineteen he went to Erie, Pennsylvania, and two years later moved west to work for the C.P.R. at Winnipeg. In 1885 he left the C.P.R. to fight in the Northwest Rebellion, serving on the commissariat of General Strange's contingent. After his discharge from the army he opened a general store in Revelstoke, British Columbia, toward the end of 1885. In 1889 he returned briefly to Pennsylvania, to marry Cecelia E. McDannell, daughter of Oliver Perry McDannell of Erie.

His introduction to public life began in Kaslo in 1893, when he was elected first mayor of the town. He was re-elected in 1895 and 1896. In 1898 he was elected to the British Columbia legislature as representative for Slocan and Kaslo riding. In 1903 he became Minister of Lands and Forests in the McBride government, and served in that capacity until 1906. In 1912 he was elected by acclamation to the House of Commons, as member for Kootenay, and in 1917 was re-elected. He was summoned to the Senate in 1921.

He was very interested in education in his province, and contributed a scholarship to Victoria College in memory of his daughter. At a recent birthday celebration he remarked that he "learned about politics around the blazing stove", and one of his prized possessions was an old-fashioned open stove which he kept in his house in Victoria for many years.

Honourable senators will recall that at the time of my coming to the Senate he had already reached an advanced age, and I did not have the opportunity of enjoying his intimate acquaintance as some others of my colleagues did. For myself, however, I may say that he treated me, a newcomer to the Senate, with the greatest kindness and consideration. He was a lovable character, possessed excellent judgment, and I am sure that his memory will long be revered in this chamber, in which he was a familiar figure for over a quarter of a century.

Hon. JOHN T. HAIG: Honourable senators, I find it a little difficult to say anything this afternoon because I knew "Bob" Green, as he was to me, very well indeed. I was only about six months a member of this chamber when I was invited by him and his colleagues to become one of their number in a room on the fifth floor; and until other duties called me, a year and a half or two years ago, I enjoyed a very happy association with him, my friend from Saltecoats (Hon. Mr. Calder), and another gentleman who shared that room. There is no way to speak of Senator Green except to call him "Bob" Green. That tells the whole story! Everyone who came in contact with him loved him, and was better for that contact. Going west in the early eighties he joined the C.P.R., and as the road worked west, he worked west with it. He took time out to fight in the Northwest Rebellion, and then went on to Revelstoke where he started in business. From then to the end of his days the West had that charm for him that it has for so many of the rest of us.

I cannot forget my first experience in this house. In the House of Commons was a very lovable character, Mr. Esling, the member for West Kootenay. In the session of 1936 he brought in a bill to amend the Copyright Act, with respect to performing rights. He came over to get somebody in this house to take charge of the matter for him, and he came up to our room and asked Senator Green to do so. Senator Green said, "If Jack will help me, I will undertake it". Well, I was a new man and I thought it was quite an honour to help Senator Green, and I accepted. I shall not go into the rest of the story. Later, the

discussion went on in committee for days and weeks, and we had men from Washington and Paris and societies from all over the world, opposing the amendment, but it was finally carried. I had something to say in the committee, though not in the house, and when the measure passed the final reading I felt a bit "chesty" that I had been so successful. I went into the lobby afterwards and met some of my friends—not from Slocan—and I thanked them for having supported the bill. They said: "What? We voted for Bill Esling and Bob Green!"

That expresses the feelings of the membership of this house. I loved Bob Green. The fellowship—for that is the right word—that existed between him and his wife was an inspiration to me and all others who came into contact with him. He contributed something to the life of Canada. He will be missed not only in this chamber but throughout the great province of British Columbia, where he gave such signal service to the people of that province and to the people of Canada.

I extend, not only on my own behalf or that of the members around me, but on behalf of all the members of this house, the most sincere sympathy to his wife and son. I also say to them that their husband and father made a great contribution to our country.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

Hon. STANLEY STEWART McKEEN moved:

That the following Address be presented to His Excellency the Governor General of Canada:—

To His Excellency Field Marshal The Right Honourable Viscount Alexander of Tunis, Knight of the Most Noble Order of the Garter, Knight Grand Cross of the Most Honourable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Companion of the Most Exalted Order of the Star of India, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Military Cross, one of His Majesty's Aides-de-Camp General, Governor General and Commander-in-Chief of the Dominion of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

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

He said: Honourable senators, I am conscious of the fact that the place of honour assigned to me, in being given the privilege of moving the address to His Excellency the Governor General, does not arise from the

recognition of any special merit in myself, but rather, that my selection for this honourable role arises from conformity with a long established custom that this function shall be assigned to the newest member of this house. I am, however, deeply sensible of the honour of having been invited to participate in the deliberations of this august assembly, and I hope that I may be able to make some modest contribution to good government in days to come.

If I had had to choose an occasion on which I would especially appreciate the privilege of having my name associated with the traditional resolution which I have just moved, I can think of no year, and no session, that would have given me greater gratification than this session of 1947, for the resolution which I am moving is addressed to a new Governor General, whose achievements had earned the admiration of all Canadians long prior to his appointment by His Majesty the King to his present vice-regal office.

I am indeed gratified that my first duty as a member of this chamber enables me to assure His Excellency that this resolution is no mere empty form of words, but expresses the deep and heartfelt gratitude of the people of Canada, not only that this country has been honoured by his appointment here, but also for the great interest which His Excellency has already shown in the affairs of Canada.

In the short period that has elapsed since his arrival on these shores, His Excellency has visited every province of the dominion, and has entered whole-heartedly into the life of its people. We honour him as a soldier who commanded Canadian forces in some of the most glorious chapters in the history of Canadian arms. And now, as His Majesty's representative in the senior dominion, he has earned the goodwill, and even the affection, of our whole people, through the kindly and obviously sincere interest which he has displayed in every aspect of our Canadian life. I am sure honourable senators would wish me, as the first speaker in this session, to associate the Senate with the cable that His Excellency sent to the Royal Family just before they left for a tour of South Africa. I shall read that cable:

On behalf of the people of Canada I extend to Your Majesties our warm and loyal greetings, wishing you and Princess Elizabeth and Princess Margaret Rose a safe journey and a happy visit to the Union of South Africa.

I know, honourable senators, it is the wish of us all that the Royal Family will return from South Africa with the same affection

from the people of that country as Their Majesties carried from the people of Canada at the end of the Royal Tour in 1939.

Honourable senators, may I also refer to a very special feeling of pride that I experience in sitting in this chamber under the presidency of one of the most distinguished citizens of the province which I represent.

Hon. SENATORS: Hear, hear.

Hon. Mr. McKEEN: The Speaker of the Senate has had a public and a private career of service to Canada that is almost unique. He was the pioneer medical practitioner in that rich and beautiful part of Canada known as the Crows Nest Pass. Indeed, I am reliably informed that his exploits and experiences in those rough and crude days were the basis for Ralph Connors' delightful novel *The Doctor*. His shrewd and kindly interest in the welfare of his patients is remembered with deep and abiding affection by the old-timers in the Kootenay.

His record of public service is no less remarkable. He was first elected to the Legislature of British Columbia in 1903, and has been a member of either the federal or the provincial parliament, with only one short interruption, for the last forty-four years. In thanking him for the cordial welcome which he extended to me on my appointment, I should like to add that nothing could have been happier than the spirit in which, during the past few days, all the members of this chamber, regardless of party, have greeted my two newly appointed colleagues and myself.

In reviewing the gracious message in which His Excellency has laid before us the outlines of the business which will require our attention in the present session, I note that questions of an international character occupy a larger place than has been customary in former years. This fact is undoubtedly a reflection of the outstanding position in world affairs which has been earned for Canada by the valour and genius of her fighting youth.

In order that the voice of Canada in the councils of the nations may be worthy of the sacrifices of the war, and of the economic and military strength of our country, it has become more than ever necessary that there shall be an intelligent and an informed public opinion upon all matters of international concern. It is a matter of gratification, therefore, that our government includes for the first time a Secretary of State for External Affairs who is able to give his full time and attention to that important subject.

The Prime Minister and the country are fortunate, indeed, that there should have been available a gentleman of the great learning and high character possessed by the minister to whom this portfolio has been entrusted.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. McKEEN: It has been said that Canada's external affairs will in future years tend to become more and more concerned with matters of trade and commerce. As one who represents British Columbia and whose daily life is spent in direct association with the shipping activities of the seaport of Vancouver, I welcome this trend. Even more, perhaps, than those who come from the interior of the country, we on the western coast appreciate the vital importance of foreign trade. Our three great basic industries in British Columbia—lumbering, mining, and fishing—depend for their success, to a very large extent, upon exports.

During the war years British Columbia's production, and more specially its productive capacity, was tremendously increased. The population of the province has increased by almost fifty per cent in the past decade. The future welfare and prosperity of our people there depend upon our ability to foster and develop markets for the output of their industry.

British Columbians are especially concerned with the development of markets across the Pacific. No country in the world is more deeply concerned with the solving of the complex problems of our great ally and neighbour, China. Only with the restoration of peace to that troubled land can its people raise their standard of living and improve the communications throughout their vast territory. In that development Canada is peculiarly equipped to play an important part, and I sincerely hope that, in our concern with the more widely publicized problems of Europe, our Department of External Affairs will not overlook the vital importance of extending every possible aid to China.

At this moment in our history it is gratifying to have the assurance in the Speech from the Throne that the million young Canadians who interrupted their careers to spring to arms in the defence of freedom, have very largely been restored to their homes, to take their places in the social and economic life of the country.

In my opinion, the government is to be complimented on the speed and dispatch with which our overseas forces were returned to their homeland, and rehabilitated in industry. I am informed that only a few hundred, con-

cerned primarily with staff duties and the settlement of accounts, remain abroad. The complete lack of friction in the demobilization and rehabilitation process is due, not alone to the seven years of planning which began in 1939, but reflects the highest credit and honour upon the troops themselves. They have returned to civil life with the same high spirit of public service as they displayed in response to the recruiting appeal.

There had been discharged to civil life from the Canadian armed forces, up to December 31, 1946, no fewer than 976,229 members. On that same date the number of veterans registered with the National Employment Service of Canada for employment, including veterans of both wars, was 47,696. It is an amazing tribute to the spirit of the veterans and to the economic resiliency of Canada that the number of unemployed veterans on December 31, in midwinter, was less by 6,000 than the number in the midsummer month of June, 1946. Since VE Day in May, 1945, this country has absorbed into civil life no fewer than 723,782 members discharged from the armed forces. The government's programme of rehabilitation, so carefully planned throughout seven years of extensive study under the guidance of the Minister of Veterans Affairs, has made a tremendous contribution to this accomplishment.

Without going into the subject exhaustively, it may interest honourable senators to know that 247,584 veterans have received direct assistance through the five benefits of the Veterans Rehabilitation Act. As of November 30, 1946, 66,184 veterans had been awarded vocational training courses and 46,711 had been awarded courses in our universities and professional schools. The number of veterans entering upon business, professional and farming careers, who have been assisted through the early non-productive months by the benefit called "Awaiting Returns", is 33,158.

Aside altogether from the war service gratuities, which were paid to discharged members of the forces without any conditions attached to them, we find that nearly 400,000 veterans have drawn upon their re-establishment credit to the extent of \$78,000,000 for the purpose of acquiring homes, repairing their homes, and purchasing furniture and equipment for their homes. Another \$21,000,000 of re-establishment credit has been used in the form of working capital for business enterprises or the purchase of a business or the purchase of tools or equipment for a business or profession.

I draw attention to the fact that these large sums were paid out to veterans, not in the form of loans, but in the form of direct grants. In most cases, as in the case of the acquisition

of homes, they represent merely a down payment, and are an indication that many more millions of dollars of the veterans' own savings have been invested in Canadian homes and in Canadian business by the former members of our armed forces. They are today among our most substantial citizens.

Assistance has been rendered to another important group through the provisions of the Veterans' Land Act. The number who have been established on farms and small holdings under this act is approximately 23,000. Of these 11,663 have been established in full-time farming on properties purchased through the facilities of the act. Another 9,536 have been established on small holdings. Some 4,000 farmers have been assisted with loans on properties which they already owned and operated.

A few days ago another great stabilizing influence was brought into being with the proclamation of the Business and Professional Loans Act, which will enable thousands of veterans to obtain capital for the purpose of setting themselves up in business and in the various professions for which they are either qualified or have been trained under the provisions of the Rehabilitation Act.

It was gratifying to note in the Speech from the Throne that the process of industrial conversion, which in prospect seemed so formidable, has to a very large extent already been completed.

There is still, of course, an urgent need for new housing, as a result of the great shifts in population which took place during the war, and, let us not forget, due to the greatly increased spending power of the Canadian people. Last year 60,000 regular housing units were built, and another 3,000 or 4,000 emergency units were made available. This has made a marked improvement in the situation. These units will take care of approximately a quarter of a million people; and the prospective schedule for the coming year is for 80,000. The target for last year was 60,000, and 60,000 units were built; the target for this year is 80,000 units, and I have been assured by the minister that 80,000 will be built. This should go a long way to alleviate our housing problem.

The industrial plant which during the war was fostered and developed by Canadian enterprise, under the guidance and direction of the Minister of Reconstruction and Supply has, to a very large extent, been adapted to the production of the goods and supplies of which we all have been deprived during the long weary years of war.

The making good of deficiencies in our wardrobes, our houses, our household equipment, and the thousand and one items which have been in short supply during the war, has been an important contributing factor to the speed of industrial reconversion and the rapid absorption of our demobilized fighting forces. This back-log of unsatisfied demands is still a vital factor in our industrial life, but it is not a factor upon which we can rely to maintain for any great length of time the present high level of employment. Our hope for the future years depends upon the recovery of the devastated countries and the return of world trade on a vast scale. Canada is in a fortunate position with regard to her future aspirations in this regard.

The government is to be greatly commended for the research work that it has had carried on. During the war our scientists made great contributions to the prosecution of the war. Their efforts were particularly helpful in the fields of radar and the atomic bomb. The men working on these problems were mostly young men, and it augurs well for the future of our country that we have so many young men of such great capabilities. We do, of course, have to see that we keep these men in Canada, so that we have the benefit of their brains.

This research work did not stop with the war, and much is being done today to assist industry in its conversion from war to peace and in providing new products and new processes that will do much to enrich our country and enhance our standard of living. One branch of this research that is being actively carried on is that of atomic power, and I believe we will be proud of the fact that Canada is not behind the rest of the world in the development of atomic energy.

The assistance which this country extended to Britain, France, Russia, China, and our other allies under the heading of mutual aid, was laid before us the other day in the report of the Mutual Aid Board. The total amount of mutual aid furnished by Canada was shown to be approximately four billion dollars. This factor will build up good-will for Canada throughout the countries to which it was given.

At the end of the greatest and most destructive war the world has ever known, this young country can look back upon a truly amazing record of achievement. Not only did we raise a million fighting men, and out of our own resources arm and equip them to the point where they were regarded as about the best-equipped among the forces of the United Nations; but we went beyond that and through mutual aid to our allies contributed

an amount of material, the cost of which was fully equivalent of all that we paid out on behalf of our own forces.

And now may I, in speaking again about our defence forces, compliment the government upon the decisive steps which have been taken in recent months to reorganize the permanent defence forces of this country. In these modern days we have high ideals for the organization of international peace and world government. Great strides have been made, but greater steps have still to be taken before we can be assured that the United Nations will be able to carry out that lofty mission.

From the earliest days of tribal history the first responsibility of organized government has been the defence of the community. Under modern civilization we have learned in our national life the efficacy of the rule of law in preserving internal peace. Humanity aspires to the establishment of a rule of law by the nations, and I hope that Canada will always be, as it has been to date, in the forefront of the effort to organize international peace. Until that goal has been attained, we must still think of the problems of national defence.

If there is one lesson that we have learned in recent years, it is that the problems of defence are one and indivisible. There is no separate problem of army defence, or navy defence, or air defence. All these various arms and weapons minister to the same fundamental purpose.

The programme initiated by the recent Minister of National Defence, now the Minister of Finance—and which has been formally acted upon by his successor, the present Minister of National Defence—of bringing the three fighting forces into closer co-operation and union, is of the highest importance. Each of the armed services has its proud traditions, and these will never be forgotten; but there must be trained experts in the service of the nation who are competent to appreciate the combined contribution that navy, army, aviation, science and industry can make to our national defence. The programme of co-ordinating and unifying our services, which has been begun, is one which I hope will be carried much farther.

And now may I return for a moment to some of the more immediate problems to which our attention has been directed in the Speech from the Throne?

For reasons to which I have already referred, it is gratifying to note that the government is giving major consideration to the promotion of trade. During the war years the value of our exports attained phenomenal proportions, and already, as was inevitable, the statistics

show a substantial decrease. But it is well to remember that the productive capacity upon which our phenomenal war exports were established is still in our possession. It is gratifying to note that although the shipments of war materials have been completely cut off, Canada's exports for the year 1946 were more than double her average exports in the five years preceding the war. For that five years our average exports were 884 million dollars. Last year they were 2,312 millions.

As to the peacetime record, I feel that the government is to be commended on their wonderful accomplishment in maintaining business and employment during the first post-war year. The change-over from war to peace conditions is reflected in the character of these exports. Our exports of wood and paper products increased from 488 millions to 625 millions. Aluminum and chemicals fell off sharply; but it is a healthy sign that even some of our mineral exports were greater in 1946—a year of peace—than in 1945, which was chiefly a war year. These increases were in lead, nickel and zinc. Many of us looked on nickel as purely a wartime product; but it is interesting to note that in 1946, a year of peace, nickel exports were greater than in the years before the war.

It is pleasing to note also the wide distribution of our Canadian products. Thus, I observe that our exports to China and to Latin American countries are showing a rapid rate of increase.

My own province of British Columbia is vitally concerned in these matters of trade. Our three great industries—lumbering, mining and fishing—are all export industries. Indeed, they contribute to Canada's volume of export trade in a proportion far in excess of the ratio of our population to the Canadian total.

To a very large extent the legislation affecting the lumbering and mining industries is provincial in character. Deep sea fisheries, however, come under federal jurisdiction, and I wish to commend the Department of Fisheries for its consistent and progressive policy of conservation. When we mine a mineral from the ground, that reserve of wealth is gone and, until prospecting discovers another source of supply, the country is physically poorer. When we cut down our forests, that wealth is also gone. This can be replaced in years to come by proper reforestation. When we take the fish out of the sea in too great quantities that resource is depleted; but by wise fishing regulations this resource can be preserved in perpetuity.

The value of the output of west coast fisheries for 1945 was more than \$44,000,000. During the war the British Columbia fisheries became

a major contributor to Canada's domestic food supplies, and provided vast quantities of fish to meet the critical food needs of the United Kingdom and some of Canada's other allies.

The people connected with our fishing industry have shown admirable enterprise and skill in developing these resources. During the war, for instance, canned salmon production set a new high record. Canned herring production increased many hundredfold and, as the need for vitamin oils increased, the comparatively small production was expanded into a large-scale enterprise of great importance. There is no need for us to turn back in this regard, providing our resources are subjected to sound conservation control and management.

Conservation involves more than merely Canadian action. Joint administration by Canada and the United States has already saved and restored the Pacific halibut fishery, and is at present rebuilding the famous sockeye run of the Fraser River system. Similarly, scientific research by biologists and technologists is yielding outstanding results, especially in the field of vitamin oils, where there is every prospect, under wise planning and direction, of notable developments in the future.

The Minister of Fisheries has already announced plans for a more effective administrative staff on both coasts to cope with the many problems arising out of a more intensified and diversified fishing operation. At the present time a class of 44 probationary fishery inspectors, all young veterans of the war, is undergoing a three and one half months training course in British Columbia, to fit them for the duties that lie ahead in that field. I do not know what further plans the Minister of Fisheries may have in mind to stimulate the progress of fisheries in British Columbia. Whatever they may be, they must be judged on their merits. At the same time, I am sure that honourable senators will take a sympathetic attitude toward proposals directed to this end. Canada's fisheries possibilities have perhaps not yet been fully realized throughout the country. One thing at least is certain: it is in the national interest that we make the most of these resources.

It is also within the power of the Parliament of Canada to have a very profound effect upon the preservation of such vital industries as lumbering and mining, which seem to come chiefly within the field of provincial regulation. As a result of the recent trend to do away with dual taxation, it will now be possible for the dominion to place its taxation of industry upon a much more scientific basis than has ever before been possible. I sincerely hope that

opportunity will be taken to consider the effect of taxation upon the long-range welfare of our basic industries.

The perpetuation of mining depends upon continued exploration and development of new fields. Taxation of the earnings of the mining industry can be so adjusted as to give encouragement to this development. There is already an important policy in effect in this regard, in allowing a depletion factor in calculating the earnings of mining companies.

A very eloquent plea has been made for a similar depletion allowance to the lumbering industry, based on fair present-day values. I wish to associate myself with this plea, and to urge most strongly that the government no longer delay action on it.

I should like to suggest also that in dealing with this matter our taxation advisers study the practicability of giving further allowances to the industry itself for reforestation, something which up-to-date the Government has not been able to do. Only by some such policy as this, I submit, can our important forest industry be preserved in the years to come.

The prospect of the dominion being able to play a more constructive role in taxation policy has been greatly improved through the successful outcome of the negotiations with the provinces for taxation agreements. I am more than pleased to know that six of the nine provinces have now entered into agreements with the Dominion Government.

It will be remembered that one of the primary purposes of the programme of redistributing the taxation powers of the dominion and provinces was to make it possible to institute in this country a programme of social services consistent with the principles of the Atlantic Declaration, the Charter of the United Nations, and the common aspiration of humanity.

It has been long recognized that, in a nation so closely integrated as Canada, the introduction of social services piecemeal by provinces is impractical. The extent to which such a programme can be carried out on a national scale depends very largely upon the proportion of the national income which is available to the national government for taxation and distribution in this way.

As early as 1944 the present government laid down a very broad scale programme of domestic legislation, which has already been largely implemented. The last session of parliament was dominated by the great programme of veterans' rehabilitation. The great remaining problems at this moment are the

liquidation of emergency powers, the revision of taxation consistent with the transition from our direct war obligations to the less exacting but still onerous post-war obligations, and the new agreements with the provinces.

The policy of gradualness in lifting the controls which served such a valuable purpose during the war, has been followed wisely. We saw in other countries the extraordinary rise and fall of prices caused by the sudden removal of controls. It is well to remember that the burden of these violent fluctuations, both up and down, falls most heavily upon those least able to bear it—the wage earners and the small shopkeepers. In Canada day by day, week by week, and month by month, the controls have been removed a little at a time, with the result that extreme changes in the price level have been avoided. At the present rate of progress, I look forward to a complete end to the system of emergency controls within the current year.

It is gratifying to note that the programme of social security to which the present government is dedicated is to be further advanced during the current session by way of an amendment to the Old Age Pensions Act. In the readjustment of taxation which is clearly foreshadowed, I suggest that it may be possible to attain the objective of a universal contributory old age pension system as well as a reduction in the income tax, perhaps somewhat less far-reaching than might otherwise be the case.

Another most important item of legislation foreshadowed in the Speech from the Throne is the long-deferred Redistribution Bill, which may not be of as much interest in this house as in the other. It was perhaps wise, as well as inevitable, that this measure should have been postponed until the end of the war, but we are glad to see it coming forward now. We in British Columbia are especially glad to know that the introduction of this bill is bound to result in increased representation for that province in the House of Commons. Our experience with redistribution bills in the past has not been a happy one. British Columbia always seems to be running far behind the procession, and to receive a representation much less than is warranted by her population. Possibly the reason is that our population is growing so rapidly that by the time the figures are published they are out of date.

Of the many functions of a senator, one is to guard the rights of the province which he represents. In the coming session it will be one of my most active interests and my humble duty to render what assistance I am permitted to render in order to insure British Columbia

the representation which is her just due. That would give her more members in the other house and more senators. We have nothing to do with the number of members in the House of Commons, but I would suggest that the present population of British Columbia entitles that province to at least six or seven additional representatives in the Senate.

Honourable senators, I am sure that every member of this house will welcome the opportunity foreshadowed in the Speech from the Throne of participating in a joint committee of the two houses of parliament for the purpose of considering how the preservation and advancement of human rights and fundamental freedoms may best be implemented. I believe that here in Canada we have not only the highest standard of living, but the most admirable system of free institutions to be found anywhere on the face of this earth. Righteousness promotes the pursuits of peace. Wickedness sows the seeds of war. It is only by holding our moral standards high that we can have real peace in our own country and have a real effect on the peace of the world. Freedom, however, can be preserved only by ceaseless vigilance. In the words of His Majesty the King, when he unveiled our National War Memorial:

Without peace there can be no enduring freedom; and without freedom no enduring peace.

This year we shall celebrate the 80th anniversary of confederation. My remarks on this occasion would be incomplete if I did not say something about the way in which the hopes and plans of the Fathers of Confederation have been realized. There was a vision of a great new nation stretching from sea to sea across the north half of this continent. Four years after confederation my province of British Columbia joined the union. The physical framework of the new nation was there. We now know there were natural resources undreamed of in 1871, for many millions of people to develop.

But without statesmanship, natural resources are not enough. We have been fortunate in those eighty years to have had four great Prime Ministers: Macdonald, Laurier, Borden and Mackenzie King. Macdonald had the vision and the courage to lay the physical foundations of this nation. Laurier gave Canada its soul, the moral foundations of tolerance and freedom and unity of spirit. Borden established our right to speak with our own voice in the councils of the nations, and under Mackenzie King Canada has become a world power.

I am sure honourable senators on both sides of the house share our pride in the achievements of Canada in war and in reconstruction. Everyone in this chamber, I believe, agrees that Canada—the government having interpreted the views of the country in organizing the utmost war effort without restriction—should be entitled to an unrestricted share in making peace.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. McKEEN: It is not as though Canada was seeking some selfish local advantage out of the peace. We recognize, and the government is insisting, that since two wars have proved that Canada cannot stay out in isolation, we should have an effective voice in making a peace which will last more than one generation.

The present Prime Minister has occupied that position for one quarter of the whole life of this nation. He speaks with an authority and experience unequalled among public men in office in the world today. I believe the Canadian people generally are agreed that he is in a position to make a great contribution to the establishment of a peaceful world.

In conclusion, I return to the subject with which I began these remarks, the importance of Canada taking her proper place in the world programme for organizing international peace. We can make a beginning at home by cultivating the arts of friendly intercourse and conciliation among ourselves. We cannot look forward to international peace unless and until we have the skill and the patience to preserve peace among ourselves—peace between province and province; peace between provincial and federal authority; peace between capital and labour; peace between the great races which make up our country.

In this regard we have a proud history and a great heritage. The great statesmen who have gone before us, members of both houses of parliament, have contributed much to the strength and unity of Canada. We should be mindful of our great traditions, but I am not satisfied that we should rest in the shadows of our yesterdays. Rather, we should march forward into the sunshine of our tomorrows.

Some Hon. SENATORS: Hear, hear.

Hon. PAUL HENRI BOUFFARD (Translation): Honourable senators, it is not without very real emotion that I rise today for the first time to address this house of which I am now a member and through which have passed so many of my famous countrymen.

Unfortunately I do not possess the invaluable asset of the parliamentary experience that many of you have acquired, either in the federal or in the provincial field.

I thank you in advance for the indulgence with which you will no doubt greet my efforts.

May I be allowed, as this session opens, to pay my compliments to His Excellency the Governor General of Canada, Viscount Alexander of Tunis, who, after having been one of the greatest among the generals who have led the United Nations to final victory, now provides us with an opportunity to admire his great qualities as a diplomat. In this respect he has shown such tact as has been equalled by nothing but the grace and dignity with which Viscountess Alexander has been assisting him.

The honourable leader will allow me to express my heartfelt gratitude for the great honour which he has extended to me in allowing me to second the address in reply to the Speech from the Throne. This honour belongs not so much to me as to the province I represent and to my division, no doubt one of the most beautiful in all Canada, situated as it is along the bank of the majestic St. Lawrence, which evokes feelings of pride throughout the whole of Canada, and admiration amongst those who come to visit us.

I will avail myself of this opportunity to congratulate him upon the brilliant part he has taken in the United Nations conference which has just ended in New York. He distinguished himself there by his wisdom, under the direction of the Right Honourable Louis St. Laurent whose reputation by now has far exceeded the boundaries of Canada. The honourable leader has largely contributed to the success of that conference, which, at the outset, had seemed practically impossible.

This expression of admiration also goes to the honourable leader of the Opposition in this house. The Canadian delegation has deserved the admiration of foreigners and of Canadians alike.

Will the honourable senator from Vancouver allow me to congratulate him on the masterly speech which he has just delivered? This auspicious beginning promises a bright future for him in the higher spheres of our Canadian Parliament.

Allow me, honourable senators, to regret the passing of His Eminence Cardinal Villeneuve.

He was an ardent patriot, a sincere Canadian and has exerted a good influence, not only in his own city and province, but throughout the whole of Canada. His death is a great loss, but we will not soon forget the lessons which he has taught us.

It is not an easy matter to succeed to the seat of the Grandville division, left vacant as it was by the death of Sir Thomas Chapais, one of the noblest of contemporary figures.

Sir Thomas Chapais was for 56 years a member of the Quebec Legislative Council and for 25 years a member of the Senate for the Grandville division.

His father's close ties with Cartier and Langevin introduced him at an early age to the political problems of his time. They gave him confidence in the destiny of the Canadian nation and made him an invincible apostle of unity amongst the various groups that make it up.

In the parliamentary field he distinguished himself, especially as leader in the Council from 1936 to 1939, and from 1944 until his death. His firm and persuasive eloquence, his graciousness and his proverbial courtesy won him general respect and assisted him a great deal through difficulties which younger and more aggressive men would have found insuperable.

However, Sir Thomas Chapais' name will survive chiefly through his historical works. As an historian he always attempted to serve the truth and to interpret the facts in their true light. He never hesitated to demonstrate clearly the generous feelings of the first English governors of Canada and the ensuing advantages for the general welfare and unity of the country.

The reading of his *History of Canada Under British Rule* in eight volumes is of great interest to all Canadians. This fine work is permeated throughout with the impartiality which he sought to give it.

The memory of Sir Thomas Chapais will endure, not only in Quebec but in the whole of Canada.

May I also recall the memory of Mr. P. A. Choquette, who represented the Grandville division in the Canadian Senate before Sir Thomas Chapais. This doughty warrior remains the only Canadian nominated to the Senate by the late Sir Wilfrid Laurier.

An important portion of the Speech from the Throne is devoted to our country's foreign policy. These questions of international policy are among those to which the present government has rightly given great importance during the past twelve months.

As a matter of fact Canadian citizens realize more and more every day that these are matters of considerable interest and they follow with great attention the discussion and the often difficult solution of the problems which they give rise to.

Canada is as yet a young country, and it has only just recently acquired a foreign policy. However, it is nevertheless true that it now holds an enviable place among the nations of the world, the first among the middle powers,

and that, through the dignity and quality of its representatives, it has won the respect of the great powers.

The honour of having been the forerunner and initiator of our foreign policy belongs to the Right Hon. William Lyon Mackenzie King. It is he who has led it through all its difficulties.

It would be good to remind ourselves that we acquired the right to responsible government barely a hundred years ago. But we need only look back over the past 25 years to realize with what vision the Prime Minister has managed to lead this country from stage to stage along the road of independence within the British Commonwealth of Nations.

Canada alone decides what relations it will have with the nations of the world. Canada alone directs its economic relations with foreign countries. Canada alone, and solely in its own interest, decides what commercial relations it will have beyond its own borders.

The important part which our Canadian delegations have played at the conferences of San Francisco, London, Paris and New York; the wise words and appropriate advice of the Right Hon. Mr. King and the Right Hon. Mr. St. Laurent, who headed these delegations, have filled the hearts of all Canadians with great pride. May I add that this voice of one of their most distinguished leaders is particularly pleasant to the ears of French Canadians.

We now have eight high commissioners' offices, twelve embassies, four legations, numerous missions and several consulates. A number of nations have accredited representatives in Canada. All these Canadian representatives, men of great personal worth, work together, under the general direction of the government, to make our beautiful country better known, with its products, its resources, its various advantages. They foster those commercial agreements which are for the benefit of all parts of the country. They never cease to help solve international questions of private concern in the interest of our countrymen. They appear everywhere as the spokesmen for a Canada that has no greater wish than the development of its international relations and of its foreign markets.

The part played by Canada in the late world conflict has given it, with good reason, a world-wide reputation, along with the friendship and admiration of those nations whose purpose was to crush those who planned to reduce the world to slavery. These sacrifices would have been useless and the life-blood of Canada's

sons, which flowed so abundantly on the battlefields, would produce no fruit whatever, if, after winning the war through force of arms, the United Nations were to lose the peace.

That is what has been so well understood by the men who are at the head of the Canadian government. Accordingly, they did not hesitate to take the commanding place to which Canada was entitled at every conference in which the nations of the world have participated, with a view to solving the numerous and difficult problems of the postwar period.

The breadth of vision shown by our statesmen, their tact and the suggestions they have made, have, largely contributed to the solution of the most complicated questions and to the satisfactory results attained by the conferences, which, at times, seemed doomed to disastrous failure.

Those mainly responsible for this wise, friendly and clear-sighted policy are the Prime Minister himself and his worthy successor at the head of the Department of External Affairs. It is to this policy that Canada is indebted for the enviable place it now holds among the nations of the world. Moreover it has had its effect on the internal affairs of the country as well. A superficial review of our export trade shows that for the first eleven months of 1946 the total value of our exports has been over two billion dollars, that is to say, more than two and a half times what they were before the war. Our imports have risen in similar fashion. These figures put Canada among the great exporting and commercial nations of the world. This country will owe much of its great economic and commercial prosperity to the wise and enlightened direction of these two leaders.

Let us add also that Canada has moved from wartime to peacetime production effortlessly and without any post-war depression. The level of employment has never been so high as it is now. The recent statements made by the Secretary of State for External Affairs on the subject of the drafting of peace treaties with Germany and Austria show clearly that our country will not be content to play a minor role. He is to be congratulated on taking such a firm stand.

Wars now assume worldwide proportions. The leaders of all political parties were unanimously of the opinion that it was our country's duty to participate in the recent conflict. American statesmen fought the isolationist sentiment of a large number of their countrymen before they were forcibly dragged into the last two conflicts which have desolated the world.

The union of all sane elements, the union of all freedom-loving countries has shown itself and shows itself more and more to be necessary in the fight against those too-ambitious countries that seek to dominate the world.

Sacrifices made by Canada to ensure final victory confer upon our rulers the responsibility of taking a major part in the establishment of an enduring peace and in the drafting of treaties of world-wide importance.

Besides, has not the 1919 precedent shown that it is no longer possible to keep away from these important discussions nations which—such as Canada, whose unselfishness is an admitted fact,—have submitted to so many sacrifices.

The representatives of our country will be impartial judges, who will see more clearly through the maze of such complex interests as those of continental European politics, and who will advocate the directing principles of an enduring peace based upon charity and justice, as well as on a sound economy of commercial relations. Such a participation by Canada is necessary for the settlement of peace in the world and in the interests of our country in particular.

It is with great pride that I conclude my remarks on our country's international policy by quoting the words recently uttered by the Right Honourable the Prime Minister: "There are older countries, there are larger countries, but no country holds a higher place in the esteem of other nations".

I also wish to congratulate the Right Honourable the Prime Minister for having placed international politics above party politics, and for having expressed a formula which commands the attention and respect of all Canadians, irrespective of party. With this rule of conduct, our international policy will remain truly Canadian. Forever it will stand above party lines, which are frequently mean and unproductive.

The invitation extended to all leaders to participate in international discussions, together with the acceptance by these leaders in a truly national spirit, will confer to all decisions taken the permanency which they of necessity require.

Now that we are an independent nation, we have the right to call ourselves Canadian citizens. It is a new claim calling for national pride. It is the symbol which so efficiently characterizes the members of a free state. It comes at the very time when Canadian liberty is asserting itself so distinctly. Canadians of both great races accept it without anxiety, without mental reservation, but with joy. On January 3 last, the Prime Minister

said: "Our nationhood is not built on the superiority of a single race or of a single language. Canada was founded on the faith that two of the proudest races in the world, despite barriers of tongue and creed, could develop a common nationality. Without the ideal of equality among men, without the vision of human brotherhood, the Canadian nation would never have come into being".

Such words are comforting. They hold assurance that each racial group, through its special qualities, its educational system, its beliefs, its language and its tradition, will contribute to the greatness of the Canadian State. It is through emulation and not through assimilation that citizens of Canada—differing as to race, origin, language and traditions—will best serve their country's interests.

It is gratifying to note that the government is gradually doing away with the restrictions which, owing to the war, it has been compelled to enforce in nearly all spheres of economic activities.

One needs but to go out of the country to realize fully the value of the direction given to production and distribution of goods. Canada has thus been able to avoid a staggering increase in prices. She has avoided the inflation and economic slump which greatly affect people in other countries. Our economic situation is such as to be envied by more important nations, and it is admired by the whole world.

If these measures were necessary during the war, if it still is the duty of the government to maintain restrictions over the movement of products which remain scarce, it is nevertheless undeniable that these measures must remain exceptional and must be abolished as conditions return to normal.

It is very gratifying to note that such is the policy which the government proposes to follow. Restrictions must disappear as soon as possible. Bureaucracy, which was efficient and necessary during the difficult period, must make way for private effort. That is the policy forecast by the Speech from the Throne. It is a truly liberal policy for which the people will be thankful to the government.

I have no doubt that the government will soon lighten the still too heavy burden of taxation. The Canadian citizens have accepted willingly and without recrimination the great financial sacrifices which war has imposed on them. Repatriation and the maintenance and substantial help that we must afford to our veterans involve sacrifices which all are generously accepting. The social security measures which the country needed so much entail huge expenditures. I am nevertheless

confident that the government will be in a position to effect substantial reductions in all spheres; that they will make a serious endeavour to restore to family obligations the priority they deserve, and that they will also be able to lighten the burden of the people in the higher income brackets so as to promote the legitimate and necessary ambition which alone will permit every citizen, in his particular sphere, to achieve a maximum effort.

Many years have already elapsed since the governments of all countries have abandoned the doctrine of economic liberalism or straight capitalism, where competition was the very basis of the economy. The systems which can be adopted are not very numerous. Some countries have gone from straight capitalism to the socialization or nationalization of all property. The state has become the absolute master of everything and everyone. The citizens of those countries, from the most powerful to the lowliest, have seen their individual freedom sacrificed to the ideals of certain political groups. They have become mere cogs in the state's machinery. Education, culture, literature and art are only given the impulse which is useful to the policy followed by the nation's leaders. Private enterprise is sabotaged and traditions are set aside. From the standpoint of religion, the state becomes the golden calf before which each and everyone must bow.

Such are the abuses which have been perpetrated by some national leaders who are no longer living, and to which are still subjected certain nations which are endeavouring to foist them on the rest of the world. What a great lesson it would be for those who criticize the freedom guaranteed by our constitution if they were, even temporarily, subjected to the demands of those totalitarian groups! The misfortune of a too great number of people alone makes possible the establishment of such systems. The exaggerations of economic liberalism had incited the masses to choose political systems which seemed to them an improvement.

Other leaders—our own—have rather sought to remedy that situation by improving the lot of the majority while leaving to all that measure of freedom without which no people can develop and prosper.

The security measures which the leaders of this country have implemented for the benefit of the people, the relief they have brought to the hardships which breed revolt, have made possible an appreciation of the basic principles of our domestic policy. Undoubtedly, perfection has not been achieved. There are still some situations to be remedied and evils to be cured. However, our policy

moves in a direction that will enable all citizens of Canada to look for and find a happy and honourable life.

Old age pensions, the improvement of which is forecast in the speech from the throne, were inaugurated by a Liberal government. They constitute a security for aged people.

Pensions for the blind, invalids and indigent mothers, advocated by Liberal governments, protect the citizens against the hazards of nature.

Unemployment insurance, also introduced by a Liberal government, mitigates the fluctuations in our economy. It means security for labour.

Family allowances, also inaugurated by a Liberal government, ensure security for the family. They contribute to a more advanced degree of education which will allow individuals, whatever their social standing, to develop their natural qualities and gifts in the best interests of their own families and the state.

Here is an internal economy measure which corrects abuses and contributes to the equitable distribution of wealth without infringing on the pride and freedom of our citizens, which should constitute the very foundation of ambition.

This, honourable senators, is a policy which commands our respect. It enables us to avoid obstacles which seem to be insurmountable; it alleviates miseries dependent on an excess of freedom, and it leaves our fellow citizens with the ambition and freedom without which individual development within a free and proud nation is unachievable.

Let us pursue the implementation of this essentially liberal doctrine. Let us spread it throughout the country so that our people will forget those empty formulas which the freedom of speech we hold so dear causes to be broadcast hither and yon.

After having won victory by the force of arms and won the peace that ensued, we shall have won the victory of democracy.

The Speech from the Throne tells us that federal-provincial agreements will be submitted to us. We shall evidently have the opportunity of discussing them after it has been possible for us to ascertain what they are and examine them in detail. These negotiations are of vital importance, for in the next five years the whole internal economic structure of both the dominion and the provinces will be based on them.

I sincerely hope that all who will be party to the discussions will have as sole object the welfare of the Canadian people. I am confident that not one of the representatives of the dominion or the provinces will attempt

to inject party politics into such deliberations. The object to be attained is far too lofty to allow party interest and political strategy to enter the picture. The only factors to be taken into account are the interest, welfare and prosperity of Canadians in so far as they do not conflict with the rights and privileges granted each province under the constitution.

A constitution such as ours could not, of course, foresee and settle each particular case. It must be interpreted with the same degree of fairness, integrity and good-will which the Fathers of Confederation brought to its preparation.

Thus only will it be possible to ensure that every Canadian will enjoy the security to which he is entitled.

It is only in this spirit, and by founding all discussions of the subject on those principles, that the real interests of our people will be served.

(Text):

Honourable senators, I have tried to point out to you the high lights of Canadian politics as outlined in the Speech from the Throne. It is my conviction that the government intends to submit for our consideration the most appropriate measures for the prosperity and happiness of Canadian citizens.

I wish to express my gratitude for the kind attention you have given me. I am deeply touched by your warm reception to new members in this house, and I dare say that we already feel at home. We have the feeling of coming into a family gathering, where we shall all work together towards the betterment of living conditions in Canada. It is needless for me to say that I am willing to learn this very difficult and complicated task of government. I shall collaborate with every member of this house wholeheartedly.

Hon. Mr. Haig moved the adjournment of the debate.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 5, 1947.

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

Prayers and routine proceedings.

COMMITTEE OF SELECTION

REPORT CONCURRED IN

Hon. A. B. COPP, Chairman of the Committee of Selection, presented and moved concurrence in the following report:

Wednesday, 5th February, 1947.

The Committee of Selection appointed to nominate senators to serve on the several Standing Committees for the present session, have the honour to report herewith the following 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 Asetline, Aylesworth, Sir Allen, Beaubien (Montarville), Bench, Blais, David, Fallis, Gershaw, Gouin, Jones, Lambert, Leger, MacLennan, McDonald (Kings, N.S.), Vien and Wilson. (17)

Joint Committee on Printing

The Honourable Senators Beaubien (St. Jean Baptiste), Blais, Bouffard, Davies, Denis, Donnelly, Euler, Fallis, Foster, Harmer, Lacasse, Macdonald (Cardigan), McDonald (Shediac), Moraud, Mullins, Nicol, St. Pere, Sinclair, Stevenson, Turgeon and White. (21)

Joint Committee on the Restaurant

The Honourable the Speaker, the Honourable Senators Beaubien (Montarville), Fallis, Haig, Hardy, Howard and Johnston. (7)

Standing Orders

The Honourable Senators Beaubien (St. Jean Baptiste), Bishop, Bouchard, Buchanan, Duff, DuTremblay, Hayden, Horner, Howden, Hurtubise, Jones, Macdonald (Cardigan), McLean, St. Pere and White. (15)

Banking and Commerce

The Honourable Senators Asetline, Aylesworth, Sir Allen, Ballantyne, Beaubien (Montarville), Beauregard, Bench, Buchanan, Burchill, Campbell, Copp, Crerar, Daigle, David, Dessureault, Donnelly, Duff, DuTremblay, Euler, Fallis, Farris, Foster, Gershaw, Gouin, Haig, Hardy, Hayden, Howard, Hugessen, Jones, Kinley, Lambert, Leger, Macdonald (Cardigan), Marcotte, McGuire, Michener, Molloy, Moraud, Murdoch, Nicol, Paterson, Quinn, Raymond, Riley, Robertson, Sinclair, Vien, White and Wilson. (49)

Transport and Communications

The Honourable Senators Ballantyne, Beaubien (Montarville), Bench, Bishop, Blais, Bourque, Calder, Copp, Daigle, Dennis, Dessureault, Duff, Duffus, Fafard, Farris, Gouin, Haig, Hardy, Harmer, Hayden, Horner, Hugessen, Hushion, Johnston, Jones, Kinley, Lacasse, Lambert, Leger, Lesage, MacLennan, Marcotte, McDonald (Shediac), McGeer, McGuire, McKeen, Michener, Molloy, Moraud, Murdoch, Paterson, Quinn, Raymond, Robertson, Robicheau, Sinclair, Stevenson, Sutherland and Veniot. (49)

Miscellaneous Private Bills

The Honourable Senators Aylesworth, Sir Allen, Beaubien (St. Jean Baptiste), Beauregard, Bouffard, David, Duff, Duffus, Dupuis, Euler, Fafard, Fallis, Farris, Ferland, Harmer, Hayden, Horner, Howard, Howden, Hugessen,

Hushion, Lambert, Leger, MacLennan, McDonald (Kings), McDonald (Shediac), McGeer, McIntyre, Mullins, Nicol, Paquet, Quinn, Roebuck, Robinson and Taylor. (34)

Internal Economy and Contingent Accounts

The Honourable the Speaker, Honourable Senators Asetline, Ballantyne, Beaubien (St. Jean Baptiste), Campbell, Copp, Fafard, Fallis, Foster, Gouin, Haig, Hayden, Horner, Howard, Lambert, MacLennan, Marcotte, Michener, Moraud, Murdoch, Quinn, Robertson, Vien, White and Wilson. (25)

External Relations

The Honourable Senators Aylesworth, Sir Allen, Beaubien (Montarville), Beaubien (St. Jean Baptiste), Bench, Buchanan, Calder, Copp, Crerar, David, Dennis, Donnelly, Fafard, Farris, Gouin, Haig, Hardy, Hayden, Howard, Hugessen, Johnston, Lambert, Leger, Marcotte, McGuire, McIntyre, McLean, Nicol, Robertson, Taylor, Turgeon, Vaillancourt, Veniot, Vien and White. (34)

Finance

The Honourable Senators Asetline, Ballantyne, Beaubien (Montarville), Beauregard, Bench, Bouchard, Buchanan, Burchill, Calder, Campbell, Copp, Crerar, Davies, Duff, DuTremblay, Fafard, Farris, Ferland, Foster, Haig, Hayden, Howard, Howden, Hugessen, Hurtubise, Hushion, Johnston, Lacasse, Lambert, Leger, Lesage, McDonald (Kings), McGeer, McIntyre, McLean, Michener, Moraud, Paterson, Pirie, Robertson, Robicheau, Roebuck, Sinclair, Taylor, Turgeon, Vaillancourt, Veniot, Vien and White. (49)

Tourist Traffic

The Honourable Senators Bishop, Bouchard, Buchanan, Crerar, Daigle, Davies, Dennis, Donnelly, Duffus, Dupuis, DuTremblay, Foster, Gershaw, Horner, McDonald (Kings), McGeer, McKeen, McLean, Murdoch, Paquet, Pirie, Robinson, Roebuck and St. Pere. (24)

Debates and Reporting

The Honourable Senators Asetline, Beauregard, Bishop, DuTremblay, Fallis, Ferland, Lacasse and St. Pere. (8)

Divorce

The Honourable Senators Asetline, Copp, Euler, Gershaw, Haig, Howard, Howden, Kinley, Robinson, Sinclair, Stevenson and Taylor. (12)

Natural Resources

The Honourable Senators Beaubien (St. Jean Baptiste), Bouffard, Burchill, Crerar, Davies, Dessureault, Donnelly, Duffus, Dupuis, Ferland, Hayden, Horner, Hurtubise, Johnston, Jones, Kinley, Lesage, McDonald (Kings), McGeer, McIntyre, McLean, Michener, Nicol, Paterson, Pirie, Raymond, Riley, Robicheau, Sinclair, Stevenson, Sutherland, Taylor, Turgeon, Vaillancourt and White. (35)

Immigration and Labour

The Honourable Senators Asetline, Blais, Bouchard, Bourque, Buchanan, Burchill, Calder, Campbell, Crerar, Daigle, David, Donnelly, Dupuis, Euler, Ferland, Haig, Hardy, Horner, Hushion, Lesage, Macdonald (Cardigan), McDonald (Shediac), McGeer, Molloy, Murdoch, Pirie, Robertson, Robinson, Roebuck, Taylor, Vaillancourt, Veniot and Wilson. (33)

Canadian Trade Relations

The Honourable Senators Ballantyne, Beaubien (Montarville), Bishop, Blais, Buchanan, Burchill, Calder, Campbell, Daigle, Davies, Dennis, Dessureault, Duffus, Euler, Gouin, Haig, Howard, Hushion, Jones, Kinley, Macdonald (Cardigan), MacLennan, McKeen, Moraud, Nicol, Paterson, Pirie, Riley, Robertson, Robicheau, Vaillancourt and White. (32)

Public Health and Welfare

The Honourable Senators Blais, Bouchard, Bouffard, Bourque, Burchill, David, Donnelly, Dupuis, Fallis, Farris, Ferland, Gershaw, Haig, Howden, Hurtubise, Johnston, Jones, Lacasse, Leger, Lesage, McGuire, McIntyre, McKeen, Molloy, Paquet, Robertson, Robinson, Roebuck, Veniot and Wilson. (30)

Civil Service Administration

The Honourable Senators Bishop, Bouchard, Calder, Copp, Davies, Dupuis, Fafard, Gouin, Hurtubise, Kinley, Marcotte, McGeer, Pirie, Quinn, Robinson, Roebuck, Taylor, Turgeon and Wilson. (19)

Public Buildings and Grounds

The Honourable Senators Dessureault, Fallis, Haig, Harmer, Lambert, Lesage, McGuire, Molloy, Paterson, Quinn, Robertson, Sinclair and Wilson. (13)

All which is respectfully submitted.

The motion was agreed to.

STANDING COMMITTEES

MOTION OF APPOINTMENT

Hon. Mr. ROBERTSON: Honourable senators, with leave, I desire to move:

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 the said report, to inquire into and report upon such matters as may be referred to them from time to time, and that the Committee on Standing Orders be authorized to send for persons, papers and records whenever required; and also that the Committee on Internal Economy and Contingent Accounts have power without special reference by the Senate, to consider any matter affecting the internal economy of the Senate, and such committee shall report the result of such consideration to the Senate for action.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. ROBERTSON: Before the orders of the day are called, I might say for the information of honourable senators that it is my plan at the present time to ask the Senate to consider adjourning tomorrow afternoon until Tuesday of next week. I am not yet in a position to say, of course, what will be the length of the debate on the Speech from the Throne, or what public legislation, in addition to the private bills which are to come before

us, I may be able to introduce into the Senate. However, I shall communicate that information to the house at the earliest possible date.

As far as I can determine at the moment, bearing in mind the urgency of legislation that is being introduced in the other place, it is likely that the Senate will sit continuously, with longer adjournments than usual at the week ends, if circumstances so dictate. I can only project myself that far; but I thought it might facilitate the plans of honourable senators to indicate the situation.

Hon. Mr. MORAUD: Does the honourable leader contemplate any special legislation next week? It would be useless for those of us who are going home for the week end to come back next week if there were nothing to be done here?

Hon. Mr. ROBERTSON: I can only say to my friend that I have indicated to the government the desire of the Senate to undertake the initial stages of legislation which the government is willing to entrust to us and which the constitution makes it possible to give us. If legislation does come to us, I hope we shall deal with it as expeditiously as possible.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. JOHN T. HAIG: Honourable members, I join with the mover (Hon. Mr. McKeen) and the seconder (Hon. Mr. Bouffard) of the motion in offering my congratulations to the Governor General and his good lady upon their visits across Canada in the past year. I join with them also in expressing to you, Mr. Speaker, our delight that you are able, ready and willing to preside over the deliberations of this body for another year. We welcome you, sir; we respect your decisions and we will assist you in every way possible to maintain the traditions of this house.

I wish also to welcome the three new members of this chamber. Until Thursday I knew only one of them, the honourable senator from Cariboo (Hon. Mr. Turgeon), and naturally I shall speak of him first. He is one of three senators whose fathers sat before them in this house. I do not need to mention the others by name. Their fathers distinguished themselves in this chamber during many

years, and so far as I know the sons are carrying on the traditions of their fathers in the very best manner possible.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: We look to the honourable gentleman from Cariboo to carry on the tradition established by his distinguished father. It was a good one.

The speeches of the mover and seconder of the address were—I say this with all respect—typical of the provinces from which these gentlemen come. Everything is booming and humming on the Pacific Coast, and the new member from British Columbia did his province proud by his first speech in this house. Living as I do half way between here and that province, and knowing a little bit about it, I am inclined to think he truly represented the best aspirations of the people out there. The honourable gentleman who seconded the address comes from Quebec and his speech was made in French. I understood some of it at the time he was speaking, but this morning I had the pleasure of reading a translation that was better than mine. It was a speech typical of the province of Quebec, by a distinguished member of the legal profession in that province who probably had never been in parliamentary life before and who came here with all the enthusiasm of a young man on his first adventure.

I congratulate both the mover and the seconder. If the day ever comes when the party which I have the honour to lead here has the right to nominate members to this house, I hope that its choices will be as good as the three that the government of the day has made on this occasion.

Some Hon. SENATORS: Hear, hear.

Hon. Mr HAIG: Now, honourable senators, I am going to touch for a moment or two on the Speech from the Throne. Parts to which I make no reference at this time will be dealt with under other headings a little later on. The speech begins by referring to peace, and says that the establishment of enduring peace is the corner-stone of our external policy. I shall deal with that later. The next paragraph deals with world conditions. Then there is a reference to the General Assembly of the United Nations. The speech goes on to mention controls, in an omnibus clause that refers also to labour relations, a subject which I shall discuss when labour legislation is before us.

I do not propose to deal with agriculture at this time. I say quite candidly to the house that I am very much disturbed by the attitude that the present government has always maintained towards agriculture. To my mind its whole policy indicates a forgetfulness of the

fact that agriculture, and especially farm agriculture, is the basic industry of our country. I do not believe the government has ever given that industry the rights that it ought to have. I am not going to indulge in a long discussion of this matter, for it is coming up later, but frankly I say that to contract to furnish wheat to Great Britain at \$1.55 a bushel when it is selling on the market for \$2.25, cannot be justified. That was the sole issue in the Portage la Prairie by-election. The farmers gave a most decisive vote against that policy, turning a majority of nearly 1,900 into one of 700 the other way. That shows conclusively how the farmers in that part of the country felt about the matter, and I believe that farmers all over Canada feel the same way. If we want to sell wheat to Great Britain at \$1.55, all right; but let us all pay the shot and give the farmers a fair price.

We hear that the farmers are going to get better prices for a year or two. If I read the papers correctly, Britain is now engaged in a life-and-death struggle to survive. And do you mean to say that in two years from now, if wheat is worth only 70 cents a bushel, we can make Britain pay one dollar? Do not be foolish! It cannot be done. I will not touch on that matter any further than this: my bitterest charge against the present government, from the very start of the war to date, has had regard to the way they have dealt with agriculture. You would think, agriculture being primary production, they would have been interested in putting it on a firm basis. The charge has been made that after the last war there was a great deflation of farm land values. Government policy had nothing to do with that. The situation then existing in the western provinces was common to all Canada; the owners of small parcels of land wanted to buy more. That is not the case at this time. The farmers learned their lesson in 1921; every dollar they got they devoted to paying off their debts. There has never been a greater reduction of debt than has occurred recently among the farmers of our western provinces. But all this has nothing to do with the question of value. If I produce 5,000 bushels of wheat, why should I lose 70 cents a bushel on that crop? It cannot be justified, at any rate, unless you can prove to me that in two years from now wheat will be worth only 50 cents and Britain will pay one dollar—which I know she will not do.

Marketing is much the same problem. I pass on to other subjects.

As to immigration, I wonder if the honourable senator for Toronto Trinity (Hon. Mr. Roebuck) is here? I do not see him in the house just now.

Some Hon. SENATORS: He is here.

Hon. Mr. HAIG: I want to thank him for the investigation he made, under the chairmanship of the honourable senator for Parkdale (Hon. Mr. Murdock), into the subject of immigration.

We need immigration to this country. I do not know the exact figures, but I believe that during the last year we lost 24,000 of our best men and women to the United States. We are going to continue to suffer from these heavy losses unless we do something towards increasing the population of our country. All my life, except for a year or two, I have lived in the province of Manitoba. I was teaching school on June 23, 1896, when the Laurier Government came into power. About four years later the Honourable Mr. Sifton, who was then Minister of the Interior, brought thousands of people into this country under an immigration policy. I say quite candidly to you that we can get an equally good or an even better class of immigrants at the present time owing to the conditions in Europe. We can get many people, not only from Europe, to come to this country if we give them the opportunity. It is said that our soldiers must be employed before we admit other people. Well, I ask, how is that going to be done when it is necessary to bring out 4,000 Poles to go on the farms? Why were they brought here? It was because our men would not go on the farms. Why are those who are engaged in the production of pulpwood clamouring for men? Because our people will not go into the bush. I do not blame the men who will not go into the bush. Do not misunderstand me. I have found out that the first, or certainly the second generation of those whom the government of 1900 brought into this country will not do the jobs which the original immigrants did when they came here. Take railroading, for instance. In the early days the C.P.R. which was the principal railroad at that time, employed mainly continental Europeans as section men. Then came the Englishman. Gradually the English dropped out until only the boss was an Englishman; all the rest were men from Central Europe. Today the only men engaged in that work are from central Europe, and it has become so difficult to do this work by sections that the railroads have had to work by gangs.

We need more people. Think of the opportunities available in the country north of Edmonton, in northern Saskatchewan, and in northern Manitoba. It may be said that it is cold there. Yes, it is cold; it was cold when my father went to Manitoba, and he lived to be 92. He lived in the West for

about fifty years, and other men have done the same thing. I believe there are opportunities in our northern country. Take for instance the mineral development of northern Manitoba, Saskatchewan and Alberta; and we find the same situation in Quebec and Ontario. There are abundant opportunities for men who want to go into that country and develop it. Our young men and women of ability will drift to where the opportunities are greatest; there is no doubt about that. We have the machinery available. Our two transcontinental systems could, with very little additional extension, handle a population of 25,000,000 people. The same is true of our municipalities, our provincial governments and our dominion government. All the work required to take care of a large additional population could be done with very little extra expense. We must take the opportunity when it offers, because once the people of Europe settle down and return again to their own ways they will not want to come to this country. The only ones who will come will be the wastrels. I am therefore of opinion that the honourable senator for Toronto-Trinity did a real service to this house and to Canada when he brought forward this subject for our consideration.

The next point which is dealt with in the Speech from the Throne is defence; and reference is made to finance and to export trade. These apart from some special questions to which I wish to refer, cover the Speech from the Throne.

I want to say a word about the political situation in Canada.

Some Hon. SENATORS: Good!

Hon. Mr. HAIG: It may not be what you expect. I will deal with this more fully later.

Having had the honour of being in New York recently at the meeting of the United Nations, I came away with one thought uppermost in my mind. I am not going to deal with general problems, but with a point which particularly concerns Canada. I am impressed with it after having been at the meeting of the Canadian Bar Association at Winnipeg in the last week of August, when a certain issue was raised. This is an issue which is not restricted to Canada or the United States; but we people here, perhaps more than those of any other nation, face a struggle between communism and democracy. Make no mistake about it; it is a life and death struggle.

There is no use condemning the Communists: that will not get us any place. What we have to do is to show that under a system of democracy a young country like ours, with

great natural resources, can give the individual a better-rounded life than the Russian system can provide. One has only to read such a book as *I Choose Freedom*, by Kravshenko, to be assured of this. Had I not been in New York I might have questioned the conclusions in Kravshenko's book; but during those six or seven weeks I had the opportunity of watching delegates from Europe, whom I will mention later, and of seeing what they did. They believe in the system of dictatorship revolution. In Yugoslavia the government arrested an archbishop and put him in jail. It was not a question of religion; he was treated in this fashion because he believed in a freedom which they do not like. That is a common condition in Europe. The spy business which we have witnessed recently is only an offshoot of activities which exist in every part of Canada, where there are men and women who admit that they have a greater loyalty to Communism than they have to Canadianism. I much regret to see lawyers at Winnipeg, some of them with Communist leanings, bring in a resolution condemning the government—although, the Lord knows, I am not a supporter of the King government—simply because they want to take a jab at democracy through this attack upon the government. And I am sure I express the opinion of honourable senators, and indeed of a great number of people in Canada, when I say that when it broke on our ears that we had men and women in the public service of Canada who were prepared to put Russia before this country, and Communism before civilization, we felt the time had come to do something, and do it quickly.

That is not an ideal situation, honourable senators. The city of Winnipeg has ten members in the local legislature, and I am sorry to say that one of them is the chairman of the Communist party for Canada. On the city council there are two Communist aldermen, and on the school board, of all places, there is one member who is a Communist and boasts of it. That is the challenge we face in this country. Do not sit back and think that you can change these people by arguing against Communism, because you cannot. They do not listen to that. That does not mean anything to them. We have to provide a better system of government, of distribution, and of dealing man-to-man in our country than they have under their system. So much for that.

Then we face a further problem. When the Communists are eliminated, you have three parties left—the C.C.F., the Liberal party and the Progressive Conservatives. You have only got to follow the day by day report from

Great Britain to notice that there—and that is near to us—under Socialism, they are drifting gradually to control and regimentation. You only have to live in Manitoba to know what they are doing in Saskatchewan. It does not matter what they say they do; it is what they do. You have no right to vote for any other party at all. While I criticize the present government for the control system, and think it should have been taken off after the war, I admit that I voted for it during the war. I thought it would help to win the war. If you want controls to continue, vote for the C.C.F. You have only got to read the speech of the honourable leader of the party in the other place to realize the underlying thought in the speech.

That leaves the parties that stand for free enterprise, for democracy, as I call it, in this country. The people voting in the next election will have to choose which one of these parties they intend to put in charge of the business in this country.

The next question I wish to deal with, and very briefly, is housing. I readily admit that housing is the most difficult problem the government has had to face. I trace part of the trouble to the inception of rent control. I know that you will not agree with that; but I wish to tell you that human nature, being what it is, the minute rent control went into effect all speculative building stopped. Nobody with any brains would build a speculative house if controls were on, because he would have no idea of what would happen. As a result of control, for two or three years there was no building at all.

In the second place, the government adopted a system of part-control for the erection of some of its own buildings, and gave part-supply to others. As a consequence, in many cities across Canada, including Toronto, Montreal, Regina and Saskatoon, as I happen to know, there were hundreds of houses started which are still not completed. There is one development in the Fort Garry site in Winnipeg where 214 houses were started. I believe they were started in the fall of 1945 or early in 1946. A total of fourteen of these have been occupied up to the present time. I am told that they lack this, that or the other thing. You can go around in the cities of Winnipeg, Saskatoon or Regina, street by street, and find houses that have been in the process of construction for a year or a year and a half, and that are not yet finished. There is talk now of building a thousand or more houses in Winnipeg for soldiers; but the only effect of such a programme will be to prevent supplies from going to other houses which have been commenced but not

completed. I feel that these thousand houses should not be started until the others are finished.

In connection with the wartime houses in Winnipeg—and I can speak of them with authority—the ones built by the government were without foundations or furnaces, and were constructed of green lumber. That lumber is all shrinking, and I understand these buildings cost \$4,000 or \$5,000 each. The other day it was suggested that they be sold to the people who occupied them, and the largest offer received was \$2,500. That is very disastrous. These places are going to cost the people of this country 50 per cent on all the money put into them, and they are going to make slum districts of the parts of the cities where they are built. So much for housing.

Now I come to controls. I should like to say on controls what I really think, but as the honourable leader of the government just said, bills dealing with this problem are coming down next week. I would just have to repeat myself all over again if I went into it now. But I shall say this: I read the announcement of the Prime Minister yesterday in which he said that there would be a period of price controls, followed by a gradual removal. The controls may last for several months, but they cannot be cut off too soon to satisfy me. The sooner this is done, the sooner we shall get back to major production. There is no doubt about it. Take, for instance, shirts. The prices on shirts were regulated and it was said that a certain kind of shirt would cost \$4.25 made-to-order. I was never able to purchase a made-to-order shirt for that amount; I always had to pay \$5.00. This year I could get a shirt with three separate collars for \$6.50. But the Wartime Prices and Trade Board said, "No, sir, you cannot have that shirt"; yet the manufacturer was allowed to make a fancy shirt and charge \$10.00 for it. That is the situation under price control. The manufacturers do not make the articles that are under control—Why would they?—but they do manufacture the articles that are not under control, and that use up just as much material. The bills relating to controls will be coming to us in the near future, and we shall then have an opportunity to deal with these problems.

I am disturbed about the trade situation in which Canada finds herself at the present time. The other day the Minister of Trade and Commerce said that in 1946 Canada had enjoyed the largest trade of any peacetime year in her history. But what did we do? We paid cash for the goods we bought, and at the same time we sold our goods on credit and we lent the money to those who

purchased them. I refer particularly to Great Britain. Why should she not buy our goods? We gave her the money. Lord knows, she will not pay it back! We also loaned two millions to France. How much has she got left?

Hon. Mr. JOHNSTON: Is my honourable friend opposed to the policy of loaning money to Great Britain?

Hon. Mr. HAIG: I thought that the honourable member for Central Saskatchewan would ask a question such as that, and I am prepared for it. I am as willing as anybody to lend money to Great Britain, but I do not think that it will do any good if the British people are going to work forty hours a week when we in this country have to work fifty or sixty hours a week, I do not think that is good business for this country or any other country. Great Britain has the money; she is using it up. The other day Mr. Dalton, Chancellor of the Exchequer, said that Great Britain was living on "tick". "Tick" is a good old English word; I heard it first when I was a boy and I do not think I need to explain what it means. If that condition does exist there is no reason under the sun why we should walk into it. In Britain they are trying out socialism and if socialism cannot be made to succeed in that country or in any other country except by borrowing money—and I do not think it can—it will disappear. Experience the world over has been that you cannot get as much production out of industry under government control as under private control. Honourable senators will remember that during the First World War the production of coal in Britain fell rapidly under government control but that once the government control was lifted production increased again. They are concerned about government control of coal over there now.

Hon. Mr. MORAUD: They are freezing.

Hon. Mr. HAIG: They are not only freezing; they are starving. People in my city are sending money through the Hudson Bay Company and the Eaton Company to Denmark, for goods to be shipped to Britain to help pull them through. I am a Britisher, and my boy fought for Canada, just as thousands of other boys did; but there is no use doing something which at the very start you know is going to fail. That is the kind of thing we are doing now.

What is the government's policy regarding trade? What is going to happen when the lending of money stops? We can sell goods in our own country, but we certainly cannot sell goods to European countries if we do not lend them money to pay their accounts. I

read in the paper the other day that a British M.P., on a visit to the United States, was advising that country to keep on lending money to the rest of the world. I have no proof of this, but I believe that from 1920 to 1929 the United States lent billions of dollars to Europe, during which period Europe purchased large quantities of American goods, but that in 1929, when the United States stopped lending money, Europe stopped buying. We are facing the same condition today, and what I want to know from the leader of the house is: What is the policy of the government to be when we stop lending money to European countries? We are told there are going to be conventions in London and other places. But what can trade conventions do if people who want to buy goods have no money to pay for them? It seems to me that some of these people who need to be fed should be brought over to our own country and be fed here.

We in western Canada are much more deeply interested in this trade problem than are the people of eastern Canada. The western provinces, like the Maritimes, are largely producers of raw materials. Outlets have got to be found for our grain, or prices will go to pieces. I am perturbed about the absence of government policy. In another place the Leader of the Opposition asked the Prime Minister, "What is your policy for world trade once we have passed over the present period?" That is the question we have to face in this country. We members of this house ought to be more interested in that problem than in any other, and if the business men here cannot give a lead in reaching a solution, I do not know where a lead can be found.

The next question I want to deal with—but perhaps I am talking too long—

Some Hon. SENATORS: No, no.

Hon. Mr. HAIG: —is dominion-provincial relations. That is a very vexed problem. There are four or five "have not" provinces and three or four "have" provinces. Up to 1941 there was no federal tax on successions, electricity, gasoline, pari mutuels, and various other things from which the provinces had always derived revenue. In that year the dominion government made a deal whereby it not only took over from the provinces personal income taxes and corporation taxes, but also went into the fields that I have mentioned and a number of others besides. It has remained in all those fields ever since. The only tax that it has handed back to the provinces—and this was done lately, under pressure—is the gasoline tax.

The premier of my province of Manitoba came here to the dominion-provincial conference last May, and somebody has said—I hope he hears this—that he strove to make the conference a success. I do not blame him; I should have done the same thing. The sources of revenue that he was renting to the dominion government would yield about \$4,000,000 to our province, and in a private deal he got about \$11,000,000 from the federal treasury. Why should he not make that deal? And why should not Saskatchewan make the deal that it has made? It will get about \$13,000,000 for giving up taxes that would have brought in about \$1,000,000 to the province. Besides, very large sums for unemployment relief from 1930 to 1935 are thrown off. Representatives of Alberta then came here and made a deal. Why shouldn't they? New Brunswick did the same, and why not? Unless you are foolish, you never look a gift horse in the mouth. Why should not the Prince Edward Island people have made the deal that they did? They will get \$2,000,000. They are the "Johnny boys" of the whole lot.

But here is the situation. The two provinces in Canada that control the House of Commons have not made a deal with the dominion government, and they say they will not make one under present conditions. They may be right or wrong, but there is the fact; and we cannot carry on under a dominion-provincial agreement into which the two greatest provinces refuse to enter. I may be told that the premier of Quebec, in the stand which he has taken, does not represent the views of that province. Well, ever since he took that stand he has won every by-election by a larger majority than was ever polled before in the respective constituencies.

No doubt the attitude of the dominion government is that these two provinces will be forced into an agreement because the people do not like double taxation. That is the dominion government's only answer. But remember this, honourable senators: there are two sides to that question as to every other question. I do not believe that Ontario or Quebec will want to be taxed in order that big sums of money may be paid to other parts of Canada. I do not believe the people of Quebec will vote to transfer succession duties to the dominion, nor do I believe that the people of Ontario will; and I hate to see Manitoba doing it. This is one tax that should have remained with the provinces, and it was most unfair for the dominion to take it over. One of the chief uses that the dominion makes of its succession duty law is to trace the income of dead men and women in order to see whether they paid sufficient

income taxes in their lifetime. I repeat that that has been one of the chief uses the dominion has made of this law. You cannot get succession duties approved unless you can explain how a person who paid an income tax of so much left an estate of a certain value. In dealing with one estate the other day the department said: "During the last ten years this man reported an income of such-and-such an amount. How is it that he left so much money?" That is the difficulty you face now. Canada can never prosper as a united nation so long as that sort of thing continues.

In my judgment—I believe I am expressing the opinion of not only Manitoba but of the whole country—there is only one way in which our provinces and the dominion can get together: that is by sitting around a table until they have threshed out their differences, whether this takes a week or a month or a year. When there is a dispute between labour and industry the government says to these people, "Why don't your representatives get together around a table and come to an agreement?" Yet that very government refuses to sit down with representatives of the provinces. I sat in the gallery here and listened to the discussions at the dominion-provincial conference of last May, and the federal government's attitude was strongly criticized by the premier of Nova Scotia and other premiers. It was clear that there was no attempt on the part of the federal government to make a deal then. In fact, the budget proposals represented an offer of about \$180,000,000 to the provinces—I believe I am right in that, but if not I will stand corrected. But now if all the provinces come in on an agreement on the terms that were given to British Columbia, the total payments will amount to about \$227,000,000. I believe that the only solution of this matter is for the government to get all the provinces together and stay with them until they can reach an agreement of such a character that the men who resist it will be resisting for political reasons and not on constitutional grounds or in the best interests of Canada.

Hon. Mr. EULER: When you say \$227,000,000, does that include Ontario and Quebec?

Hon. Mr. HAIG: I understand so. That is the last offer. The original offer was \$180,000,000, but the last offer was \$227,000,000, providing they come in on the same basis. The Siros report was founded on the principle of fiscal need. I do not know that there is much difference between what is recommended and what is being done now; but the present method is to count the heads and give the

old statutory allowance, and then to give 50 per cent of what was collected prior to 1941. It happened that at that time British Columbia had a very heavy taxation. I am reminded of the time when the government froze rents. I was somewhat of a grasping landlord. My clients' rents were all up good and high, but those of my next door neighbour, who was not quite so grasping and was a very nice fellow, were down low. He is still getting his low rent and my clients are getting their high rents. British Columbia had a very high taxation of personal and corporation incomes, and a 50 per cent provision gives them a much higher proportion than some of the other provinces get. The minute that was known, Manitoba came along and said, "You are only giving us \$11,000,000, you ought to give us \$13,100,000." So the government came through with another \$2,100,000. Saskatchewan did the same thing, and I believe New Brunswick also.

In my view the only solution is the one I have suggested. Although I am not invariably in agreement with Mr. Bracken, I entirely agree with the stand taken by him on this question in another place. No man in Canada knows so much of this problem as he does. He was engaged on it for ten years, five years as premier of our province, and he made a bitter fight in 1937 or 1938 to have something done to improve the situation. The problem is with us, and we should not leave it as a festering sore in the public life of this country. It will be solved some day, and it must be solved right. We want Ontario and Quebec to be in on the agreement, but unless they get a deal which their premiers, rightly or wrongly, believe they should get, I do not see any hope for the success of the present arrangement.

That, I think, pretty well covers the question of taxation. Our taxes are too high. There is a theory that the people who have incomes should be taxed; that taxation should be based on ability to pay. I often question whether that is the right formula. Let me illustrate what I mean. In the city of Winnipeg are two stores which have been in business there for many years. During the period from 1930 to 1937 one made a large annual profit, I believe about \$1,000,000 a year; the other one went behind about half a million dollars a year. The store which made a profit of \$1,000,000 sold goods cheaper than they were sold by the company which lost about half a million. This was possible because of the buying ability and knowledge of markets of the manager of the \$1,000,000 profit organization, as against the inability of the other man to buy and to size up the market. But who was taxed? They

taxed the fellow who made the \$1,000,000 and who showed more enterprise and employed far more people than the other man did. That is the principle of ability to pay. Here is one man who makes a success of life. He engages in a business and develops it, and employs a large number of people and makes a profit. He pays heavy taxes. The other rascal on the other side of the road makes a failure of life. He employs only a few people, and does not always pay them, and in no way develops industry. Under our income tax law the man who makes the money pays the piper. Taxation nowadays is so high and takes away so much that enterprise—and I do not blame it—is unwilling to exert itself to make money. This is true of professional men and labouring men alike. Recently I met a professional man on the street in Winnipeg, and I said to him, "What are you doing this afternoon?" He said, "I do not work on Fridays and Saturdays". I said, "Why?" "Well," he said, "I would only have to give it back to Mr. Ilsley, and if I spend my time with the people at home I won't have to do that." I asked another man why he did not work on Saturday at his place of business. He said "I am making enough money, and taxes are so heavy that it doesn't pay me to come and work."

That sort of thing applies all through the piece. I have not exaggerated it at all. Why has the bacon production of our country fallen? Because the wife and children of the farmer are no longer willing to look after and feed the pigs when the profit made by the farmer has to be paid out in income tax. Production of milk and butter has fallen in our province for the same reason. What is the use of putting in a hard week's grind when the government takes half the money? That is how people argue. They say: "We will restrict ourselves to wheat so that we shall have to work only four months, and we will take our share of the proceeds." That is the situation all across this country, more particularly in the Prairie Provinces, where it pays better to produce wheat after you get into the income tax bracket. The small farmer is not in the same position, because his exemptions are higher.

I say that this country ought to reduce income tax right across the board. I understand that some men favour higher exemptions for single people while others favour higher exemptions for married people; but by and large we need reductions right across the board. I do not know what the United States are going to do, but I understand that the purpose of the Republican majority in the Senate and the House of Representatives is to try to reach the objective of a 20 per cent cut

across the board. That is their judgment as to what should be done, and whether it is right or wrong, I do not think it is far out.

I have not yet touched on old age pensions. I am waiting for the government's bill. Anyone can suggest that old age pensions should be boosted and that the age should be reduced. But honestly, I do not know how old people live today on \$20 a month. I was brought up in a hard school, on a prairie farm, and know something about the problem of subsistence; but frankly I do not know how these old people live. In our province they are getting \$25 a month, the provincial government having supplemented the federal allowance by \$5. But even with that addition I still do not understand how they manage to live. I am not going to suggest any figure to the government, but I hope that in bringing in their bill they will remember that the dollar today, as compared with 1926 or 1927, when the first pensions were paid, is worth only about 50 cents. I believe there should be a real and substantial increase.

This leaves me the one question of the New York meeting. I like to pay a compliment when I can to the Prime Minister of this country. His decision in 1945 to send to San Francisco a Canadian delegation composed of representatives of the main parties in the other house was a master stroke of statesmanship, and he is entitled to credit. I never realized this as much as this last fall, when, upon the invitation of the government, I with the leader opposite had the opportunity to go to New York to represent the Senate and Canada in the assembly. Let me tell you the story.

We arrived in New York, and every morning throughout the six or seven weeks that I was there we met at nine o'clock in a general committee room. All the delegates and officers and specialists—I think there were about twenty of them—sat around a table from nine to ten and discussed all the problems that came before them, and every man spoke, not as a Conservative, not as a Liberal, not as a supporter of the C.C.F., but as a Canadian and only as a Canadian. We never spoke or thought on any other lines. If I may be pardoned a personal reference, I can cite an incident which may help you to understand what I mean. That boy of mine wrote me a letter from home: "Dear Dad: We will be glad to see you back home; but don't come home unless you can make it so that I won't have to go to Europe again." That expresses the opinion of the people of the world. Let us so shape things that our men will not have to go to Europe again.

What did we do in New York? You may tell me that the United Nations is no good, that it has failed here and failed there. I will admit everything you say, but please tell me what you would put in its place? I saw the representatives of fifty-one nations sitting around a table. We sat in a horse-shoe: Canada was here, Byelorussia was there, China was there; and we sat there every day for weeks and weeks and discussed the agenda. You may say that we never got any thanks. Oh yes, we did. Let me tell you what happened at one committee. On the legal committee I sat next to the Byelorussian delegate. We started at three o'clock in the afternoon to define the word "meeting". This is a meeting; but under the charter that is not the way the word is used. According to the charter a "meeting" has to fulfil some purpose; it may sit twenty times, but it is still the same meeting. For the election of a member to a committee it is necessary to have the votes of not less than two-thirds of all the members. As there are fifty-one nations, thirty-four votes are required before you are elected; if only twenty-five cast their votes you cannot be elected. In order to establish a definition which would avoid misunderstandings we discussed the matter. Fifty-one nations—one representative from each—took part, and the discussion lasted from three o'clock until twenty minutes after six, when we agreed unanimously on a definition, and adjourned. We met the next afternoon at three o'clock to approve the minutes. The secretary, or rapporteur, as they call him—I call him "secretary"—read the report, and it was exactly as we had agreed on. But would Russia accept it? Oh no. The Russian delegate got up and for two hours pounded the table to hammer home his views. It was not two hours of one continuous speech, but only one-third of that time. The other two-thirds were taken up by the English and French translations. Perhaps I should not say it, but to me the speech did not mean much more than a device for delaying time. Then the representative of the "United Kingdom", as Great Britain is called, proposed an amendment changing four words. The amendment did not change the meaning but merely improved the grammatical construction. The amendment was seconded by the United States delegate, and after a little more discussion, came on for a vote. I turned to my advisers, three or four fellows telling me what to do. They said to vote for the original motion, against the United Kingdom and the United States. I said that I agreed with that. I knew that the United Kingdom motion would carry and so did everybody else. It got about thirty-one votes. Then they asked for those who were not in

favour, up went my hand. The delegates from Byelorussia always sit next to Canada, and one of them turned to me. He could not converse in English, but he said, "My God, you vote against the United Kingdom!"

That describes the situation. However, nothing that you could write between now and doomsday could convince that man as to what I did that day. I did not do it because I was trying to convince him. That was not the idea. I turned to his interpreter, a young lady, and I said: "You tell your delegate that not only on this committee but on other committees, Canada votes against the United Kingdom or the United States or anybody else when she thinks they are wrong, and that what they propose is not in the interest of this organization". I give that as an illustration of one of the benefits of meeting these men, because they think of Canada as part of the British Commonwealth in the same way as they do of Byelorussia or of the Ukraine, countries which are part of Russia and which have their independence in everything except in matters of war and armies and foreign policy. Those men learned it the hard way in New York. I saw it myself every day—how Canada, Australia, New Zealand, South Africa, India and Great Britain would vote and do what they thought was best in the interests of world peace. Naturally, we tried to see eye-to-eye with the United States. Naturally, we tried to see eye-to-eye with Great Britain and with Australia; and we endeavoured to see eye-to-eye with all democratic countries, because we knew that the democratic countries had something that the dictator countries never had. However, even then sometimes we could not agree.

Honourable senators, let me go a little further. The next thing that strikes one at that meeting is the number of coloured people there are in the world. I did not know there were so many coloured races until I went to that meeting. I was very much surprised to learn that the largest part of the world's population is coloured. When the colour question comes up, believe me, it comes up; and whoever is against it just goes down!

That brings me to the veto. Anybody can argue in favour of the veto in principle, but any practical person of understanding who has attended any of those meetings will admit that without the veto there would be no United Nations. All would end in chaos.

I wish to pay a compliment to my honourable friend, the leader of the government, because he deserves it. There were six committees, and he was chairman of the Trustee Committee. He made an address before that committee which was a credit to Canada.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: You ask me how I know? I know because he read the speech to us at one of those nine o'clock meetings, and we OK'd it.

I wish to tell you a little more about those meetings. It is going on the record, but I do not wish it to get to the ears of Mr. St. Laurent. He brought in a speech that he was going to deliver to Committee No. 1. It did not have much kick to it. He went around the room with it, and when he saw me he showed it to me and said, "What do you think of it?" I said, "I do not like it." Honourable Mr. Robertson said, "I agree with Haig." Honourable Mr. Martin said, "I agree with Haig", and Mr. St. Laurent said, "So do I".

We were all very proud of what our boys and girls did in the last war; we were likewise very proud of what our people did at home; but I was never more proud of Canada than I was after what I saw in those six or seven weeks in New York. I do not say this because I was present at the meetings. Everybody from Canada had the same spirit. We desired to be worthy of our country and to give to the rest of the world something that would be of use and benefit to it. Man after man with whom I went out walking during the lunch hours said to me; "How is it that Canada can send a delegation in which three or four parties are represented. How do you do it?" I said; "That is the policy of both the government and the opposition, and if the present Prime Minister were to go out of power tomorrow and Mr. Coldwell were to come in, the policy would be the same policy; and if either Mr. Bracken or Mr. St. Laurent were to be put in power, that policy would be maintained. Now the world knows it. That policy not only makes for peace but also for stability of international relationships. We act as a unit in every respect, and the world knows it.

Hon. Mr. EULER: May I be permitted to ask a question at this time? Perhaps it is not a fair one. You spoke with considerable approval of the fact that the delegates consisted of representatives from the various parties, and that they did not speak as members of their respective parties but as Canadians. My question is this: Do you feel that that would be a good practice to have in the Senate of Canada?

Hon. Mr. HAIG: Well, I thought I was giving an illustration of that this afternoon. The benefit that I saw from the United Nations was self-evident, and although I was unable to be present during the last two weeks, I heard from men who were there

that Russia was drifting from the strong, determined stand, which she took at the start to a more conciliatory position. I am not one of those persons who predicts that we are going to have war with Russia; I do not think we are; but I do feel that if we were ever to take down our defence we would have war. The United States, not unlike Canada, has a bi-partisan commission. The magnificent contributions made by Senators Vandenberg and Connally on behalf of democracy were priceless. Malinski, the delegate from the Ukraine, was in the chair, and Russia was opposing what was going on. After five hours of debate, Senator Connally got the floor and he said: "Mr. Chairman, you have talked most of the afternoon. As chairman of this meeting you have no right to talk at all. This is a democratic meeting in which you are only the chairman, and I demand that you put the motion. We have talked it up-hill and down-dale, and we want to know what the conclusion is to be". The result was a majority of thirty-seven to one in favour of Senator Connally. I can give you illustration upon illustration of the committees on which I sat. Generally the vote was thirty-nine to four. The Russian satellites are, of course, Byelorussia and the Ukraine, who with Yugoslavia always vote with Russia. Poland generally votes with Russia, but not always. Czechoslovakia votes with Russia even less.

Perhaps I may relate a personal experience. The Czechoslovakian delegates sit next to the Canadian delegates in the General Assembly. They have a public address system. When a man speaks in English what he says is translated into French, and when he speaks in Spanish his remarks are translated into both English and French. This takes time, and during this period one generally goes around and visits his neighbours. As honourable senators know, I am the visiting type. During my rounds I visited Mr. Masaryk after he made his speech, which was in good English. I said to him, "In Canada we have the Niagara Falls, and years ago men used to walk across the falls on a tight rope." I said, "If you will pardon my mentioning it, you were on a tight rope today."

Hon. Mr. DUFF: I heard today on the radio that a man is going over Niagara Falls in a rubber ball. What about that?

Hon. Mr. HAIG: Mr. Masaryk replied to me, "If you had the United Kingdom on one side of you and the United States on the other, what would you do?" He explained that with Russia on one side, backed by millions of men, he had to watch his step.

I believe that the United States will never let down her defence until she can get inside Russia and see what is going on. I went to the General Assembly with the feeling that a great number of Canadians have, namely, that we might have a war. I do not believe that now. I believe that in these international gatherings other nations will see what countries like Australia, New Zealand and ourselves are doing. And remember, we contribute more to their understanding than do the United States or the United Kingdom, because they know we have not the strength to stand up against them. I went out with the Iran delegate, and he said to me: "How do you people live opposite the United States? Do they not dictate what you will do and what you will not do?" I said, "No. Sometimes their politicians think they get the better of us, but in all the 120 years that we have had the international boundary they have never tried to dictate to us. You can ask your American friends, and they will give you the same answer." That is the sort of thing that illustrates to these people what democracy means. I shall go no further than that.

Just one more word. I am sorry that the ministers of the four great powers did not invite Canada and other nations to take part in the discussion of the peace treaty with Germany. I think they have made a grave mistake. I entirely agree with the government's action in this regard. I do not believe you can have a fundamental world-peace if you cannot enter into the terms of the peace. Take the countries that have made a great contribution. Canada is one of those countries and I feel that we should be asked to take part in making the peace. We more than any other country except Australia and South Africa—probably South Africa more—could give Germany an illustration of how democracy can work than anybody else. In New York there were a great many people from India, Australia, and South Africa, and we had many a pleasant discussion—a real family "confab." We discussed, for instance, the Spanish situation, and we agreed upon it unanimously. Everybody expressed opinions; nobody gave way; and I feel that we, especially South Africa, can give an illustration to Germany—perhaps not so much to Japan—of how democracy can function among nations if they have confidence in each other. Our First Great War Prime Minister, Sir Robert Borden, went to the peace conference which followed the war, and made a splendid contribution. He established the fact that Canada was a free and independent nation. I should like to have seen our present Prime Minister at the present peace conference in Germany.

Hon. WISHART McL. ROBERTSON: Honourable senators, the practice of expressing a word of appreciation to the mover and seconder of the address in reply to the Speech from the Throne is even easier to follow on this occasion than it has been on many occasions in the past. I want to join with the honourable leader opposite in complimenting the honourable senator from Vancouver (Hon. Mr. McKeen) and the honourable senator from Grandville (Hon. Mr. Bouffard) upon the speeches that they delivered in this house yesterday, and I do so without in any way reflecting upon the excellent speeches that I have heard on similar motions since I have been a member of the Senate. I admired the eloquence of the honourable gentleman from Vancouver and the logical manner in which he marshalled his arguments; and I could not but feel that in him the west coast of Canada has a great champion. I listened as well with the utmost pleasure and admiration to the speech of the honourable gentleman from Grandville. Like the honourable leader opposite, I am frank to say that I could not follow it in every detail, but that I since have had the opportunity of reading a translation, and wish to congratulate the honourable gentleman upon his splendid speech. I admired and envied the facility with which he moved from the French language to the English.

I confess to you, honourable senators, that I never regretted anything so much as my inability to express myself in the two official languages of Canada while at the United Nations meetings in New York. How I envied our distinguished leader Mr. St. Laurent, who moved so gracefully among the delegates of all the countries represented there! I envied not only his knowledge of the French language, which was understood by practically 99 per cent of the delegates, but his ability to say the polite thing, the nice thing, on the appropriate occasion. I thought of that as I listened to the seconder of the address yesterday. To my English compatriots in this chamber and in this country I say that even if we have been so mentally lazy or indifferent as not to acquire facility in the French language ourselves, let us by every means in our power encourage our children and our children's children to acquire that facility, for it is a great advantage.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: And to my French compatriots I would say: Encourage those with whom you come into contact to

acquire facility in the English language, but urge them not to forget their French in the process.

Hon. C. P. BEAUBIEN: Hear, hear.

Hon. Mr. ROBERTSON: Facility in the two languages is a great advantage, and perhaps one of the factors accounting for Canada's high reputation at international conferences.

There are perhaps many subjects which one with my responsibilities should discuss on an occasion such as this, but which I shall touch upon only briefly today. I realize that the honourable leader opposite would have liked to have more time to deal in some detail with many of the matters that he mentioned. It is to be hoped that later on there will be opportunity to discuss some of these in more detail, and if I hurry over them now it is not because of lack of appreciation of their importance but rather because I do not wish to trespass unduly upon your time.

Let me say here that my honourable friend's criticisms of the government did not strike me as being very serious. As I listened to his remarks I more or less sympathized with him, for I could see that despite his ordinary good judgment and keen appreciation of public matters he was somewhat handicapped by the negative attitude of his party in dominion affairs, and that after all he was only doing the best he could in the circumstances. I know it is customary to denounce controls in theory, and I do not suppose there is an individual in the country who has not been in some way inconvenienced by them. It is easy enough to criticize the administration of the controls, but at this moment when we are emerging from our tremendous war effort and going through an almost unbelievably successful transition from war to peace, there is not a business man in Canada who in his heart of hearts does not believe that one of the outstanding accomplishments of the government has been the controlling of prices in order that there might not be a boom and a collapse such as followed the last war.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: The more a man has been engaged in business, the more he has to be thankful for in that respect. I know that controls are unpopular, that the government has been criticized and ridiculed because of them, but I believe honourable senators will agree that when we get a proper perspective we realize that nothing contributed more to the success of our war effort and to a sound basis for the future success of our country than those very controls.

Business after business and industry after industry in this country can thank their stars that controls were maintained.

My honourable friend opposite says that grain growers cannot get as high prices for wheat as they could get on a free market. People in the lumber business can say the same thing with regard to their products; so can the manufacturers of steel, the manufacturers of farm implements, and so on. Our producers and manufacturers cannot get on the home market as much as if they were permitted to sell all their goods on a free export market. But what would happen if they could do so? There would be a boom for a time, and then a bursting of prices, bringing suffering to many a business and individual. A peculiar corollary of the present situation is that the industry which gets the highest possible prices for its products will be in the most unfortunate position of all if those prices cannot be maintained in the post-war period. The producer whose goods are selling at 50, 100 or 200 per cent above pre-war prices may be temporarily benefited, but the fearful question that must be troubling his mind at this moment is: When these abnormal conditions end, will my business be caught in a crash of falling prices?

There may be some merit to the argument of the honourable leader opposite. I am not such an expert in these matters as he, or the honourable senator who sits beside him, but I do know that in general the controls have been a great accomplishment. It may be that in certain details they have worked a hardship to some people, but by and large they have made a great contribution to the welfare of this country. I am proud to say that the man who as minister was responsible for inaugurating and administering those controls came from Nova Scotia, the Right Honourable J. L. Ilesley. During most of the war he had the unenviable responsibility of financing the country's war effort—which made it necessary to impose heavy taxes—and of administering the controls. No one could have had two more onerous or unpopular tasks—he was ridiculed, criticized and blamed—and now that he has undertaken less onerous duties I wish to pay my humble tribute to his great accomplishments.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BALLANTYNE: I am sorry to interrupt, but would the honourable leader allow me to ask a question?

Hon. Mr. ROBERTSON: Delighted.

Hon. Mr. BALLANTYNE: He has spoken in glowing terms of the advantages of controls, but will he be good enough to tell us

about the hundreds of millions of dollars that have been paid by the taxpayers to hold ceiling prices?

Hon. Mr. ROBERTSON: I think that is a fair criticism. The question is whether or not the cost of the basic necessities of life should be spread over the whole country or be borne by unfortunate individuals who were not in as favourable a position as other people. A whole mass of people in this country, the so-called white-collar class, have gone through some very trying times, and I think the government is entitled to credit for having realized that the only practical course was to subsidize the production of certain basic necessities of life, so as to spread the cost over the whole community. I believe that policy commended itself to the right thinking people of this country.

I know that business is heavily taxed; but as I said to a friend of mine the other day when he was groaning about taxation, "I can remember in my business experience when what we were worrying about was not our income tax, but the fact that we did not have any income to be taxed." Any member of this house who was in business from 1929 to 1933 knows what I am talking about.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: I submit, honourable senators, that in this country business has emerged well from the war. I venture to say that throughout the length and breadth of this land there is hardly a business which is not in better financial position today than it was in 1939, in respect of its obligations, its cash into the treasury, and everything else. True, business has been taxed heavily, but it has had a large income to be taxed. And because of the controls that we have had in operation, business faces the future far more confidently than if prices had been allowed to soar. All honourable members who are in business know this just as well as I do.

It is true that somebody else might have acted differently during the war. Canada handled its affairs in this war better than in the previous war. This was not because of the leadership of one particular party; the contribution was made by all the people of Canada. If there should be another war—which God forbid—we should improve on what we did during this last one.

Despite the criticisms of my honourable friend, I say that Canada is in a pretty good position today and faces the future with a great deal of confidence.

I want to pass on now and refer briefly to the United Nations meeting at New York. I do not intend to go into any great detail, but

rather to give you one or two impressions that I brought back with me. That meeting was charged with two great responsibilities in its search for future peace. One is the question of disarmament and a world police force, and the other is the removing of the causes of war. These were tackled with, I think, a fair degree of success. I want to say, honourable senators, that you have reason to be proud of the part played by the leader of the opposition. He was the chairman of a committee, and I assure you that he was keenly interested in it and rendered a great service not only by his advice in regard to the various matters that he took up, but through the friendly way that he had in meeting the various delegates. After all, that is a very important factor and exercises a very great influence.

As regards the problem of disarmament, as you remember, a long debate resulted in a unanimous resolution that the Security Council should undertake a plan of disarmament and a world police force, coupled with the principle of international inspection. Now that is a great step forward. Even if it takes months, even though it takes a year or more to work out the details of it, I say it is a tremendous step forward. Then, in the field of removing the causes of war, I will only remind you that both in the political field and in the social and economic field there were some very ticklish questions. There was the matter of Franco in Spain, and of the complaint brought by India against South Africa, which, as the leader of the opposition said, raised the whole question of colour. Then there was the problem of post-UNRRA relief, of food, of matters which deal directly or indirectly with the causes of war. I believe that when the report comes down the leader of the opposition and myself, your delegates there, should deal with this at greater length and invite from honourable senators a more detailed discussion, because neither he nor I have had the opportunity to place it before you.

I want to refer to some of my impressions. In one of the committees, which had to do with the subject of post-UNRRA relief, there was a very long and bitter debate. UNRRA, which was largely financed by the United States, Great Britain and Canada, and provided assistance to starving countries, was coming to an end. The question was what would happen after it ceased at the end of the past year. There was a very definite difference of opinion. The United States and Great Britain took the definite position that while they were going to contribute and would contribute whatever assistance was necessary, they did not want to have it distributed on what might be called an international basis by an

international organization which had no direct responsibility to the contributors. Canada's position was that we were prepared to assist, and that the assistance should be international in scope, because there was the criticism that the United States and Great Britain had used or intended to use relief as a political weapon. As I say, there was a very heated discussion. It went on for weeks and, so far as numbers were concerned, the majority were in favour of the international distribution; but the United States and Great Britain were adamant that they would not go into it on that basis. A day or two before the assembly closed it was apparent that it was going to close without any agreement whatever on this very important question. Mr. LaGuardia, who had been Director of UNRRA and was passing out of office, on a particular day made a most violent attack on his own government, suggesting that they had the intention of using food as a political weapon, and in the same connection he was none too complimentary to Great Britain. So you can understand that the situation was a very serious one. It was a tense moment when, on a certain Saturday morning, Mr. LaGuardia, who is a very emotional speaker, made a dramatic appeal for something to be done on behalf of the starving millions of the world, to reconcile the serious impasse; and then he said "Somebody must present a solution. I appeal to Canada to do it. I will accept any proposal that Canada makes, 'sight unseen'". I tell you, honourable senators, I have never been placed in a position where I was subject to the emotion which possessed me at that moment.

Sitting with my honourable friend beside me, I could see the eyes of the representatives of fifty-four nations concentrated on our nameplate; and I do not mind telling you that I was never prouder in my life. There was a pause. Then other speakers went on, and after about an hour and a half Canada made a proposal. It was a compromise suggesting that while the administration would be on the basis which Great Britain and the United States were insisting upon, an international body of experts should determine the food needs of the countries. This body had no official status, it did not actually distribute the money or the food, but it would recommend where the need was, and relieve to that extent at least the political aspect. The chairman adjourned the meeting over the week-end, and on Monday morning the committee was called together again. Immediately the representatives of the United States, of Great Britain and of the Soviet Union, and Mr. LaGuardia,

announced that they agreed to Canada's solution. The only reservation was that they did not think it was as good a plan as theirs.

Now honourable senators, I want to say that this seemed to me at the time something of dramatic significance. You know how your mind travels on occasions of this kind. After all, I reflected, ours is a country of 12,000,000 people, and, as the leader of the opposition said, we are dealing with the representatives of hundreds of millions of people,—340,000,000 in India, 400,000,000 in China, 200,000,000 in the Soviet Union. How comes it that Canada, with its 12,000,000 population, exercises this influence? It cannot be a matter of numbers.

Well, what does it come to? I suppose you cannot be dogmatic and ascribe it to any particular thing, but I can mention some circumstances which I think are factors. I remember sitting and thinking the next day about it. To begin with, I believe the first factor is the great effort that our boys and girls made in the last war. Of 12,000,000 people, 1,000,000 were in the armed forces of this country. Then there was also not only the matter of what they did, but of what the people at home did in the way of providing the materials for them, and an equal amount for our allies. Particularly, I think, our influence arose from the fact that we, unlike any other country in the world except the United States, financed our effort without one dollar of assistance from any other country. I think that impressed the nations.

Also, I believe there are other things. I remember one day when, on coming back from a meeting where there had been a bitter discussion about South Africa, the leader of the Opposition said to me, "My, Robertson, how happy I am that I live in Canada". And when I heard of these bitter religious disputes in India and the race and colour disputes in South Africa, I recalled that one of the reasons for the position we occupy is that we are not a country of one particular people. Had this been a country exclusively Anglo-Saxon in its racial origin, we would not have been up against any difficulties. We would not have been up against difficulties if everyone in this country was of the French racial origin. We would not be up against any particular difficulties if all were of one religion. The age-long problems of this world have arisen because there are differences arising between majorities and minorities. I believe from the bottom of my heart that one of the factors which has made Canada outstanding is that we have made an outstanding success in respect to these age-long problems of religious and racial differences, and that these problems in other parts of the world are ten times as serious as

ours. What impresses others is our accomplishment in this regard; it is to the credit of this country that we have done as well as we have. So do not let us think that we are doing so poorly; think rather of how well we are doing, and that we are blazing a trail for the world, because half the age-long problems of this world come from these questions. I repeat, think not how poorly we have handled this situation, but how well we have dealt with it.

I believe, honourable senators, that we are in a position to exercise an influence on the future of the world far out of proportion to our numbers. I believe also that there will come to this country in increasing numbers representatives of other nations to see how Canada has been able to surmount her difficulties. It behoves us to take stock of our situation and see to it that the problems which are before us are dealt with as sensibly and on as far-sighted a basis as the ones that we have dealt with in the past. As we know, problems still have to be faced. The leader of the opposition has pointed to one of them. Of all the nations represented at the United Nations there is not one, with the possible exception of South Africa, which has not on trial, in varying degree, a different economic system from that of Canada and the United States. Our system is going to be on trial and subject to the influences of the others, and the manner in which these influences will affect us in the future depends on the extent of our own success. My friend the leader of the opposition is absolutely right on that point. It is an interesting subject, and one of which we must take cognizance.

In this connection we may note the famous theory which has been worked out in various countries, namely, that because the United States has half the national income of the world it should continue to pay half the expenses of the United Nations. As Senator Vandenberg said, Russia and other countries were paying a compliment in asserting that the United States had half the income of the world, and in continuing to insist on this despite the fact that in so doing, they were disparaging their own economic systems, and that it would be natural for someone in the United States to suggest and to urge the other countries under these circumstances to adopt the economic system of the United States. However this may be, the United States and Canada have a higher standard of living than probably any other nation. The question remains, to what extent is this due to our superior ability and intelligence and to what extent is it due to our natural resources. Remember we have a

tremendous asset in that we, 12,000,000 people, occupy half a continent which is literally bulging at the seams with the greatest of natural resources. So it should be with some degree of humility that we take justifiable pride in Canada's achievement. Let us not forget that. Let us be sure that we make the best of that with which Nature has endowed us. Mind you, from the point of view of the man outside there is a great deal to be ridiculed in our economic system of today. There is the question of private enterprise being on trial. When you get down to a consideration of it, you discover a great deal of muddled thinking in this country in regard to private enterprise. I find that in the province of Ontario people forget that a Conservative government brought in hydro twenty-five years ago, and it has been operating ever since. In the province of Quebec, where some people are endeavouring to secure provincial operation of hydro-electric power, this is called rank Socialism. In the town of Truro in the province of Nova Scotia, the leading people would be the Stanfields, the Lewises and so on, and they would consider themselves the personification of private enterprise. If you were to go down there and try to buy into their power company, you would not have enough money to do so. In the city of Halifax, Senator Dennis' *Halifax Herald* has for some years been demanding that the city of Halifax consider the distribution of electric light. This idea is called rank Socialism in Truro, only sixty miles away. An outsider coming in here and asking you where you stand on these matters would think you were pretty muddled in your thinking. Knowing what the trend is going to be, we should do something in the interests of future security and of people in business.

I do not believe that the Liberal party, or the Conservative party if they got into power tomorrow, would sell the Canadian National Railway to the C.P.R. or to a company or individuals. I have not heard it mentioned in the platform of the Conservative party. We ought to remove some of these cobwebs, or people coming here will ask us some embarrassing questions that will be difficult to answer. Our economic system is something which we should consider, because it is going to be on trial.

There are difficult problems too in regard to our social services programmes. Take, for instance, the question of old age pensions. The present government has said that if the relationships with the different provinces are successfully accomplished, it would consider a programme of universal old age pensions,

without a means-test, of \$30 a month beginning at the age of seventy. I do not know what attitude the Conservative party is taking, but the C.C.F. suggested raising the ante to \$50 a month at the age of sixty-five. The Labour party said it would cost \$300,000,000 or something like that; somebody else came along and said it would cost \$600,000,000. It may be that the Progressive Conservative estimate will be between those given by the others, or that they will raise the ante of the C.C.F. It is claimed that a large amount of money will be required to pay old age pensions. This is true, honourable senators, but I will say that I would hate to think that when I reach the age of sixty-five I should have any less than \$50 a month to live on. I doubt if anybody in this Senate will disagree with that viewpoint. At least, that is my impression. I should like the sound of ten times that amount. Make no mistake about it, you will not brush the matter aside by just waving your hand and saying that the cost is too much. I doubt if there is any issue that will be more vital to this country in the future than the old age pension. How much or how little it is to be, or at what age it is to be paid or how it is to be financed, are all matters of detail, but the main problem is going to be in everybody's mind to a greater extent. I am no authority on labour matters in this country; but show me the industry in this country which has incorporated in its plans of social welfare a programme that gives a retiring allowance to employees at the age of sixty or sixty-five, and broad-and-long I will show you a concern that has had the least labour unrest.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: I shall tell you this, moreover, that the people of this country are approaching the time when they no longer will be divided into the rich and the poor. Their future is being taken care of partly by their own efforts and partly by the efforts of the public. Every man on the railroad contributes to his pension. It is made up partly from his own income and partly from the contribution made by the railroad. This practice is also carried on in the federal government, in banks, and in some private companies, but there are very many people outside of this category, who have to provide for themselves in their old age. All they have is the pleasure of contributing to the old age pensions of those persons who are fortunate enough to be included in the plans made on that basis. I am told today that the Annuities Branch of the Department of Labour is

simply deluged with applications from companies all over this country who are seeking to take advantage of annuities.

Hon. Mr. ASELTINE: May I ask the honourable leader if he is in favour of a contributory old age pension scheme?

Hon. Mr. ROBERTSON: I should tell my honourable friend that there will be no old age pension scheme unless it is contributory. A man pays \$6 a month out of his pocket, or he pays \$5.95 in income tax. He will pay the whole cost, because money does not come out of the air.

Hon. Mr. ASELTINE: That is not what I mean. The wage earner should contribute when he is earning money, but not by way of income tax.

Hon. Mr. ROBERTSON: I happened to look up something in regard to the \$600 a year which was the last proposal made by the C.C.F. party as opposed to the \$30 a month suggested by the Liberals and the "question mark" of the Progressive Conservatives.

Hon. Mr. HAIG: Perhaps my friend can say what the figure proposed by the Progressive Conservatives is. I am in favour of \$30.

Hon. Mr. ROBERTSON: Suppose a man at the age of sixty-five decided to buy an annuity. It would cost him about \$6,000 to buy himself an annuity of \$600 a year for the rest of his life. The rate for females is much higher, \$6,960. If a young man at the age of twenty-one wanted to provide for a pension, he would have to pay \$51.54 yearly to obtain \$600 a year beginning at age sixty-five. In the case of a woman the annual payment would be \$59.76 or \$111.30 for the two of them.

The government rate of 4 per cent is higher than prevailing insurance rates, but for the sake of argument what happens with respect to the railroads and the banks and the Imperial Oil Company, for example, is this: the employees contribute five per cent of their wages and the public pays the rest.

An Hon. SENATOR: The company pays the rest.

Hon. Mr. ROBERTSON: But the companies get the money from the public; the federal government gets it from the companies in the form of taxes. It is incorporated into the general programme so that perhaps 40 per cent or half of this money is paid by the individual and the balance by my honourable friend and all the rest of the people as a whole.

The question may be asked: If this is done for part of the community why is it not done for all? Is there any difference between a man who works for the federal government or the railroad or the insurance company and the general public? If the principle is sound why does it not apply to the great mass of the people? This is a great and serious problem, honourable senators, and I hope that my honourable friends will give some thought to it. It is most important, and should not be brushed aside.

Honourable senators, I have other matters upon which I should like to speak but I shall confine myself to a brief remark in regard to one specific point arising out of the remarks made today by the leader opposite. One of the clauses of the United Nations charter contains a principle to which we in common with the rest of the fifty-one nations subscribe, and which I personally should like to see realized. It is this:

To achieve international co-operation in solving international problems of an economic, social, cultural or humanitarian character, and in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion.

One of the important debates at the United Nations conference was the debate on the racial treatment of Indians in South Africa. I have great sympathy for them. Their difficulties are not over. There are some three million whites in South Africa, and approximately eight million coloured people. Honourable senators, there has been a bitter discussion on this subject. Some people considered that the United States, Great Britain and ourselves took a too legalistic point of view, and said that the problem should be turned over to the International Court of Justice to be dealt with. Mind you, it is on a par with any legislation we may pass in this country that removes a vote from a man because of his colour. That is the principle of it.

Hon. Mr. HORNER: May I ask a question? Was the Canadian delegation asked any embarrassing questions with regard to the treatment of Indians in this country?

Hon. Mr. ROBERTSON: I am glad the honourable senator has raised that point. The question I am speaking of came up at the General Assembly, and General Smuts, one of the great statesmen of the world, made a speech in which he said it would be wrong for the United Nations to assume that they had the right to discuss this matter without referring it to the International Court of Justice, and the Indian delegate got up and swept the

assembly. It is a difficult matter, because there are eight million coloured people in India. I am not referring to Indians. There are about 250,000 people of Indian descent, and the remainder of the eight millions are natives. I suppose grave difficulties would arise if certain privileges were given to these natives and withheld from the people of Indian descent. One result of that discussion was that India broke off trade relations with South Africa, and these have not yet been resumed.

When I was at New York I could not help feeling that the term "Big Six" should be substituted for "Big Five"; that is to say, that India should be added to the present list of big powers: the United Kingdom, the United States, France, China and Russia. I do not believe we can overestimate the influence of 340,000,000 people on the future of the world. For my part I am proud of the tolerance that we have in this country, and I hope that whatever racial discrimination still exists under our laws will be given very serious consideration in Parliament.

When I returned to our country, with its relatively small population of twelve millions, I could not help being impressed by the immensity of the problems in those eastern countries with their billions of people. I wondered what we as members of our parliament could do to help along the general cause of world peace. Just before I left New York I felt that, after all, the responsibility rests not entirely on governments, but on all peoples everywhere. I thought in particular of three delegates with whom I became as closely associated as was possible in view of the difficulties of language. On my left was Mr. Shmigov of Byelorussia, who spoke no English but a little French. A gentleman with whom I became very friendly was Sir Maharaj Singh, from India. He is a graduate of Cambridge University and highly cultured. He had very strong opinions on some questions, but nevertheless he was a delightful man to talk to, and very broad in his viewpoints. Then there was Mr. Liu, the Chinese Vice-Minister of Foreign Affairs. I liked these gentlemen.

It happened that the honourable senator from Kennebec (Hon. Mr. Vaillancourt) sent to me at New York some small boxes of maple sugar. Honourable members have seen these one-pound boxes, made up in the shape of the maple leaf. I restrained the natural impulse to use the sugar myself and asked my wife to make the same sacrifice, and I sent one box each to those three representatives of Byelorussia, India and China. Accompanying each box was a letter, in which I said I was sure that the people of my country, Canada, desired to

be friendly with the people of the delegate's country, and that tangible evidences of their desire had been given by our government and people at large. In the letter to Mr. Liu, for example, I referred to the great campaigns that we have had in Canada on behalf of China, and pointed out that one was being conducted at that very time. I said that Canadians were instinctively generous in helping people in distress. I expressed the hope that some day I might visit the delegate's country, and that more people from that country would visit Canada. I felt a sense of inability to do anything worth-while, for after all they were only three representatives of more than one billion people. All I can say with regard to the incident is that if it did not help the cause of world prosperity, trade and peace, it at least did not hurt it very much.

Hon. Mrs. Fallis moved that the debate be adjourned.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 6, 1947.

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

Prayers and routine proceedings.

DAIRY INDUSTRY BILL

FIRST READING

Hon. W. D. EULER presented Bill B, an Act to amend the Dairy Industry Act.

The bill was read the first time.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. IVA C. FALLIS: Honourable senators, as the honourable senator for Alma finds it impossible to be present with us next week, I am very happy to relinquish my right to proceed with the debate this afternoon. You will hear from me later.

Hon. C. C. BALLANTYNE: Honourable senators, I wish to thank the honourable senator who so very graciously has relinquished her

place to me. Unfortunately I shall not be able to be here next week, and I desire to thank his Honour the Speaker for having called the Senate at an earlier hour than usual this afternoon in order that I may take the 4.10 train for Montreal.

I desire to heartily congratulate the mover and the seconder of the address for their very eloquent and informative speeches, which I did not have the opportunity of listening to, but which I have read with a great deal of pleasure and satisfaction.

Honourable senators, I desire to speak to you this afternoon more as a business man than as a member of this house. During my young and active days I spent many years in industrial life, at the head of one of the largest manufacturing concerns of its kind in this country; also I have been, and still am, associated with many of the large manufacturing industries in this country and in the neighbouring country to the south. I wish to impress upon honourable senators that the views and opinions which I am about to express this afternoon are not mine alone—although I thoroughly concur in them—but are those of the brightest business men in this country, men engaged not only in industry but also in finance.

I wish to refer to only two matters that were alluded to in the gracious speech delivered by His Excellency the Governor General; namely, controls, and income tax.

I listened attentively some weeks ago to five radio addresses delivered by Mr. Donald Gordon, the very able head of the Wartime Prices and Trade Board. I say without hesitation that no better man could have been selected for that position, and I congratulate the government on being able to obtain his services. In his address he certainly put forward some very powerful pleas for the retention of controls, and in the fifth and final address he said, "Now it is up to the people of Canada to say whether they want these controls continued or not." But my good friend Mr. Gordon showed only one side of the picture. He should have said in at least one of his radio addresses how much it has cost the taxpayers of this country to maintain ceiling prices. In the city of Montreal not long ago, in speaking to an outstanding Liberal of that city, I said, "My friend, do you think that without controls the subsidies would have reached the sum of a billion dollars?"; he replied, "Many times over." I tried to find out from the honourable leader of this house yesterday what the subsidies cost this country, but he was unable to give me the information. I am sure you will agree with me, honourable

senators, that it is only fair and reasonable that the taxpayers of this country be told the amount of subsidies paid out, in order that they can form a fair opinion as to the advisability or otherwise of continuing these controls. I know that controls were necessary during the war—nobody objected to them then; and I believe that a few controls, extremely few, are necessary now.

Honourable senators are all familiar with the Atlantic Charter and the four freedoms that were enunciated therein. But there is one freedom which all Canadians are longing for today, and that is freedom to manage their own affairs in the way they think best, freedom from being pushed around by the government and their satellites who are at the head of the various controls. These Canadians know more about their own affairs than the government or any of the officials do.

The government recently announced the objective that they are seeking—increased revenue and increased production. I agree with them as to the objective, but I differ as to the ways and means of attaining it. I am perfectly satisfied with the opinions expressed by business men, financiers and presidents when delivering annual addresses for the various large banks which they represented. I shall only quote one very briefly:

Vital as controls have been to wartime production, they sit uneasily on normal peacetime economy, not only retarding recovery but even encouraging the evils of black markets and inflation.

I am fully convinced that if a large number of these controls were removed now, business in Canada—although it is not bad at the present time—could be very much improved. We would have greatly increased both production and revenue. We would also have a fuller employment programme than we have at the present time. The government, however, appear to be obstinate. They are not giving the heed that they should to the business people, the Chamber of Commerce, the Canadian Manufacturers Association and our great financiers.

The honourable senator for Churchill (Hon. Mr. Crerar), whom we are very pleased to have with us today, knows full well, as I do, that in the days gone by governments under Macdonald, Laurier and Borden consulted the people and were largely guided by them in the formulation of their restrictions and legislative enactments. Today we are living in a different age. These controls are left to experts, not one of whom has had any experience whatever in business. Therefore I wish to go on record now as strongly in favour of

a speedy, very speedy, removal of these controls, except for a few which it may be necessary to retain.

There is yet another drawback to these controls. The honourable leader on this side touched on it yesterday. The manufacturers have found it desirable to engage in export trade, and nobody can blame them, for they can make more money in that way than by looking after the domestic market. One of the consequences of this has been a shortage of many articles on our domestic market which otherwise would not have existed.

I listened on the radio to Mr. Howard Green not more than a month ago. He was speaking on behalf of the British Columbia lumber interests. He said that the best grades of lumber in that province were being shipped abroad, whereas the poorer and more unseasoned grades were being used by the Canadian people. I therefore urge my honourable friend, who is a young business man, to use his strong influence with the government to see that these controls are done away with as quickly as possible, for I am satisfied that then the black market would vanish also, and the law of supply and demand would regulate prices. As our leader said yesterday, some day the government will have to face this issue. Why not face it now?

Before I leave the question of controls, I might express the hope that when the budget is brought down the excess profits tax will disappear.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BALLANTYNE: When the controls are gone competition in this country is going to be keener than ever before, and in the matter of export trade we shall have the strong competition of our neighbour to the south.

I come now to the question of income tax. I am sure the leader of the government is just as aware as I am that every Canadian, man or woman, feels the oppression of our system of heavy taxation. I do hope that when the budget is brought down there will be a substantial reduction of taxes right across the board, such as our neighbours to the south are contemplating. I hope also that the people who are in low-income categories will receive very generous treatment. I have a great deal of sympathy for the married man with a family who, on an income of only \$1,500 a year, has to meet not only the present high cost of living, but the income tax as well.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BALLANTYNE: If a reasonable and generous reduction is made, as I have suggested, the country may lose revenue for

one or two years, but with the resultant buoyancy of business and the enthusiasm and incentive that would be created in the breasts of every man to work harder, we would be very much better off in the long run.

I often hear young men saying, as we all do, "I have a very good salary but the greater portion of it goes to the government, and I am worried about my family and my old age." Ultimate security is what they are thinking about; and it is in the hands of the government now to see that this is provided for.

Someone may say, "Well, how are you going to make up the revenue?" Revenue can be made up by drastic cuts in the ordinary and general expenditures of the government. The people are very much perturbed about government expenditures. It has come to the ears of many of us, though probably not to those of the honourable leader, that this government is considered to be extravagant.

I am very glad that the ceiling on salaries for the white-collar man has been raised. I have no objection to or criticism of unions, so long as their demands are fair and just, but I think that in comparison with members of labour unions the white-collar men have been very unfairly treated. At the time when the controls were removed I was sorry to notice that the Minister of National Revenue stated that he was going to keep his eye on salaries, particularly on Christmas bonuses. He seemed to be loath to relinquish the extraordinary power that he exercised during the war and is trying to retain now, and to the poor white-collar people who have been underpaid for so many years he begrudges a few extra dollars in salary or in Christmas bonuses.

I thank you, honourable senators, for listening to me, as you have done, in such an attentive manner. I have lived quite a long time,—

Hon. Mr. DUFF: You are young yet.

Hon. Mr. BALLANTYNE:—longer than most people; but, as I say to my sons, I was born in a fortunate age, at a time when a man could by hard work and initiative make some money and accumulate it for his family and his old age.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BALLANTYNE: But every door is shut against the young men and young women of today. No wonder they feel depressed. The young person today says: "After I pay my family expenses and my income tax I have nothing left. What is going to happen to me in my old age?"

I leave these thoughts, poorly expressed as they may have been, to the honourable leader of the government, and I hope he will do all he can to impress upon this government the fact that we are living in a difficult period. The war has been over now for two years. Let us get back to normalcy as quickly as possible.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. McDONALD (King's): May I ask the honourable gentleman if he would indicate the things from which he would not at once remove the controls?

Hon. Mr. BALLANTYNE: I would not care to indicate those things at the moment, but I should be very glad to do so if I had as much information on the matter as must be possessed by my honourable friend, who is a member of the party in office. One thing we can all agree on is rentals. Beyond that I have not enough detailed information to answer my honourable friend, much as I should like to.

Hon. F. W. GERSHAW: Honourable senators, in all sincerity I desire to congratulate the mover and seconder of the address for the eloquent and clear manner in which they expressed some very fine thoughts.

For a short time this afternoon may I bring to the attention of this honourable house a few facts in connection with a subject that is of more or less local interest—the cattle ranching industry, more particularly as it applies to Southern Alberta and Saskatchewan. All down through the ages the tending of flocks and herds has been one of the chief occupations of mankind, and the importance of the industry today lies in the fact that so many people are engaged in it and that its products are those protective foods which are of vital necessity for human growth and well being.

At one time the short-grass plains of Western Canada supported vast herds of buffalo. The records show that in the springtime, when new pastures were being sought, the ground would be covered with these shaggy animals as far as the eye could reach. The country at that time was well suited to their needs, with its nutritious native grass, sparkling streams and sheltered belts. Those animals, however, were needlessly and ruthlessly destroyed. The cattlemen were the first people to come in then and open new frontiers. They were the hardy pioneers. They brought in herds of cattle from the East and over the long, long trails from Texas through the Western States. The men and women who first ventured into that wild, unknown country were people of

courage and vision. Though they did their best to protect their herds against prowling bands of Indians, cattle thieves and wild animals, at times they suffered great losses. But the pasture was good and they produced large quantities of beef.

Conditions have greatly changed since those days. There is no longer the open range with running streams and natural watering places. Ranching has lost much of its glamour and its romance. Grain farmers have come in to settle on the best areas, and the cattlemen have been forced back into territory where grass is not so plentiful and water cannot be easily found. Why is water scarce there? Largely because the streams, creeks and sloughs have dried up. Due to the sunshine and Chinook winds, the streams and lakes have been losing an average of thirty inches off their surface during a season by evaporation. Furthermore, the forests on the eastern slope of the Rockies are being destroyed. Mr. Robson Black, President of the Canadian Forestry Association, has this to say:

The east slope watershed forest of the Rockies is the most important single strip of forest treasure in the whole dominion. And the reason is that it governs the flow of virtually every river that waters the western plains . . . The dominion Government's record for the ten years 1930 to 1940 show an average debit of 30,000 acres of annual fire damage.

One consequence of this tremendous loss is that the forest covering is rapidly disappearing, and with it the valuable water supply for the Prairie provinces. The Dominion government has taken steps to save those forests, and it is to be hoped that in the near future the streams there will be gradually increasing instead of decreasing as in the past.

In the south of the two provinces I have mentioned there are about 30,000,000 acres of rough and hilly land, which is producing some cattle but could be made to produce many more. About 15,000,000 acres have been classified as unfit for cultivation, and about another 16,000,000 acres as marginal. In this area the rainfall is very light, averaging about 11.6 inches in a year. It has been as low as six inches, and in one year it was as high as twenty-five inches. The water problem is, therefore, a very serious one, because cattle must be watered within a short distance of where they are grazing; if they have to go more than a mile and a half they will not gain satisfactorily, and the loss to the cattle producers will be very substantial.

The cattlemen have met with other disasters. They find lately that costs are going up,—costs of lumber, labour, posts, wire and things of that kind. They have sustained heavy

losses from such pests as the warble fly; and from severe winters, such as the one we are going through at the present time.

Hon. Mr. HORNER: Would the honourable senator mind telling us what was the result in the year they engaged the rainmaker at Medicine Hat?

Hon. Mr. GERSHAW: I well remember that year. It was a great year for the people of Medicine Hat. They gave this gentleman a big banquet to start with, and he went out a few miles and erected a tower. At this banquet he disagreed entirely with the weather people in Ottawa and Washington. He said he could make the heavens rain; he had done it before and he could do it again. However, things did not work out according to his prediction, and he explained that the clouds which were flying by were all "empties."

Hon. Mr. QUINN: You gave him the wrong stuff at the banquet.

Hon. Mr. HORNER: How much did you pay him?

Hon. Mr. GERSHAW: He wanted \$8,000, but he let us off with \$4,000. We got off fairly easy.

Something has been done by the government. Right in the heart of that grass area, at Manyberries, Alberta, they have built an experimental ranching station. It was established when the late Mr. Motherwell was Minister of Agriculture, and it has done good work. It has carried out experiments regarding the best ranching practices, the carrying capacity of land, and the nutritional value of various grasses; indeed it has investigated all branches of ranching practice. Great work has also been done under the Prairie Farm Rehabilitation Act, which was begun by Mr. Bennett and expanded by the ministers who followed him. They have constructed thousands of dug-outs, of stock-watering reservoirs, of small irrigation schemes to prevent the water from flowing on, unused, to the Hudson Bay and the Arctic Ocean. What is needed and urgently needed at the present time is that this work be continued, that more reservoirs and irrigation projects be completed—not only the small ones but the large ones as well.

Cattle can be marketed as feeders or they can be finished. The marketing of cattle as feeders has not been very profitable. No longer can cattle be sent to the United States to be finished on the corn and other products there; and the Eastern feed lots are so far away that it is much better for them to be finished at home. Where there is irrigation the feed can be produced to fatten these cattle, so that they bring top price, and where large

irrigation schemes are in operation and beet sugar factories have been constructed there are splendid feed lots, because the by-products, such as tops and pulp, make splendid feed for the cattle.

We find that some streams rise in the United States, and flow through Canada back to the United States. Canada has a claim on a share of the water of those streams. Just recently work has been started on a \$15,000,000 scheme, the building of the Spring Coulee reservoir, to impound our share of the water on the St. Mary's and the Milk rivers. There are other projects such as the Bow river development and the William Pierce scheme, and the government has the completion of those schemes in mind. Negotiations are going on between the dominion and the provinces, and we hope that nothing will be allowed to delay the development of irrigation in that country. These structures would be permanent, and would confer great blessings upon the people of this generation and of the generations yet to come.

Help and support for the cattle-raising industry are of great importance. Figures collected and analysed by the Canadian Federation of Agriculture show that the annual net income per farm in 1926 was \$1,020; in the period from 1930 to 1934 it was only \$352; during 1935 to 1939 it was \$542; in 1945 it reached a high of \$1,370, and in the whole period between 1940 and 1945 the average was \$1,238. What is worrying the farm people is that the prices of things they have to buy are going up, and they are fearful of disaster as a consequence. Therefore, one of the suggestions I would make is that irrigation be continued with all possible speed.

I have just one other proposal which I believe is of vital importance to the cattle industry, an industry about which we down here do not hear very much, but which nevertheless is a very important one. At the present time there is an agreement with Britain to take our surplus beef. It has about two years to run. It is a good agreement, because it provides us with a market for processed beef equivalent to about 500,000 cattle a year, whereas at best the United States market when open took only about 193,000. So for the moment this market in Britain is a little better, in two ways: it takes more beef, and it probably takes the lower grade of beef that is being processed. But the cattle raisers are fearful that when the money we have loaned to Great Britain is exhausted their market will be gone, and they are most anxious to get into the United States market at all costs. They fear that the people of Britain will buy their beef and their mutton from other countries,—

from the Argentine, from New Zealand, from Australia. They realize that they cannot compete with those countries where the grazing areas are close to the seaboard and where there is grass all the year around, and that they may be left in a very short time "holding the bag", without a profitable market.

Wherever farm organizations or cattlemen meet they pass resolutions regarding this matter. It is important, because they cannot compete with those other countries, and Britain will likely buy where she can buy much cheaper. The Canadian cattlemen have this to say:

Study has disclosed that under the terms of the recently signed Anglo-Argentina agreement the U.K. is securing beef of our commercial quality for approximately 10 cents per pound. The Argentine rancher or estanciero is receiving approximately \$60.00 for each export steer which will weigh 1,100 pounds and will dress red label, equivalent to about \$5.45 per cwt.

If Canadian cattlemen have to meet a price such as that, they will be ruined. Therefore I wish to make it clear that the government should in some way set machinery in operation to make sure that our live cattle can get into the American market. If a token shipment were made to keep the channels clear, even that would help some. The United States market is only 500 miles from the grazing areas, while Britain is 6,000 miles away, and in years gone by Chicago has proved to be the only profitable market for our surplus cattle. We have ten million cattle in Canada now with a surplus of approximately two million, and the people engaged in the cattle industry feel that they are in a very dangerous position and are anxious that no stone be left unturned to preserve for them an entry into this profitable market.

Hon. Mr. HORNER: Do you mean in the United States market?

Hon. Mr. GERSHAW: That is correct. They hope to get into the United States market. Experience has shown that that is the profitable market. It is a nearby market and one which will give the best results. The losses are less in shipping to that market.

Canada is a great country, and we are lucky to be living in it. We want to make it an even greater country, a country of a wider distribution of wealth; and assistance along the lines of helping the industries that need it will bring us to that desired position.

Some Hon. SENATORS: Hear, hear.

Hon. Mrs. FALLIS moved the adjournment of the debate.

The motion was agreed to.

BUSINESS OF THE SENATE

HON. MR. ROBERTSON: Honourable senators, before moving the adjournment of the house, I thought I might, for the benefit of honourable senators, make a statement which is more or less what the Prime Minister said in the other house with respect to immediate prospects regarding legislation.

In view of the expiry of the National Emergency Transitional Powers Act on March 31, 1947, parliament will be faced with a very heavy legislative programme during the next few weeks. I am not yet in a position to say how much of the government's legislation will be introduced in this chamber, but I have conveyed to the government the desire, which I think is shared by all senators, that this house be given its full measure of responsibility for the introduction of government bills.

Perhaps I might say a few words with regard to the legislation that will be brought down between now and the end of March. In line with the government's policy of removing controls at the earliest possible moment, all orders-in-council still in force under the authority of the National Emergency Transitional Powers Act will expire on March 31, with the expiry of the act. There will be two main exceptions to this rule: in the case of certain price and commodity controls which cannot safely be removed by the end of March, the government will introduce a bill to provide for continuation for a limited period of time. The second exception concerns a number of orders-in-council which, in the national interest, it is considered desirable to put on a more permanent basis. These all relate to matters within the normal competence of the Parliament of Canada, and which will be covered by about fifteen bills to be introduced in the near future.

The temporary measures falling within the first category of legislation include controls of prices, supplies, and rentals, regulations for the return to Canada of remaining dependents of service personnel, settlement of claims against the Crown arising out of the war, administration of Japanese property in Canada, re-location of persons of Japanese race, old age pensions, and certain compensations to merchant seamen. A certain number of the orders specified as coming under the bill will be the subject of additional specific bills later in the session, including old age pensions, labour relations, and veterans' preference in the civil service.

The permanent measures, which fall into the second group, include bills to amend the Fertilizers Act, the Inspection and Sales Act,

the Feeding Stuffs Act, the Customs Act, the Militia Pension Act, the Militia Act, the Patent Act, the Department of National Defence Act, the Canada Grain Act, the Wheat Board Act, and the Immigration Act, in relation to the return to Canada of Canadian Chinese. Bills dealing with mail contract supplements, trading with the enemy, export and import controls, and agricultural products will also be included.

The Senate adjourned until Tuesday, February 11, at 8 p.m.

THE SENATE

Tuesday, February 11, 1947.

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

Prayers and routine proceedings.

CUSTOMS BILL

FIRST READING

A message was received from the House of Commons with Bill 6, an Act to amend the Customs Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: Next sitting.

FEEDING STUFFS BILL

FIRST READING

A message was received from the House of Commons with Bill 7, an Act to amend the Feeding Stuffs Act, 1937.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: Next sitting.

INSPECTION AND SALE BILL

FIRST READING

A message was received from the House of Commons with Bill 8, an Act to amend the Inspection and Sale Act, 1938.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: Next sitting.

PRIVATE BILL
FIRST READING

Hon. Mr. JOHNSTON presented Bill C, an Act to incorporate the Conference of Menonites in Canada.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. JOHNSTON: Next sitting.

DIVORCE
PETITIONS WITHDRAWN

Hon. Mr. ASELTINE presented and moved concurrence in the second, third, fourth, fifth and sixth reports of the Standing Committee on Divorce.

He said: These reports have to do with cases that have been withdrawn, the parties having settled their differences in nearly every instance and decided to live peaceably together.

The motion was agreed to.

PRIVATE BILL
FIRST READING

Hon. Mr. BENCH presented Bill B, an Act respecting the Toronto, Hamilton and Buffalo Railway Company.

The bill was read the first time.

PUBLICATION OF STATUTES BILL
FIRST READING

Hon. Mr. ROBERTSON presented Bill E, an Act to amend the publication of Statutes Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

UNITED NATIONS BILL
FIRST READING

Hon. Mr. ROBERTSON presented Bill F, an Act respecting Article 41 of the Charter of the United Nations.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

SUBSIDIES ON CONTROLLED
COMMODITIES
INQUIRY

On the Orders of the Day:

Hon. Mr. ROBERTSON: Before the orders of the day are proceeded with, I should like to refer to a verbal inquiry by the honourable senator from Alma (Hon. Mr. Ballantyne) respecting the cost of subsidies. He made the inquiry during the course of my remarks on the Address, and he referred to it again during his own speech. I have not undertaken to prepare a specific written reply at this time, but later, perhaps, I shall do so.

In the meantime I should like to say this:

There is no secret about the cost of subsidies being paid out under the price control programme. Cumulative figures for subsidy payments on domestic and imported products since the inception of price control are shown in detail in every annual report of the War-time Prices and Trade Board, and when the latest report of the Board is tabled in parliament, as it will be shortly, it will include the figures up to the end of 1946. Subsidies paid to producers of agricultural products by the Agricultural Food Board are similarly shown in the Minister of Agriculture's annual report to parliament.

If my honourable friend requires more specific information, and will give an outline of what he desires and also indicate the period of time to be covered, I shall be pleased to have the information prepared for him.

Hon. Mr. BALLANTYNE: I thank the honourable gentleman for his reply. It is very difficult for one to find out the exact amount of the total cost. If I am not imposing too much on the honourable leader, I would ask him to give us at his convenience the total sum paid out for subsidies, during the last fiscal year, for instance.

Hon. Mr. ROBERTSON: I shall be glad to do that, but I think a written inquiry would be in order, so that it could be turned over to the appropriate officials. Then there would be no misunderstanding as to what information my honourable friend desires.

Hon. Mr. BALLANTYNE: All right.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Thursday, February 6, the consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McKeen for an address in reply thereto.

Hon. IVA CAMPBELL FALLIS: Honourable senators, in rising to say a few words in this debate I wish first to associate myself with the speakers who have preceded me in extending congratulations to the mover and the seconder of the Address upon the very excellent speeches which they made in this house. I should like to go further, if I may, and have my congratulations include the honourable leader of the government in the Senate (Hon. Mr. Robertson) and the honourable leader of this side of the house (Hon. Mr. Haig) for the very interesting and informative addresses which they delivered in this chamber last week.

Some Hon. SENATORS: Hear, hear.

Hon. Mrs. FALLIS: I should like to refer just briefly in passing to one question which was discussed by the honourable leader on this side, namely, that of dominion-provincial relations. I agree entirely with the sentiments expressed by him, but should like to add a few more words along the same lines. When listening to the very interesting accounts which the two leaders in this house gave of their activities at the United Nations conference in New York, one could not help receiving the very definite impression that the results from that conference to date have accrued mainly because representatives of more than fifty nations met around a common conference table and openly discussed the problems which confronted them and honestly tried to discover a solution of those problems. It took me back in memory to the time when the late President Roosevelt launched his idea of calling the first conference at San Francisco. Honourable senators will recall that at that time he enunciated the theory that the world's only hope of laying a foundation which would ensure lasting peace and security depended upon getting representatives of all interested nations to gather around a common conference table and endeavour openly, and for all the world to see, to reach a solution of their problems. That theory has been endorsed by practically every nation, certainly by all the democratic nations, and by none more heartily than by Canada; and in taking that stand on behalf of Canada the Prime Minister of this country and his government received the support of all parties in parliament and of Canadians as a whole. There was no theory advanced that Canada should send delegates to one or two conferences and, if these conferences did not succeed, that no more should be called. We would have thought such a proposal absurd.

So, honourable senators, I must confess to you that on this question of dominion-

provincial relations I cannot for the life of me understand why in the eyes of the Prime Minister of this country and his government the procedure followed with regard to the nations is so right for settling the problems of the nations of the world, and so wrong for settling the problems confronting the provinces of this country. That is the thought I wish to add to those which my honourable leader (Hon. Mr. Haig) expressed.

One matter which I should like to bring to the attention of the house, and which has not been discussed so far in the present debate, is of deep interest and vital concern to many of the women of Canada. I speak of the legislation enacted last session whereby the amount of tax-free money which a married woman might earn outside her own home was reduced from \$660 to \$250. When that matter was before our Banking and Commerce Committee I was one of those who opposed the reduction. Since that time the matter has been discussed widely in the press of the country, and most of the editorials that I have seen have been against the reduction. In addition to that, there have been letters and articles from women all across Canada telling of the hardships brought upon many individuals by this legislation, and asking the government to reconsider it.

I have studied all these arguments pro and con, and I must say that in the light of conditions existing in the country today I am more strongly opposed to the legislation now than I was when it came before us last session. I am opposed to it not only because it is discriminatory legislation, based on sex distinction, but also because I believe that under present-day conditions it is detrimental to the general welfare of this country as a whole. It has been freely predicted that the effect of the legislation will be to drive hundreds of married women from certain branches of industry and from certain professions back into the home. Perhaps some honourable senators will say, "Well, so much the better." It may well be that the motive of the government in introducing the legislation was the hope that it would cause a great many married women to give up their jobs in industry and the professions, go back to their homes, and leave those jobs for men.

Well, if at the present time we were passing through a period of unemployment in this country I could understand such a motive, even though I might not agree with it. But the government itself has said that we are in a period of almost full employment. Certainly the demand for women workers in almost every field of activity in Canada far exceeds the present supply. Unfortunately,

and I think the government must have realized this when the legislation was brought in, the effect of the legislation cannot be confined to incomes arising only from occupations in which women could be replaced by men. There are many branches of industry and the professions in this country which are being very adversely affected; and the place of women in those fields of work cannot or will not be taken by men. For instance, there are the part-time industries. I am sure that every honourable senator can call to mind some industry in his or her particular district which, for certain positions, depends upon part-time employees. These positions are filled almost entirely by women, because a man cannot afford to take a job which only lasts for part of the year. Then we have the teaching profession, a field which very few men enter, especially in the public schools, because the remuneration is so small. As a consequence, this field belongs almost exclusively to women. Take the nursing profession: it is made up almost exclusively of women. This legislation is having the effect of driving from those industries and from those professions women who are very badly needed there at the present time. I know of one hospital which during the last three or four years could scarcely have carried on at all had it not been that married women who had been nurses previous to marriage came back into the profession and helped two or three or four days a week. I am sure you all know of similar cases.

I should like to take your minds back for just a minute to the early days of the war, when over and over again the government sent out urgent calls to women to make the necessary adjustments in their homes, and to come out and help in the industrial and professional life of the country. I do not need to tell the members of this house how the women of the country answered that call. They took special courses in industry; they took special training to fit them to occupy positions in various fields. Ex-teachers and ex-nurses took refresher courses so that they could make a greater contribution to the service of their country. They made the necessary adjustments in their homes, and over the years they built a new way of living.

But now, by this legislation, the government has destroyed the incentive for these women to continue doing this kind of thing. The reward which they are receiving for answering the call of their country and the government, for building up this new way of living in order to make a decided contribution to their country's welfare, is to have increased taxes placed upon them at a time when workers

in industry all across the country are receiving higher wages, and everybody else is looking for a reduction in income tax.

Strangely enough, this legislation, which came into force in January, coincided with urgent radio appeals, day after day and week after week, for more nurses, and stressing the very critical situation that existed. Then, too, you could scarcely take up a newspaper without finding headlines such as "Urgent Need for Nurses", "4,300 School-rooms Closed for Lack of Teachers", "Canada Needs 8,700 More Nurses", "The Prairies Need 1,000 More Nurses Immediately." All this was being broadcast over the radio and through the press at the same time that the government by its legislation was taking away the incentive of the married women to continue in occupations where they were badly needed.

I should like to read just one or two little extracts from letters which have appeared in the press, and personal letters which have come to me in connection with this question. Thousands and thousands of women from the Atlantic to the Pacific are affected by this ruling, and they have voiced their protest in no uncertain tone. To show no partiality, I have chosen three letters,—one from a woman in the Maritimes, one from the province of Ontario, and one from Vancouver.

The one from the Maritimes was written by a nurse and appeared in the *Toronto Saturday Night*. In it she condemned the government very strongly for this legislation, and at the end of it, she waxed eloquent in poetry. I think you will be interested in the last four lines:

My dear Mr. Abbott, I wish you no ill;
But if the March weather should give you a
chill,
If a trained nurse is needed and cannot be
had—

I have to confess that it won't make me sad.

In my own home-town paper, the Peterborough *Examiner*, a woman writes on this question from an entirely different angle. You know, some people have the idea—which probably the government had in passing this legislation—that because the husband is in receipt of a good income, his wife has all the money she wants to spend, and all that the family needs. The writer of this letter does not agree with that, and after condemning the government for the legislation, she says:

Believe me, it wasn't for a career that I started to work. It was for money to buy food and clothes and pay rent for my children and myself . . . At least they now have a roof over their head and food and clothes that are paid for,—something they never had before . . . People are fortunate to have a man who cooperates in keeping the home going. How would they like to get just anything that happened to be left

over after he had spent all he wanted? . . . I for one would not be working if I could afford to stay at home, but after all, is that any of your business or mine? We each know our own needs best.

The third letter is from a young woman in Vancouver, and it speaks for itself. She represents a great class of women entirely different from the other two. She says:

I am writing to you protesting against the new taxation arrangement whereby incomes of married women are deducted from their husbands' exemptions by the amount they exceed \$250 per year.

Married women with whom I have spoken are extremely indignant about it.

My husband and myself are finding this particularly harsh. We are both ex-service personnel who were unable to build up a reserve for the post-war period, and now we are endeavouring to re-establish ourselves.

As a married woman who will be adversely affected by this legislation, and as my reasons for working are prompted by necessity, I hope that at the next session you may be able to derive something from this letter which might serve as an additional argument as to why this added taxation burden should be alleviated.

I have just chosen these three letters from dozens that have come in through the press and through my personal mail.

I do not intend to pose as an economist or a tax expert, but I must confess that I agree with those who say that the best taxation policy any country can have is one which will encourage people, especially young people, to use their energies and talents to the very fullest extent towards achieving the goal of maximum production and progress for the country as a whole. To my way of thinking, that goal can never be achieved by petty discrimination against one section of the community for the sake of adding a few dollars to the national treasury. So, on behalf of those thousands of women all across Canada who today are adversely affected by this legislation, I would most respectfully urge the government to reconsider this legislation before the next budget is brought down.

Hon. W. RUPERT DAVIES: Honourable senators, I should like to heartily second the tribute paid by the honourable senator from Peterborough (Hon. Mrs. Fallis) to the mover and seconder of the Address in reply to the speech of His Excellency the Governor General, and I should like to associate myself with her tribute to the two leaders in this house. When I listened to the two honourable senators who had attended the General Assembly of the United Nations, I felt that we owed them a great debt of gratitude for their illuminating addresses. They gave us some extremely interesting sidelights on what took place at those assembly meetings, and I felt that this house had been most adequately represented.

I listened very carefully to the Speech from the Throne and read it through several times, and this evening I desire to refer to one or two of the subjects touched on by it, and to discuss one or two other matters which were not mentioned but which I think might well have been included in it.

Before I begin, however, may I say how much we all appreciate the great interest which the new Governor General, His Excellency Lord Alexander of Tunis, has shown in this dominion since his appointment last year. I am sure that it was most gratifying to all of us to learn that since coming here His Excellency had visited all nine provinces of Canada. Last August he visited the city of Kingston, where he attended the centenary celebration. He was given a most enthusiastic welcome. While in Kingston he visited our General Hospital, where he laid the corner-stone of a new wing, most of which wing has been given over to the hospitalization of war veterans. He also was given an L.L.D. degree by Queen's University, at an open-air convocation in Queen's Stadium.

If I have read the Speech from the Throne correctly, it indicates to me that we are going to have a very busy session of parliament this year. It indicates to me also that the session is going to be most interesting.

I notice that one of the matters touched upon is that of controls. Last Thursday the honourable senator from Alma (Hon. Mr. Ballantyne) expressed himself as being opposed to most of the controls. I confess that I feel much the same way.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DAVIES: The system of rationing and controls is not very popular with a free people such as the Canadian people, and I am very glad to know that before these various controls expire the houses of parliament are going to have an opportunity of discussing them. I am pleased also that we are not going to have any more controls as a result of orders-in-council. I am ready to admit that the government of the day probably knows a good deal more about such matters than I do, and like the honourable senator from Alma (Hon. Mr. Ballantyne), I have a great deal of confidence in Mr. Donald Gordon. Nevertheless, there is a wealth of wisdom in another place, and even more wisdom in this honourable chamber. I feel therefore, that it is a very wise move on the part of the government to give all of us a chance to discuss these controls, find out what they really are, and express ourselves upon them. I do not think the government will find the members of this house obstructive

or too critical. Nevertheless, there is no doubt that some of us will not agree with all of the controls. I see that already in another place there has been a certain amount of disagreement, but when reading the newspaper tonight I observed that all the controls which have been before the other house have been passed.

In this connection I should very much like to have someone explain the sugar situation to me. Sugar is still severely rationed; yet honourable senators have been receiving propaganda from the sugar-beet industry which indicates that possibly the severe rationing is not necessary. We are informed by the sugar-beet industry that should the government do thus and so, it might be possible to start up some of the sugar-beet factories that have been idle for some time, and that in that way sugar rationing might be moderated. In reading over some of the literature which has been sent to me, I find that for some reason or other higher subsidies are paid to the growers of tomatoes, peas and green beans than are paid to the growers of sugar-beets. I do not know why that is.

It is disconcerting also to note the very high price that is being paid for tobacco at the present time as compared with the price that is being paid for sugar-beets. The sugar-beet industry is a most important one, not only in southwestern Ontario but also in some of the prairie provinces, and it would be very gratifying, to me at any rate, to have someone in authority explain to us just what the situation is with regard to sugar.

In the Speech from the Throne we are told:

The policy of the government is to maintain only such price and commodity controls as may be required to protect consumers from a sudden and drastic rise in the cost of living, and to ensure the fair distribution of essential goods and services which are in short supply.

Nothing could be fairer than that. My interpretation of this is that in the future we are going to have control by act of parliament instead of by order-in-council.

Another matter which has been referred to in this debate, and about which I should like to say a word or two is the housing situation. As we all know, the housing situation is very difficult everywhere today, or at any rate in all countries which were affected by the recent war. Last summer I visited Britain, France, Belgium, Holland and Germany, and I saw a great deal of the damage which had been done in those countries. There is no need to say much about conditions in Germany. Some honourable senators may have been there recently; in any event all have read of the conditions there. In that country I flew over

ruined city after ruined city. One city through which I drove, and which formerly had been as large as Kingston, Ontario, now has not one building left standing and no inhabitants. If anyone wants to see the frightful results of war, he should go to Germany. Britain was badly bombed, as we know, but most of the damage was done in concentrated areas like London, Coventry, Birmingham, Plymouth and other large cities. In Germany, too, the bombing was concentrated to a great degree on the large cities. The heart of Berlin, for instance, is a vast ruin, and extensive sections of Hamburg and Cologne are laid waste. What amazed me chiefly, however, in motoring from Eindhoven in Holland to Dusseldorf in Germany, was the damage that had been done to the farms. When you pass through the barrier dividing Holland from Germany you are immediately confronted by demolished farm-houses. During the first six miles of our motor trip into Germany I did not see one farm-house on either side of the highway which had not been badly damaged; some had been completely wrecked, while parts of others had been left standing.

But despite this widespread destruction of farm buildings, the farms themselves were being carefully cultivated. One Sunday afternoon, when flying from Cologne to Berlin, I spent most of my time looking out of the window of the aeroplane and studying the country below. I was surprised to see that all the land seemed to be under cultivation, and the crops were good.

Another thing that surprised me was the enormous acreage and the density of the great forests of Germany. At a lunch in Berlin I happened to be speaking to Sir Sholto Douglas, the head of the British command. He told me that every effort was being made by the German people to produce food, and he expected the crops would be very good; in fact, he thought they would provide sixty per cent of the food needed by the German people during the winter. Although I had been in Germany a number of times, I had never flown over the country before, and I said to him: "My observation is that if the people would cut down some of the forests they could produce even greater crops." He said: "I quite agree with you, but that is one of the big problems here. The German people look upon themselves as the most scientific foresters in the world, and any attempt to reduce the acreage of the vast forests in Germany would meet with very serious opposition." I remarked that if some of the trees were cut down they would help to provide lumber for the rebuilding of Britain. He assured me that an effort was going to be made to have this done.

As I said, the housing situation in Germany is very bad. I have heard it estimated that it will take anywhere from thirty to fifty years to rebuild Berlin. From what I saw after spending three or four days in driving around the city, it would seem to me that fifty years is more likely to be correct. I might remark in passing that in the midst of all these ruins a huge monument has been erected in honour of the great Russian victory, and three or four Russian soldiers are parading up and down in front of it all the time. The Russians certainly intend the Germans to know that they were defeated, and who defeated them. However, I am getting a little away from the subject of housing.

In Berlin you will see people coming out of the most amazing places. I decided to investigate a few of them. To do so I had to climb over piles of bricks here and over old doors there, because up to that time, which was in July, nothing had been done towards clearing up the rubble. Occasionally it is true, you would see a few poor women, with rags wrapped around their feet, piling a few bricks here and there. I was told that all the remuneration they got for this was a little extra food ration. I went through scores of other cities which had suffered destruction of fifty to seventy-five per cent, and in which of course there are tremendous housing shortages.

But I want to come to something a little nearer home, something which affects us a little more closely, and I will come to that by way of Great Britain. I looked into the housing situation of that country, and I found that there, just as here, houses are not being erected speedily enough to give general satisfaction. The newspapers are filled with letters of complaint, as they are in Canada. One of the cities in which I made inquiries was York. As honourable senators know, that city is the home of the great Rowntree chocolate works. In ordinary peace times twenty thousand people are employed there, but in July I was told the number of employees was between eight and ten thousand. The housing shortage was of course acute. I looked over some of the prefabricated houses—commonly known as “pre-fabs”—which are being erected in that city. On the outside they are not pretty; they look like corrugated iron covered with asbestos, and they have flat roofs with a slight slope for draining off the rain-water. But inside they are warm and comfortable and have every modern convenience. Even the heating system has been improved in a highly original way. I am sure there is not an honourable senator who could not live comfortably in one of those “pre-fab” houses, ugly though they may look on the outside.

Another development that I inspected comprised fifty semi-detached houses, which were being built on the side of a slope facing the south. They were within the corporation limits, and therefore had gas or electricity, water and sewerage connections. The windows were large, with a steel sash, and a portion opened outwards. There was a small garden at the back and front, and the interiors of the houses were planned to make housework as light as possible. They were a great improvement over the old-fashioned houses which forty or fifty years ago were built in rows of twenty or thirty, all exactly the same, in industrial cities like York.

The housing projects in British municipalities are controlled by the municipal councils, but the government puts up or guarantees the money. The municipality builds the houses, rents them, collects the rents and makes repayment of the loans to the government. Houses of the type that I have just mentioned were well built, of brick, in pairs, the cost per pair being about £2,000. I was informed that they will rent for about twelve shillings and sixpence per week, or roughly three dollars.

In Britain regulations with regard to housing are fairly strict. At the moment the country is in the hands of a socialist government and a very large bureaucracy, but from investigation and through talking with friends I discovered that the bureaucrats are very reasonable. They want to know what is going on, but wherever possible they will help. For instance, everything was being done to hasten the construction of those fifty houses and make them ready for occupation. There is a type of dwelling in Britain known as a “service cottage.” A manufacturer, for instance, might build ten or twelve of them for his executives, or a land owner might build half a dozen of them for his gardener, wagoner, and so on. On this type of house a builder is not allowed to spend more than £1,200 per unit. A friend of mine sent in plans for a pair of these so-called cottages, which have two stories, to be built at an estimated cost of £1,500 each. The plans were sent back, and he was told to reduce his cost to £1,200 each. I heard of a pair that had been built for £2,400, and I went to look at them. They were very attractive, and I am sure that the people occupying them will be quite comfortable.

Having referred to Germany and Britain, I now want to come back to a well-known and good city on Lake Ontario—Kingston. Some progress in housing is being made there, but admittedly, as in other places, it is slow.

I have had discussions with contractors about the problems facing them there. Some of them feel that the priorities which are available only for veterans should also be available for private builders. I must confess that I cannot agree with that. After all, a great many of our veterans have not yet got homes to live in. One contractor who was in my office yesterday morning said, "Every house that I build privately for someone makes a house available for a veteran." I replied: "Oh, no, it does not do anything of the kind. You might build for a man who at present has no house at all and is living with friends. Even if he has a house, it might be out of the financial reach of any veteran." I know honourable senators will agree with me when I say that if it had not been for the young people who went overseas and fought in the war, which came to such a victorious conclusion, we would not be building any houses today except such as Adolf Hitler allowed us to build. Therefore I believe that the veterans should have the first opportunity to get homes for themselves.

Veterans have a priority on materials at present, but there are difficulties connected with this. As I understand it, the government will advance up to \$6,000 to a veteran for building a house. This sum must cover the cost of the lot. The Department of Veterans Affairs is prepared to build a group of 56 houses outside the city of Kingston, provided they can be put up for \$6,000 each. I am told that so far no contractor has been secured who will take on the job, except on a cost-plus basis. The lots cost about \$600, which is not an unreasonable price. That leaves \$5,400 for building the house. In Kingston, carpenters are getting \$1.05 an hour, and painters 90 cents. Nobody is going to quarrel with that. In fact, there are rumours that these rates are going to be increased. I am quite sure that workmen who read the papers tomorrow and see that civil servants have received increases, will themselves be asking for more money. However, no one can quarrel with that. The wages referred to were agreed upon between employer and employee, and they are the wages set in Kingston at the present time. You will realize that with carpenters getting \$1.05 an hour, and possibly more, and painters getting 90 cents, and possibly more, you are not going to have much of a house for \$5,400. Therefore at the present time the scheme is bogging down. I would suggest in the most kindly possible spirit to the honourable leader of the government in this house that if, as I am told, the limit is \$6,000, in view of the rapid increase in

the costs of building it might be wise for the government to raise the limit to about \$8,000 and see what can be done on that basis.

Another matter in connection with this housing question which gives me some concern is the type of lumber we are putting into houses. In looking through the *Ottawa Journal* tonight, I read that Britain is purchasing 40 per cent of the British Columbia lumber production, and that because she is paying the high prices, it is understood that she will get increased selectivity—the choice of the best lumber British Columbia produces. I am told by competent contractors in the city of Kingston—contractors who, I might say, are very favourable to the government of the day—that what is going into the houses which we are building for our veterans is second-class lumber, and that we are exporting all our best lumber.

That, I maintain, is something we need not do. Canada is a rich country, a country of tremendous natural resources. We are not like Britain, which practically has its back against the wall and must export the very best it can produce in order to get dollars. I think that we should keep a great portion of the best of our lumber to build homes in this country, because the veterans for whom we are building these homes are young people and are going to live in them a long time. I do not think it is fair that we should put second grade lumber into the homes we are building for the veterans. In case after case in Kingston they are complaining about the two-by-fours buckling, and the floors warping, and all sorts of similar defects. I only mention this because, while it is very pleasing to read that our exports are higher than they have ever been and that we are exporting a tremendous amount of lumber, I wonder if we are not being penny wise and pound foolish in exporting the cream of our lumber to Great Britain, or any other country, and keeping only what might be called second-grade lumber to build homes in this country.

Now, honourable senators, having discussed the housing question I want to touch for a few moments, if you will bear with me, on one or two matters which were not mentioned in the Speech from the Throne. I want to speak of the cultural development of this country. I am quite sure that we are all gratified to know that an expected deficit of some \$300,000,000 will be turned into a surplus of \$300,000,000. That is very good news. I am wondering how we are going to spend that extra money which was not expected by the Treasury Department, and I should like to put in a plea for one or two things in which I am very much interested.

As you know, man cannot live by bread alone, and if we are going to have a great country we must, as we are building it up materially, also built it up culturally. There are three matters to which I would draw attention: the need for a National Library, the need for a National Gallery, and the promotion of the Little Theatre movement.

My thoughts have been turned towards a National Library in Canada, honourable senators, by two things: one, the Joint Committee's report on the Library of Parliament, and the other, this little magazine called *Wales*, which I received the other day, and which has a very fine illustrated article on the National Library of Wales. Wales is a small country, a little principality of thirteen counties, with a population of two and a half million people. But it has its own university, with colleges at Bangor in the north, Aberystwyth in mid-Wales and Cardiff in the south. Also at Aberystwyth there is a beautiful national library. I bring this up, not because I expect we shall be building a national library next month or next year, or even five years hence, but because I think it is time we began to think about these things. Unless we do bring them up and begin to discuss them, nothing will ever be done. It was in 1873 that the idea of a national library in Wales was put forward. It was not until 1907 that a Royal Charter was granted, and not until 1909 that the building was begun. It is now completed, and it houses the literary treasures of the principality of Wales. The building cost £260,000. The Treasury at Westminster contributed £80,000, and the balance was raised by the people of Wales. They took subscriptions all the way from twopence up to £5,000, and there were thousands upon thousands of subscriptions of a shilling. That is how the National Library was built in Wales.

The capital city of Canberra in Australia is less than twenty years old, yet they have a National Library there. It is true that at the present time they are housing it in a building which cost less than \$100,000, but they have set aside a grant of \$750,000 to complete a National Library in Canberra.

Now, honourable senators, I maintain that what the little principality of Wales can do, and what the Commonwealth of Australia can do, Canada can do if we only put our minds to it. I visualize the day when a National Library will be established here in the city of Ottawa, facing some beautiful square. I do not know where it will be located; but we have engaged a very expensive town-planner to remodel this capital city, and I should like to see here not only a beautiful National Library, but a fine National Gallery.

Now I should like to say a word or two about the National Gallery. As you know, the National Gallery was started by the Marquis of Lorne in 1880, and ever since it has been housed in a portion of the Museum building. I have made it a rule ever since I have been a member of the Senate to go to the National Gallery at least twice each session. Every time I go I am delighted with the new purchases, and I am more and more amazed at how the trustees and the officials of the National Gallery do such a worthwhile work in such cramped quarters and with such a small grant. Before the war the National Gallery was receiving about \$135,000 a year. As you know, all expenditures had to be cut down during the war—and quite properly so—with the result that for the last two fiscal years the National Gallery received about \$66,000 one year and \$68,000 the next. Out of those sums had to be paid the salaries and costs of administration, which left only about \$15,000 for the purchase of pictures. Honourable senators who collect pictures, and I know some do, know very well that you cannot do very much with \$15,000 when you are trying to find pictures which are fit to put in a National Gallery, because in a National Gallery you must have only the very finest, so that the young people who go there will know that they are looking at art which cannot in any way be questioned.

I maintain, therefore, that we should do something about the National Gallery. I would like to see the government increase the grant to at least \$100,000 this year, and next year restore it to \$135,000 giving the trustees and the officials who are working so hard in this connection some encouragement to do better work. It is amazing what they are doing now. I find that last year there were 125 loan exhibitions of pictures and prints from the National Gallery in various parts of the country, and that 163,000 reproductions of pictures from the National Gallery were sold. There is a new process of printing these reproductions on silk which I am told is very fine indeed, and they sell for about \$5 each. A great many of them were sent overseas during the war. They were hung in the various messes of the officers and men of the forces who were fighting overseas, and I am sure they did much to cheer them up and to remind them of home.

As I said, the National Gallery was started by the Marquis of Lorne when he was Governor General. When Lord Willingdon was here as Governor General he did a great deal for music; and when Lord Bessborough was here he founded the Little Theatre movement. For a moment I would like to say a

word about that. In 1943 Lord Bessborough founded the Dominion Drama festival. Colonel Henry Osborne of this city became honorary chairman, and he formed a committee with Dominion-wide representation. We had festivals in every province; in some provinces there were two regional festivals. The final festival was held in this city until 1939, when it was held in London, Ontario. But even then Ottawa was very much to the fore, because the festival cup was won by the Ottawa Drama League with what the adjudicator called an almost professional production of Terence Rattigan's "French Without Tears". The producer of this play was Mrs. Dorothy White, a very well known lady of this city. During the war the Dominion Drama festival had to be dropped, but it is being revived this year. Just what success it will meet with I do not know. The regional festival for this part of Ontario will again be held in Kingston. The city of Ottawa is sending three groups; Belleville, Queen's University, Brockville and several other cities are each sending a group. The finals will again be held at London, Ontario. This, honourable senators, is in my opinion a very, very important cultural movement. I am not suggesting for a moment that we should have a National Theatre, but I do think that the government of the day might very well smile upon the effort to promote the Little Theatre movement across this country and help in some way to finance it. It would not take very much money. Heretofore the festivals have been financed by wealthy men. But they have no money any more; it is all taken away in income tax; and gentlemen who in the past were willing to give a thousand or two, they find it difficult nowadays to make such contributions. Therefore I maintain that if the government would in some measure help this National Theatre movement it would greatly benefit our young people, because the members of these groups who go to Kingston, to Winnipeg, to Vancouver and who eventually get to London and Ottawa for the finals, are doing a fine work along this line, and I hope that something will be done to encourage them.

Honourable senators I now wish to say one word about a cultural organization which is flourishing at the present time in this country—the Canadian Broadcasting Corporation. I have heard many complaints about the Canadian Broadcasting Corporation. I do not know why. Some people in another place will advocate occasionally that there should be no radio fee. Again I do not know why. The fee is \$2.50 a year, and for this amount you may turn on your radio twenty-four hours a day,

if you so desire, and listen to the programmes. On behalf of the CBC I wish to say that the present chairman is one of the ablest young men in this country. He was formerly in the newspaper business, in which he was considered to be one of the most capable executives throughout Canada. The general manager, Dr. Frigon is a man who knows more about radio than any other person in this country that I have ever met. The Canadian Broadcasting Corporation is doing a splendid job, and I am sure those honourable senators who have been paying some attention to this matter will agree with me.

At Christmas-time we had from the studios in Vancouver a magnificent production of the *Messiah*, and a short time ago, on a programme called *Stage 47*, we had an excellent production of *Maria Chapdelaine*. The entertainment was excellent, the acting first-class, and I am very glad to know that the CBC is doing such a fine job in the field of radio entertainment. Some times over the radio I hear political speeches with which I do not agree; but in giving time to various political parties and allowing them to present their ideas on different questions, the CBC is probably serving its listeners well. That is what we want: we want to hear all sides of every question. As I have said, honourable senators, the Canadian Broadcasting Corporation has been doing fine cultural work, and I hope it will receive every encouragement.

I am sorry that I have spoken so long. I thank you for giving me such close attention. I do hope that my words in favour of a National Library, the National Gallery, and the Little Theatre movement, have not been in vain.

Hon. Mr. Horner moved the adjournment of the debate.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 12, 1947.

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Mr. ROBERTSON: Before the orders of the day are proceeded with, for the convenience of honourable senators I should like

to say a word about the sittings of the Senate. Honourable senators may recall that a little earlier in the session I said in a burst of enthusiasm that I hoped the Senate would sit more or less continuously during the month of February, and I also expressed the hope that honourable senators would not be inconvenienced thereby. After a more careful study of the situation immediately before us, I can see no reason for asking the Senate to sit during the next two weeks. Briefly, I see no prospect in the immediate future of any legislation of a nature which could be introduced in this house. As honourable senators well know, in the other house the debate on the Address has been set aside until the week after next, and the attention of the members is concentrated upon the legislation necessitated by the expiry at the end of March of the powers granted under the National Emergency Transitional Powers Act. After that matter is disposed of I do not know what will come next. At the moment I can suggest nothing which would require us to sit next week or the week following.

If the situation with respect to geography were a little different, an adjournment of one week would perhaps suffice; but, in fairness to honourable senators who live far distant from Ottawa, I am going to suggest a longer adjournment. The Divorce Committee, which has a large programme ahead of it, has set dates for hearings, commencing in the first week of March. I am going to propose that we sit up to and including Friday of this week, so that honourable senators who so desire may continue the debate on the Address in reply to the Speech from the Throne. During that time the bills that come to us will be of a more or less non-contentious nature, and they can be dealt with in this house expeditiously and without much difficulty. On Friday next, therefore, I shall move that when the Senate adjourns it stand adjourned until Wednesday, March 5, at 3 o'clock in the afternoon.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. R. B. HORNER: Honourable senators, I extend my apologies for taking up the time of the house now, but I feel that there are very many subjects which can be discussed under this heading.

First, I wish to congratulate the mover and the seconder of the address in reply to the Speech from the Throne (Hon. Mr. McKeen and Hon. Mr. Bouffard) upon their excellent speeches. I am sure we all appreciate the very kind remarks of the seconder with regard to his predecessor from Grandville, the late Senator Sir Thomas Chapais. The mover made a slight error in mentioning that his party was in office when unemployment insurance was introduced. The fact is that unemployment insurance was introduced during the Prime Ministership of Right Honourable R. B. Bennett, now Viscount Bennett.

The mover also said that Canada was fortunate in having had four great prime ministers in the last eighty years. I thought, as I heard him, that he was getting on somewhat dangerous ground, because to my mind far more than four prime ministers have had considerable to do with shaping the policies of this country. Some people may take the view that the mere ability to maintain a certain party in power is of very great moment to the country. It may be that over a long term of years very little of importance to a country will happen, whereas in a very short time there may come some development or accomplishment which will affect the nation for decades. I will mention by way of example one or two things that took place, for the good or ill of the country, during the Prime Ministership of the Right Honourable Arthur Meighen. He established the Canadian National Railways. At the time a great many people thought this was the proper thing to do. Perhaps no other man, and certainly not the present Prime Minister, would have taken his political life in his hands to do what Mr. Meighen did in that matter. He also was responsible for setting up the first Wheat Board Canada ever had, and as a result of his action pools and co-operative elevators came into existence. That was during the period of the First Great War, and in the course of a debate in another place the question arose as to whether the board and the pools would continue after the war. Mr. Meighen stated that from his experience of western Canada some form of a board or pool was necessary. That was bad politics, I admit, very bad politics, and when election time came he was not forgiven by the grain men. Neither was he forgiven by the people who favoured private ownership of railroads. Looking back, I am not prepared even at this date to express myself one way or the other as to whether Mr. Meighen acted wisely in establishing the Canadian National Railways.

Another important thing which was done for this country by a prime minister whom the mover of the address did not mention, was the setting up of a central bank. Why was one not set up by the present Prime Minister during the years he was in office prior to 1930? Mr. Bennett, as he then was, took his political life in his hands and determinedly introduced the measure which created the Bank of Canada. You may say to me that at first the bank was not entirely under a public ownership system, and that its charter has been altered since; but I submit that it is being carried on in the same way now as before, and that it has served a wonderful purpose for the people of Canada, and has saved them enormous sums of money.

There is another thing I want to mention. Honourable senators will remember that the banks held a certain amount of gold at \$20 an ounce when the price advanced to \$35. The increase in price on the gold the banks held amounted to \$35,000,000, and the then Prime Minister, Mr. Bennett, said to the banks, "You are not entitled to that." I do not know whether other honourable senators were interviewed by the banks or not; I very definitely was, the heads of the banks explaining that this was their property. At that time there was a depression throughout the world, including Canada. My criticism of the banks, and a certain bitterness I felt towards them at that time, was not a personal matter at all, I thought they had withdrawn credit in western Canada to a too great extent, and consequently I was opposed to their receiving this extra price for their gold. If the same thing were to occur today, I think I would take a different attitude. However, these were issues on which men staked their political lives, in order to do something which they thought was for the benefit of Canada.

I do not know that it is necessary to apologize for being what some may regard as a little bitter in my opposition to the government. The honourable senator from Waterloo (Hon. Mr. Euler) made a suggestion to my leader as to the proper way to conduct affairs here. It is not my conception that all must be done by mutual agreement, inspired by a love-one-another sentiment. It would be a sad day if we were reduced to leaning on one another's shoulders and apologizing for any criticism we might offer of the government of the day. Without freedom to criticize I would regard my usefulness here as at an end. I might also point out that at the Liberal banquet the Prime Minister announced that the type of man he wanted to take his place was a man who would "fight the Tories". No policies were suggested apart from this; just "fight

the Tories". I can recall an instance in 1920 of how well they fought the Tories, and in particular the Right Honourable Arthur Meighen, over the Wheat Board. There were participation tickets to be sold throughout western Canada. In order to fight the Tories the Liberals told the farmers: "You might as well throw your tickets away; the Tories will never give you anything on these participation tickets." Some farmers sold their tickets for five cents each; some even burnt them; others used them to paper their shacks, because they believed this "hate the Tories" propaganda. But those who had faith collected 48 cents per bushel on those tickets. I recall one incident that occurred during the days of the winding up of the board. At that time a famous man in Alberta, the late Henry Wise Wood, was president of the United Farmers of Alberta. I happened to be going from Edmonton to Calgary on a train carrying several carloads of delegates who were determined that they were going to "skin Wood alive". They intended to evict him from the management of the organization. I explained to them the points about which I thought they were mistaken. I remained in Calgary for a few days, and though I did not attend their meetings I read the reports in the papers. Mr. Wood was returned as president of the United Farmers of Alberta with a larger majority than he had ever received before, because they were satisfied with his explanation of what had been accomplished at that time. But in only too many instances the "fight the Tories" slogan cost the farmers 48 cents a bushel.

I agree with what some previous speakers have said, that Canada, along with the rest of the world, is facing a very serious situation. The leader of the government has assured us that there is an immense amount of money in Canada today, and that everybody has money. Well, we have increased the debt of this country since 1939 by some 14 billions of dollars. Some years ago we would have thought that an impossible situation. Now we are selling goods without receiving any cash, and there is not much hope that we will ever be paid. This does not seem to concern the government, so long as there is plenty of money now; what they are mainly interested in is that it shall last to keep times good until after the election.

We hear from time to time about the depression of the 30's. That depression was world-wide, and it did not set in until eleven or twelve years after the first Great War. The next depression, if it corresponds to the destruction which took place during the recent war, will be much greater than the earlier one.

Meanwhile there is no sign of any Liberal policy. I should like to know how the government proposes to force the other countries of the world to trade with us and pay money for our products when they have not got it. These various countries, when conditions go back to normal, will have their land prepared to produce food. At the present time Canada is a great producer of food, and western Canada, particularly, is very much interested in this matter.

What is the position at present? Wheat is taken from us and is sold. Yesterday, I believe, rye on the open market was worth \$2.79 a bushel. Wheat is selling over the two-year period at \$1.55. Next year, after the negotiations, possibly the price will be \$1. I cannot believe that if the world production of wheat increases, we in Canada will receive more than the world price, in spite of the fact that today we are taking a loss of 70 cents per bushel as compared with what we could have secured on the open market. The farmers in western Canada are not particularly selfish, but they are concerned about the position which the government has taken. First of all it did not want to take any action with the Grain Exchange or make any definite announcement, in case it might be hurtful politically. The government thought that by making a four-year agreement it could say, "Well, your exchange cannot function anyway; we have sold the wheat at a certain price". The government avoided making any announcement of policy and hoped that prices would remain high. How have things turned out? We could have maintained a higher price. I imagine the position was this. The government, having given as much interest-free money and as much in the way of goods as the people in one part of Canada would allow, said; "We will take the wheat and let it be a gift from the western farmers; they will put up with it. All we need to preach out there is, 'Hate the Tories', and we will get away with giving their wheat to people elsewhere".

Honourable senators will remember that a year ago last December I stated what would happen, and what was happening—that brood sows were going to the market to be sold at prices which, because of the higher cost of labour, were insufficient. I disagree entirely with the statement which was made in the press—I believe by the Minister of Agriculture—that it was a question of shortage of feed in the West, and I disagree with those who have made their pleas on the ground of the effects of income tax. But that was only a small part of it. The great part of it was this: The ordinary small farmer who

was not in the income tax group, but who could sell his grain and get along without raising pigs, decided to abandon the hog business because there was no money in it. I must point out to honourable senators that the price of pigs in western Canada has been four cents less than the price in eastern Canada. I have relatives who farm in this part of the country and I have seen their ledgers. The western farmers get seven cents a pound less for butter fat, and four cents less for their hogs. The Minister of Agriculture must have taken my advice, because he raised the price of hogs in December of last year. As a result, the production will probably increase. Here are the January figures of the hog receipts at the Union Stockyards at St. Boniface, Manitoba for the past three years: 59,919; 16,327; 7,575. I claim that we are in this position because in the agricultural industry returns are not sufficient as compared with the price of labour. I think, honourable senators, that the farmers who are taking care of pigs in stormy weather of forty and fifty degrees below zero are entitled to a price uplift. I am not speaking of the men who talk of extra income tax, but of the farmers who went out of business because they were not receiving enough to pay them for their labour.

Honourable senators, we are likely to lose our Old Country market for bacon, not through any lack in the type of our hogs, but because our packers are careless and do not know how to cure bacon to suit that trade. Certainly, the farmer has been penalized. Can you imagine a condition such as this?—You spend time and energy raising a pig, if it is one pound overweight when you send it to market, two cents is deducted from the price. In any other business the persons selling would not be penalized in such a way. This was done with the idea of improving the type of hogs; but the figures show that we have been let down in this respect. So far as wheat is concerned, \$1.55 is the price f.o.b. in Fort William. Where I live it is 25 cents a hundredweight. For grade 3, which is our best, the farmer receives only \$1.07. Other examples are barley; \$1.18 to \$1.25 in the United States, and only sixty some cents to our farmers in Saskatchewan.

Hon. Mr. ASELTINE: Sixty-four cents f.o.b., Fort William.

Hon. Mr. HORNER: Yes.

With respect to income tax I feel that our policy is entirely wrong. Someone may call me a Social Creditor, but I think we ought to arrange to pay off our entire debt. I should rather be stuck for my share of the national debt now. If it is good policy for a farmer

to pay off his mortgage, it is good policy for the government to do likewise. We tax single men more than married men. What is the effect of this? We are preventing them from ever being able to marry, because the cost of getting married, like everything else, has gone up.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. HORNER: The young man today whose father has not sufficient money to give him a start in the business world, and who has to provide for the taxes that are taken from him, is prevented from building a home. Is that a desirable situation? These young men start out in life under the handicap of heavy taxes. If they are to marry, I do not think that under the present conditions they should be taxed until they are receiving at least \$3,000. If at thirty years of age they refuse to marry, you can take all their wealth from them.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. HORNER: Imagine meat rationing in Canada! I do not know how other honourable senators feel, but I am ashamed to think that we are not only unable to fill our export contracts, but have to ration meat in Canada—a country in which you can find thousands of miles of hay-stacks some three or four years old. We are told that there are more cattle in Canada. I do not know where the figures come from. It is my opinion that there are insufficient cattle in the country, and that we in the West are being prevented from getting our beef to market in the United States, whereas in the last year eastern farmers have sold almost fifty thousand head in that market.

We come now to the question of butter. You fellows went out on New Zealand before. Now the wheel has turned right around, and you are ready to step off again. You may say to me: "Why are you concerned about it? That is what you like?" Well, it can do no harm to mention it. The situation reminds me of a little animal they have in Lapland; I believe it is called a lemming; every so often it travels to the sea and commits suicide. Nothing will stop it.

I fully believe that if it were not for controls and ceilings we would have cheaper houses, and I feel the situation is the same with respect to butter. Let butter find its own price. The farmers say, "I will not increase production; the government have their method for doing that." The price of butter is now 39 or 40 cents; it should be determined according to cost of labour and everything else that goes into it, and ought to be 60

cents at the very least. If the farmers were assured of that price there would be an abundance of butter, and we would not be in the despicable position in which we find ourselves today. A young man who returned from the United Kingdom told me the other day that in England if you have soup with a meal you cannot have bread. Well, we are taking butter out of the mouths of the people there simply because of a lack of policy and foresight on the part of the government of this country. I for one certainly do not wish to have any share in this.

I was slightly disturbed to hear that the only criticism of the Prime Minister's attitude came from farmer members of the government. According to an article that I read, they accused him of going from right to left. The fault I find with the government is that it wobbles over the line, sometimes to the left and sometimes to the right. If it would steer a course down the centre it would not be so bad. I claim that when it instituted the baby bonus it wobbled very far to the left. At the time there was no other justification for the baby bonus than a political justification.

In the matter of immigration we have gone away to the right of the right, because labour and some other organizations were opposed to any immigration. The sugar beet industry and the lumber companies asked the government to allow some of the German prisoners of war to remain in Canada. These industries had had four years experience with German prisoners, and could have picked out some first-class men to retain in this country. First it was announced that two hundred would be allowed to stay; but someone objected, and said that we should not keep a single one of them until all our own people were working. Well, honourable senators, there never will be a time when everybody in the country is working.

The fact is that in this country today we have not got enough people to do the ordinary hard work that has to be done. I am not finding any fault with our young men who before going overseas worked in mines and now are looking for what they consider to be better jobs. But how on earth is it going to be possible for them to get better jobs in this large country when we have only 12,000,000 people and refuse to allow others to come in? We hear some complaints about the Chinese influx in 1881; but it was absolutely necessary to let those people in then so that we might have labour to build the transcontinental railway.

During the time of the building of the Canadian Pacific Railway there occurred what is sometimes called "the great Pacific scandal," over a contribution of, I think, \$5,000 to a campaign fund. Today in another place the opposition is almost made to apologize for mentioning a waste of anything less than a billion dollars. Down in Valcartier a roof fell in under a heavy weight of snow, and several automobiles and trucks were crushed. There was more than \$5,000 or even \$10,000 involved there; but it is not polite to mention such small sums these days.

Our representatives have attended United Nations conferences, where the Atlantic Charter and other documents providing for no discrimination as to colour or race are upheld. But what are we doing in this country? What did we do with the Japanese? What are we proposing to do with the Chinese? I admire the honourable leader of this house (Hon. Mr. Robertson) for his desire to extend kindness to representatives of China and other countries. But we shall have to do more than that. I believe that every Chinaman who is entitled to stay in Canada should be permitted to bring his wife and family to this country. There is plenty of room, and plenty of work for them here.

I am opposed to the high-handed method adopted by this government in taking property away from the Ukrainian labour organizations and selling it. If the property had to be seized, at least it should have been held until after the war. I understand that the same high-handed method was adopted with regard to Japanese property. I read in a newspaper the other day that a United States senator has asked that the hundred thousand or more Japanese who were forcibly moved from the United States Pacific coast should be reimbursed for all the expenses they were put to. If we wish to be regarded as a Christian democratic nation, we shall have to adopt a policy of that kind—or else stop sending missionaries to the countries from which these people come.

Many honourable senators have no doubt read the newspaper accounts of the voyage across the Atlantic by the good ship *Erma*. It almost brought tears to my eyes to read the story. Sixteen Estonian people in Sweden were served notice by the government of that country to go back to their own land. They did not want to do that, so they bought a boat, which I believe was fifty-five years old, measuring some 37 feet long by 15 feet wide, and they set sail without having any particular country in mind as a destination. The boat was weak and had to be strengthened by plates. It was necessary to have a man at the

pump all the time, and in the heavy seas he could use only one hand in pumping, the other being required to save himself from falling overboard. The waves rushed in over the little boat and its crew of men, women and children. Those people were on the ocean 128 days, and in the latter part of the voyage their supply of food was reduced to a little rice and a small quantity of drinking water. When they realized that they were going to make the United States, they discussed among themselves what kind of reception they might get; whether or not they would be allowed to land. In their discussions they said they might try Australia, as it was a democratic country, or South America; but they did not mention Canada at all. As honourable members know, finally they did land in the United States, and President Truman intervened on their behalf and they were allowed to remain.

How much I, as a Canadian, would have liked to be able to say to those people: "Come along here. We have room for you." But what did I read in the Canadian press? That Canada's quota was full, and it was too bad that we could not invite them. When did Canada's quota become full? The Prime Minister tells us that Canada is held in higher esteem than any other country in the world. Well, the Scripture says:

Let another man praise thee, and not thine own mouth; a stranger, and not thine own lips.

I take it that the Prime Minister is simply praising himself. Those people had never heard of Canada, and Canada certainly did not extend them any welcome.

As I look around the world and observe the bickering that is going on, I sometimes think we are back to where we were fifty years ago. The late Senator Taylor used to tell me of a rather famous character of those days, who sometimes would sit around and discuss socialism with a group of friends, but who finally would always say that he believed in:

The good rule . . . the simple plan,
That they should take, who have the power,
And they should keep who can.

When I notice what is going on in the world today I wonder whether that is not still the rule that prevails.

Many people here tell us what a wonderful country Russia is, but I doubt whether most of them are aware of the way in which Russia treated little Finland, a close neighbour with about four million people. Twelve per cent of Finland's area was taken from her. I am basing these remarks on an article that I read, in which the writer did say that there were a number of Communists in Finland. About

42,000 Finnish people were given an opportunity of keeping their homes, their farms, their goods and stock if they would become Russian citizens and remain in Russian territory, but only 1,000 accepted the offer. In the war with Russia 82,000 were killed, 170,000 were wounded, and 40,000 children were made orphans. Finland owed Germany a payment of \$30,000,000.

Hon. Mr. HAIG: Owed Russia.

Hon. Mr. HORNER: Finland owed that to Germany for goods. She had \$17,000,000 of German gold, and Russia claimed that, saying it was an external asset of Germany. Russia demanded \$300,000,000, besides taking over a valuable part of Finnish territory. Then for delay in the payment of reparations in goods—goods which Finland was unable to get because of strikes in the United States—they “soaked” them five per cent per month. That is the treatment accorded a little country, evidently in the spirit of the rule that “they should take, who have the power, and they should keep who can”. And what about Estonia and the treatment of its poor people, great numbers of whom would now be only too glad of the opportunity to leave their native land.

I said before, and I repeat, that the government has merely struggled along, lacking any policy to deal with problems of labour in this country. I wish that those who sit on the committee on labour would say a word to labour itself. The honourable senator from Kingston (Hon. Mr. Davies) quoted some figures showing the increase in wages. I do not believe anyone begrudges the wages paid to labour, but the sad part of it is, as I pointed out in committee, that labour will not do for the higher pay the work it once did for much lower pay. It would seem that the more you give, the less you get done. This is a very shortsighted attitude, because our wealth and the men's time are being wasted. I have seen men lolling on the job who would live longer and enjoy themselves better if they would dig in and work. Hours are getting shorter and shorter, and pay is going higher and higher. Labour is injuring itself and injuring the country. Surely there ought to be some method of inducing labour to perform a fair day's work for a fair day's pay. We have seen one country drift into a position where people were anxious to see a power come in which was strong enough to abolish all labour unions. I suggest to the labour unions of this country that in the best interests of Canada and of their own organizations they should consider some revision of their practices, so that the best

man is not cut down to the pace of the slowest, which is a condition that we have been up against. I believe the government will have to take the whole question of labour relations into consideration.

And now, thanking honourable senators for having listened to me for such a long time, I will take my seat.

Hon. W. A. BUCHANAN: Honourable senators, the tributes which have been paid to the mover and seconder make me realize how unfortunate I was that my train connections did not enable me to be here to listen to their remarks in moving and seconding the address. I always welcome new members to this body, because I find that the meeting of individuals from different parts of the dominion is helpful in making me better acquainted with Canada as a whole. The new blood which has come into the Senate will probably give us fresh ideas and new inspiration in dealing with problems related to Canadian affairs.

One of the new senators (Hon. Mr. Turgeon) has had a career somewhat parallel to my own, and I wish to mention it because, in the tributes which have been paid to him since he entered the chamber, the fact has not been mentioned that he at one time lived in Alberta and sat in the legislature of that province. I am not going to call him the “junior member for Vancouver”—I do not know for what district in British Columbia he actually sits—but to identify him properly I shall call him “the honourable senator from Cariboo”. Mention has been made of the fact that his father sat in this chamber, and we know of the distinguished record of his brother, but probably not all of us are aware of the fact that our new colleague has had a wide parliamentary experience. He has not only had experience in the legislature of one province, but in the House of Commons has represented a constituency in another province; and now he is here as a member of the Senate of Canada, where I am sure he will prove to be, as his esteemed father was, a very useful member of this body.

I said a moment ago that I found my experience in the Senate useful because of the acquaintanceship, it has given me with individuals and with problems and questions which have arisen throughout the country. If I were not sitting as a member of this body I would not hear discussed, and so would not so fully understand, questions in which the Maritime Provinces are involved. Furthermore, I would not have the benefit of the viewpoint of members from those and other provinces. One of the real advantages of this

debate is that it makes it possible for members of the Senate to discuss problems that affect their own part of the country, thereby to enlighten their colleagues with respect to questions which may be raised here, not only in this session but in the years to come.

I am not a sectionalist, and do not want to appeal to the Senate as such. I try to think of Canada as a whole, and to act on behalf of Canada as a whole. I appreciate that we cannot have national unity and contentment unless the problems of all parts of Canada are dealt with sanely and with a vision of the future. It is for that reason that I wish to elaborate a little on a subject that already has been mentioned in this debate by my esteemed colleague from Medicine Hat (Hon. Mr. Gershaw)—in a sense it is a time-worn subject in this house.

I have discussed here on many occasions the question of irrigation, and I have advocated the expenditure of public moneys on the development of irrigation. Now I appear before the Senate to try to justify the expenditures which are being made, and likely to be made in the future, and to explain their meaning to Canada as a whole. If those expenditures can be justified because of their economic value not only to the people who will be directly benefited, but to every part of Canada, I feel that I shall have served my purpose today.

Irrigation is something which is probably new to most people in Canada, but it is very old in the world at large. We know that it was practised in biblical times. We know that it was applied in some of the countries of Asia. We know what happened in Mesopotamia, which once was a very rich country, due to the fact that it was able to bring in water and spread it over the land to produce the fruits of the soil. We know also of the vast sums of money which have been spent on irrigation projects in the United States. I see here my honourable friend from Lincoln (Hon. Mr. Bench). I know that he visits what is commonly regarded as a very arid state, but which is productive of great riches simply because it has irrigation. I refer to the state of Arizona. In the United States not only millions but billions of dollars have been spent on irrigation. They have carried water to dry lands and have settled them with people who are producing great wealth from those lands. One only needs to mention the Grand Coulee Dam, the Boulder Dam, and the latest development in that direction, the Fort Peck Dam, in Montana—enterprises upon which huge sums of money have been spent. It is true that hydro-electric power may be

developed from these projects, but one of their main purposes is to convey water to the dry areas.

This story has been told before in the Senate. I mentioned on one occasion some years ago a visit that my friend the senator from Saltcoats (Hon. Mr. Calder) made to southern Alberta. I think it was in the year 1919, a very dry year in western Canada, particularly in the province of Alberta. He was then a minister in the federal government, and he travelled from Medicine Hat westward to an area that is watered by the Canada Land and Irrigation Company. I do not know whether it was he or his companion, the Right Honourable Mr. Meighen, who said that he was in a desert from Medicine Hat until he reached the irrigation district, and that after he passed through it he was in another desert until he reached another irrigation district. That was very true in the dry years.

Now we are trying to overcome that desert condition and to make the whole of that area thrive, for it has been proved that it can thrive if the people there have sufficient water. Irrigation has been practised in Alberta to a certain extent for many years—in a very small way in the early 80's, and in a larger way after the C.P.R. undertook developments along the present main line, and when the Alberta Railway and Irrigation Company's development in the extreme southern Alberta area was initiated by a very highly esteemed citizen of this country, Mr. C. A. Magrath, a former member of the House of Commons and one-time chairman of the International Joint Commission. These irrigation undertakings transformed a particularly dry area into one which produced wealth in wheat and grains of that character. It also produced hays and vegetables, although only in a small way, because in those years there was commenced a vast wheat development on what we in the west call "dry lands"—lands where people at one stage thought there was no necessity for irrigation any more, that there was going to be plenty of natural moisture, as indeed there was in the years 1915 and 1916. Some of the farmers abandoned the growing of sugar beet and crops of that nature on irrigated farms, and at one time there was a feeling that there would be no further need for irrigation. But conditions changed, and we had another period of dry years which drove people back to irrigation and inspired them to clamour for the extension of irrigation. Today in Alberta we have a very considerable acreage which under irrigation is capable of producing varied crops, thus creating a secondary industry, and salvaging

a section of the country that otherwise would be a charge upon the province and upon the dominion itself.

May I say in this connection that the expenditures which are being made and which will be made in the years to come are, in a sense, prompted by the fact that much of the water for irrigation purposes in Alberta comes from streams which are international in character. A treaty between Canada and the United States divided those waters. The United States was using all that had been given to them under the treaty. We were not using our share. The United States was beginning to agitate for a revision of the treaty because of the fact that Canada was not using its share of those waters. I would not say that the decision to expend some millions of dollars on the St. Mary's and Milk River development was due wholly to that situation, but I will say that if we had not appropriated money for that purpose we would have had on our doorstep a demand, of which we hear even now from the United States, for a revision of these treaties.

The money that is being appropriated now is for the construction of a dam and tunnels at a site which the member from Medicine Hat (Hon. Mr. Gershaw) mentioned the other day—the St. Mary's and Milk River reservoir at Spring Coulee. That reservoir is being built to hold our share of the waters of these international streams, particularly the St. Mary's river, which rises in the State of Montana and crosses over to Canada. That water is being stored to provide the extra water needed for the existing irrigation areas, and also to meet the needs of farmers in eastern Alberta who are situated on sub-marginal land, who are never certain whether they are going to have a crop from year to year, but who know from the farmers in the irrigated areas further west that if they have water they will have crops.

I have been living in southern Alberta and have been acquainted with the irrigation problem since 1905. I am familiar with the transformation that is taking place in areas that formerly did not have irrigation but which have it today. I can recall when these areas were dust-ridden and dry, when no crops were in prospect and the people had to call for some relief. The situation of those people was hopeless, and the federal government had to come to their assistance. Honourable senators, because irrigated land is not farmed in the same manner as dry land, those areas are as thickly settled as any in western Canada today, and more farmers are to be found on irrigated land than on dry land.

Hon. Mr. ASELTINE: May I ask a question? There is something that has been bothering me for a long time in connection with irrigation in southern Alberta. In 1931 I made a special trip to that area to investigate strip farming. When I got to Macleod I found that the irrigation ditches there were filled with water and nobody was using it. In reply to questions I asked, the farmers said that it cost too much money to take advantage of the irrigation system. I believe the cost was \$4.50 an acre for the use of the water, and on that occasion it was not being used. Is there any explanation of that?

Hon. Mr. BUCHANAN: They have to pay for the use of the water, the water is not provided free. I do not know what section—

Hon. Mr. ASELTINE: North of Macleod.

Hon. Mr. BUCHANAN: The main irrigation ditches run north of Macleod from the Old Man river down to the main reservoir of that stream. The water is not available to the farmers north of Macleod unless they ask that it be distributed in their area.

As a matter of fact, the very area about which the honourable senator speaks now wants to come under the present irrigation system. It is also a fact that the territory which I am trying to describe now was similar to that which he mentioned, but it was even worse. It has been served by the Lethbridge Northern Irrigation System. It was a country of waste and soil-drift, a country where people were being helped out by the government. Today it is a garden simply because it has irrigation. Around every home you will find a forest of trees, and frequently a flower garden will be found in front of the house and a vegetable garden in the rear.

In that district there was established six or seven years ago a sugar-beet factory, in which there is an investment of close to a million and a half dollars. I expect the sugar beet industry of southern Alberta to produce this year 110 million pounds of sugar from the irrigated areas, all of which would have been useless except for irrigation. That transformation has taken place within sight of people who live in dry areas and who are suffering crop failures year after year. Naturally they ask for the expansion of irrigation.

I think it may interest honourable senators to hear what the transformation from dry land to irrigated land means in dollars and cents. There is a small irrigation district of about nine thousand acres known as the Taber Irrigation District. In early days it was ranched by a very well known citizen of

Alberta, "Archie" McLean, who was at one time a member of the provincial government. At that time it was short range-grass land. I am not an authority on the matter, but I have heard it said that approximately forty acres were required to feed one steer. I am advised by someone who is a better statistician than I am that, on the basis of one "critter"—as we call the animals that roam the plains—to forty acres of land, those 9,000 acres had they remained as ranch land would have produced beef which at wartime prices would have been worth \$5,625 gross. Those nine thousand acres are now irrigated, and a year ago produced from sugar-beets \$111.50 an acre, at a cost of possibly \$50 or \$60 an acre for labour and materials, leaving a net profit of a little over \$50 an acre to the farmer. You could estimate what that would amount to for the total nine thousand acres as compared with the live stock ranching profits in the same area.

As the result of irrigation that land has so grown in value that you cannot buy it for less than \$75 an acre, and \$100 is the prevailing price for land that a few years ago was quite useless. In some of the richer districts land is held as high as \$150 an acre. Those prices, which are fixed on the basis of what the land can produce, are beyond anything asked for dry land. What has been accomplished in the Taber Irrigation District and by the Lethbridge Northern Irrigation System can be done in any dry area if water is provided.

I have spoken about the irrigation systems with which I am most familiar; but there are others with possibilities which are just as great. I might mention an area immediately west of Medicine Hat, where the Canada Land and Irrigation system was established in Vauxhall many years ago. They have dams, ditches and reservoirs. There is water there, but if the system were expanded it would change the whole countryside along the main line of the C.P.R. to Medicine Hat, just as irrigation has transformed the extreme southern part of the province. In offering these illustrations to you, I am trying to convince you that these investments in irrigation are worth-while not only to Alberta but to the entire Dominion of Canada.

May I go further and say that irrigation has brought about industrial development in southern Alberta. We have now two sugar-beet factories in which there is an investment of some \$3,000,000. Another factory is to be built in the Taber Irrigation District this year. It will involve investment of over \$2,000,000, because it will be a more modern plant and the construction costs will be higher. In the same area in southern Alberta we have four

or five canning factories. During the war years, in my home city of Lethbridge, one of those factories was shipping canned peas into Ontario. A few years ago we did not think we could do anything like that in western Canada. These factories are increasing in number because the crops that are necessary for the canning factories are being produced in the West.

The farmers are also producing the milk necessary for creameries and cheese factories. It will interest those of my colleagues who are acquainted with the live stock business to learn that the live stock feeding, which goes along with the beet sugar factories, has changed the whole picture. If you go to one of the sugar factories, particularly the one located at Picture Butte, you will find large corrals into which steers and lambs are moved in the wintertime and fed upon the by-product of the sugar factories. Many of the steers in western Canada will survive this hard winter because they are in this favourable location, where they will have access to good feed. The feed contains the richness of the sugar product. I am told that sugar beet by-products mixed with alfalfa makes an ideal feed, and the feed industry is growing there at the same time.

Perhaps it is my own selfish attitude, but I feel that the money expended in irrigation projects, particularly in the initial developments, has been completely justified. The provinces must participate in this development; the dominion does not undertake it all. There are other parts of Alberta which could be benefited by bringing the water to dry land. The same is true also in the province of Saskatchewan, where there are at present some small areas benefiting by irrigation.

I do not know how better to learn what irrigation means than to visit the few acres of the Manyberries Range Experiment Station in southeastern Alberta located in a section of country where cactus grows and all kinds of prairie animals range; where homesteaders never succeed. In that section of the country which looks like desert until you reach this little plot of ground, you will find storage of water that has come from snow that has accumulated on the benches and melted and run off into this reservoir. They grow apples and small fruit. They also grow alfalfa in a small way, and other hays. That is an illustration of what is possible when water is placed on dry soil, even in a part of the country that is supposed to be drier than any other section.

There is something else in connection with irrigation which I should like to discuss, and that is immigration. In order to explain what I am going to say at the moment I should refer you to the farms that produce sugar-beets. The work on the farms is done by families. An entire family contracts to look after the seeding of beets, to care for them during the growing season and to harvest them. On his farm the sugar-beet grower has a home for the family that he employs to do this work. Around the house there will be a few acres of land on which the family of labourers will grow some vegetables for their own use; and they will probably keep a pig and some chickens. When the sugar-beet industry was revived, about fifteen or twenty years ago, a considerable number of Hungarian families were brought in and placed on sugar-beet farms. A few weeks ago I was told by one of the officers of the Southern Alberta Sugar-Beet Growers that more than half of the Hungarians that came to the country as farm labourers are now operating farms that they themselves own; and that many of the others have leased farms and are well on the way to becoming owners of them.

We hear much about our inability to assimilate various peoples. My experience shows that these Hungarians are being assimilated rapidly. Their children go to our schools, where their standing is high. During the Victory Loan drives those people who only a few years ago came to Canada as labourers, with practically no resources, subscribed for the purchase of victory bonds. At present in that area and in other areas of the West there is a shortage of labour. I agree with the honourable gentleman from Saskatchewan North (Hon. Mr. Horner) that there is a shortage of farm labour, particularly in this section where the farmers engage in intensive cultivation. I am inclined to think that if it had not been for the Japanese who were taken out of British Columbia and placed on beet-growing areas in Southern Alberta during the war the beet-growing and beet-sugar industry there would have collapsed. Prior to the war those Japanese had probably worked in the fisheries or forests of British Columbia, yet in a very short time they became adept at looking after the sugar-beet crops. The farmers in the area want to keep these people, because they give the utmost satisfaction. They are not competing with other labour by working below the regular wages, or anything of that kind. On the contrary, they are paid the regular rates. They spend their money in stores in neighbouring communities. They live well, better than some people in the

East imagine. They dress neatly and like clothes of good quality. In short, they are a fine class of people. I do not know what will happen to the production of sugar-beets if the Japanese are removed from Southern Alberta this season, because at the moment there are no people to replace them.

I repeat and emphasize that for the sugar-beet industry families are far more suitable than individual workers. A single man who is working with a farmer today may leave him tomorrow or next month. The work has to be contracted for from the beginning to the end of the season, and it has been found by experience that under these conditions families are far more suitable than individuals.

We have widened our immigration policy a little, but not enough.

I am quite sure that in refugee camps in Europe today there are many families who would be only too happy to emigrate to Canada and work on these farms. Just before I left home for Ottawa I had a call from the leader of a Mennonite settlement near Lethbridge, who said that if Japanese labour was not available this year he did not know how the crops could be cultivated. He told me that the Mennonites in the United States and Canada are giving financial help towards bringing Mennonites from European refugee camps out to Paraguay, in South America. He said: "We have had the Japanese living in our houses, and if they are to go we could replace them by bringing out distressed Mennonite families from Europe." There is room for these people in Canada and a demand for them.

A meeting at which I was a listener yesterday convinced me that soon we may no longer be able to get such people to come to Canada. Those now living in refugee camps in Europe do not want to go back to the countries from which they came. Being fearful of what might happen to them there they would like to go to democratic countries, and at the present time many of them would be glad to come to Canada. But is there not a possibility that within, say, a couple of years the Scandinavian Peninsula, Holland, Belgium and France will take much the same attitude that Britain is taking today, that they cannot spare any of their population? If that happens they will do all they can to discourage people from emigrating to other countries, and then our opportunity to get certain classes of labour that we so badly need will have been lost. There is no question that those people who want to move to freedom-loving countries would make the very best citizens in Canada. There would be no need of screening them

at all, except possibly in relation to health. We need those people, and we should take prompt steps to bring them here. They would fit into our life and contribute to the wealth and development of the country.

Before closing I wish to take the opportunity of complimenting my honourable colleague from Kingston (Hon. Mr. Davies) upon some of the remarks he made at the conclusion of his address last evening. I have been talking about the practical side of life, a side that has to do with the expenditure of money and the making of money. In that portion of his address to which I am now referring my honourable friend from Kingston urged the making of expenditures, not for the purpose of getting a financial return, but on projects designed to elevate the minds of our people. We all know that we have to finance the construction and maintenance of public works to meet the needs of our communities, but we are apt to overlook the cultural side of our citizenship. I agree entirely with the honourable gentleman's statement that we should have a national library and a better art gallery here at Ottawa, and thus set an example to the rest of the country. As a matter of fact I think that in this respect many parts of the country are setting an example to Ottawa. I find that various small communities have art exhibits by young people, who probably are getting some training from teachers in local schools. Also, the little theatre movement is spreading. In many parts of western Canada you will find groups enthusiastically supporting art and other cultural organizations. They should be given encouragement from the capital of Canada.

I will not say more at this time. My main purpose in rising was to discuss the expansion of irrigation in southern Alberta, with a view to giving the house some information as to what has been done in the past, what is being done now and what is possible for the future.

Hon. Mr. Howard moved the adjournment of the debate.

The motion was agreed to.

CUSTOMS BILL

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of Bill 6, an Act to amend the Customs Act.

He said: Honourable senators, this is a very simple bill. Under an order in council passed in February 1943, the period in which an importer may make a claim for a refund

or remission of duties paid was extended from fourteen to thirty days. The only purpose of this bill is to give statutory effect to that extension.

Hon. Mr. HAIG: I think the Act will be greatly improved by this amendment.

Hon. Mr. LEGER: I hope that there will be a similar extension in various other statutes. Usually the period in which a person must act in order to escape a penalty is too short.

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

FEEDING STUFFS BILL

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of Bill 7, an Act to amend the Feeding Stuffs Act, 1937.

He said: Honourable senators, the purpose of this bill is to amend section 4 of the act so as to give statutory effect to a wartime order in council which authorizes the minister to make regulations requiring feeding stuffs to be of correct composition for the purpose claimed by the vendor and preventing the sale of feeding stuffs of wrong composition for any specific purpose. The amendment enables the minister to provide, for instance, that if feed is sold for cattle it must be suitable for cattle only. Any such regulation would be carried out in co-operation with feed boards established by the provincial governments and animal nutritionists of the dominion and provincial services and universities. Under the present section 4 of the act, the minister is required to register the particular feeding stuff for which application is made and to set up requirements for it. This has led to manufacturers of feeding stuffs bringing in a multitude of brands different only slightly in composition, for which different grades have been set up and for which different prices could be charged. During the war the minister was given authority by order in council to control the registration of these feeding stuffs, merely to keep unnecessary brands off the market, and the producers and users of feeding stuffs have asked that this provision be continued in the act.

Hon. Mr. HAIG: It is all right.

Hon. Mr. LEGER: I have not read the original act. Would there be an appeal from the decision of the minister?

Hon. Mr. ROBERTSON: I am afraid I am not in a position to say. We thought perhaps that if there were any specific questions

we might have a committee meeting tomorrow, or if inquiries were limited to just one question, perhaps in the meantime I might obtain the information for the honourable senator. I am afraid I am not conversant enough with all the details to give him an answer at this moment.

Hon. Mr. LEGER: It may be provided for. I only got this bill when coming into the chamber. I have not had a chance to look up the act. If there is no appeal from the decision of the minister, I think there should be. Otherwise it would be a bad situation.

Hon. Mr. ROBERTSON: I see no particular reason why, if honourable senators have any questions in regard to it, the bill should not go to the committee and have the proper officials there examine it.

Hon. Mr. LEGER: It may be that when we have looked up that act it will not be necessary to have anyone before the committee. I think we can settle that ourselves.

Hon. Mr. ROBERTSON: In any event I can undertake this, that if second reading is given, the bill could stand for third reading, and if necessary or desirable there could be a reference to a committee in the meantime.

Hon. Mr. LEGER: All right.

Hon. Mr. HAIG: We shall be sitting on Friday. It could go until Friday morning, if the honourable member finds he needs some further enlightenment.

Hon. Mr. ROBERTSON: I would like it to stand in any event, because I am not sure whether our Law Clerk has examined into the minor details.

Hon. Mr. HAIG: Yes, he has. He wrote me to that effect.

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

INSPECTION AND SALE BILL

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of Bill 8, an act to amend the Inspection and Sale Act, 1938.

He said: Honourable senators, the purpose of this bill is to continue the regulations respecting the grade standards, grading and labelling of flax fibre and tow, which have been in effect for the last five years under the War Measures Act. The bill has the unanimous support of the flax fibre industry of Canada, which realizes that the grading of their products must continue if the industry is to survive. During the war we sold con-

siderable flax fibre and tow to the British government, and we were asked to grade it. The producers of flax think it would be a good thing to continue this provision in the act.

It may be recalled that during the war there was a considerable expansion of flax production in Canada, with acreage expanding from 8,306 acres in 1939-40 to 47,000 acres in 1942-3. Since then, however, the price offered for flax by Britain has fallen considerably, and we have not encouraged farmers to extend their flax production. Last year flax acreage had declined to 15,762 acres, and the price for the top grades of flax had fallen to 40 cents, 15 cents below the price paid for the 1945-6 crop. An agreement with Britain for the sale of the 1946-7 crop has been entered into at prices ranging from this figure of 40 cents for top grades to 12 cents for lower grades.

I am advised that a question arose in the other place as to the authority or the jurisdiction of the federal government to legislate along these lines. The Minister of Agriculture advised that the Justice Department had gone over the bill and assured him that it was *intra vires*, since the regulation applies only to flax for export, whether between provinces or for sale in foreign countries.

Hon. Mr. DAVIES: I would like to ask the leader of the government, has this bill been amended at the request of the growers of flax—

Hon. Mr. ROBERTSON: So I am informed.

Hon. Mr. DAVIES: —or of the flax industry; or is it purely a government measure?

Hon. Mr. ROBERTSON: I am advised that the bill has the unanimous support of the flax fibre industry in Canada.

Hon. Mr. DAVIES: Does the "flax fibre industry" mean the people who grow the flax?

Hon. Mr. ROBERTSON: I presume so.

Hon. T. A. CRERAR: Honourable senators, this development has taken place largely since the war, which brought about the interruption of the supply of flax fibre from other sources. My purpose in rising is to draw attention to a provision which seems to be a rather extraordinary one. It may be quite all right. In the first section, under 12A, I find the following:

In this Part, unless the context otherwise requires,

(a) "export"—

That is the definition of the term "export". —means send out of Canada or out of one province to another province.

Further on, under 12C, it is provided that the government may make regulations for various purposes in order to carry out the intention of the act.

Now, the bill appears to me to put a definite limitation on interprovincial business in Canada in so far as flax fibres are concerned. It is the application of a principle which, so far as I recall, has not been in effect before. If we send this bill to a committee, which I respectfully suggest to the leader of the government forces here should be done, we might get some information on that particular point. I believe that on occasion certain provinces have attempted by provincial action to create conditions that interfered to some extent with interprovincial trade. We should be very careful, I submit, before we give even a qualified approval to that principle; and if it meets with the views of the leader of the house I would suggest that this point should be considered fully when the bill is referred to a committee.

Hon. Mr. ROBERTSON: I heartily agree with the suggestion of the honourable senator. I was just turning over in my mind the question of what I would do about sending this bill to committee. It seems to me that while this involves agriculture, it is perhaps a matter affecting commerce as well. I think that for the time being we might refer this bill to the Committee on Banking and Commerce. It is a border-line case. Therefore, honourable senators, if the house sees fit to give the bill second reading I will move to refer it to the Standing Committee on Banking and Commerce.

Hon. Mr. WHITE: I would like to inform the leader that the meeting of the Internal Economy Committee is continuing tomorrow at 11 o'clock.

Hon. Mr. HAIG: We could have the other committee on Friday.

Hon. Mr. ROBERTSON: I think there is a possibility of one or two more bills reaching us tomorrow, Thursday, to which the house might give second reading. Perhaps we could have the Banking and Commerce Committee meet on Friday morning, to take up this bill and any others which honourable senators think desirable to send to it.

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

REFERRED TO COMMITTEE

Hon. Mr. ROBERTSON moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. J. F. JOHNSTON moved the second reading of Bill C, an Act to incorporate Conference of Mennonites in Canada.

He said: Honourable senators, the purpose of this bill is to incorporate Jacob J. Thiessen, clergyman, of Saskatoon, Saskatchewan and others, under the name of Conference of Mennonites in Canada. The bill provides that the head office of the corporation shall be at Rosthern, Saskatchewan, or at such other place in Canada as may be decided upon by the corporation.

The objects of the proposed corporation are set out in clause 4 of the bill. Other clauses of the bill follow the provisions of chapter 57 of the Statutes of Canada, 1944-45, incorporating the executive board of the Canada Conference of the Evangelical Lutheran Augustana Synod of North America.

If the bill is read a second time, it is my intention to move that it be referred to the Committee on Miscellaneous Private Bills, where the promoters of the bill will be prepared to furnish any further information which seems to be required.

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

REFERRED TO COMMITTEE

Hon. Mr. JOHNSTON moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

PUBLICATION OF STATUTES BILL

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of Bill E, an Act to amend the Publication of Statutes Act.

He said: Honourable senators, I have asked the honourable senator from Inkerman (Hon. Mr. Hugessen) to explain this bill.

Hon. A. K. HUGESSEN: This is a bill to amend the Publication of Statutes Act, which is Chapter 2 of the Revised Statutes of Canada, 1927. The amendments themselves are not very important, but they are rather interesting because they arise out of and result from the changed position of Canada as a fully self-governing dominion under the Statute of Westminster.

I should like to refer honourable senators to the section of the British North America Act which deals with the power of the Governor

General when a bill has been passed by the Senate and the House of Commons and is submitted to him for his sanction.

Under section 55, there are three courses of action which the Governor General may take. First of all, he can refuse his consent, which of course kills the measure; secondly, he can give the Royal Assent, and, thirdly, he can reserve the bill for the signification of the King's pleasure. In the second case, if he gives assent to the bill, and it becomes law, then under section 56 it is the duty of the Governor General to send the act to one of His Majesty's principal secretary's of state, in Great Britain, and His Majesty has the right within a period of two years thereafter to disallow the measure. If, on the other hand, the Governor General has reserved the bill for His Majesty's pleasure, then under section 57 of the British North America Act, it is provided that the measure shall not come into force at all unless within a period of two years His Majesty—that is the Imperial Government—has expressed his assent to the measure.

Honourable senators will see that those provisions are obviously not applicable in the present stage of the constitutional development of this country. Perhaps you will allow me to give a short history of the developments leading up to the introduction of this bill.

At the Imperial Conference of 1926 the question of referring bills from dominion legislatures to Great Britain was raised, and it was decided that the matter required further consideration; but the conference went on record to this effect:

Apart from provisions confirmed in constitutions or in specific statutes expressly providing for reservation, it is recognized that it is the right of the government of each dominion to advise the Crown in all matters relating to its own affairs.

Next, in 1929, there was a conference held in London on the operation of dominion legislation. That conference reached the conclusion that the power of disallowance by His Britannic Majesty could only be exercised in accordance with the constitutional practice, and upon the advice of the dominion government concerned. That stand was confirmed by the Imperial Conference of 1930.

As a result of those decisions, the procedure laid down in the British North America Act for the referring of Canadian acts to the British government was changed, and instead of their being sent by the Governor General to His Majesty's Secretary of State, they were sent by our Minister of External Affairs to the Minister for Dominion Affairs in London. That practice continued until 1942 when it

was completely abolished, and in April of 1943 the Prime Minister in another place made this statement:

In 1942, in view of the complete obsolescence of the power of disallowance and in order to bring the actual practice into conformity with the constitutional position, the transmission of bills and acts from the Secretary of State for External Affairs to the Secretary of State for Dominions Affairs was stopped.

This bill simply amends the Publication of Statutes Act to conform to that new position. If honourable senators will look at section 3 of the act they will see that, among other things, it refers to bills reserved for the signification of the King's pleasure, and assented to or disallowed by the King in Council. The amendment would remove that reference, which is now unnecessary and inapplicable.

Section 6, as it now stands, requires that certified copies of acts passed during the session of parliament shall be delivered by the Clerk of the Parliaments to the Governor General, in order that he in turn may transmit them to His Majesty's Secretary of State in London for assent or disallowance, as the case may be. That provision also is taken out of the act by these amendments.

There are one or two other inconsequential amendments resulting from the same train of circumstances.

Hon. Mr. MacLENNAN: What is the meaning of:

All the original acts passed by the legislatures of the late provinces of Upper or Lower Canada . . .

To what statutes does that refer?

Hon. Mr. HUGESSEN: That would refer to the statutes of the united provinces of Upper and Lower Canada, prior to confederation—the present provinces of Ontario and Quebec.

Hon. Mr. MacLENNAN: Why have they been resurrected to be certified?

Hon. Mr. HUGESSEN: There is no question of their certification. It is merely that those old statutes remain in the custody of the Clerk of the Senate. There is no change in that respect.

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

UNITED NATIONS BILL

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of Bill F, an Act respecting Article Forty-one of the Charter of the United Nations.

He said: Honourable senators, I have asked the honourable senator from Ottawa (Hon. Mr. Lambert) to explain this bill.

Hon. NORMAN P. LAMBERT: In presenting this bill, honourable senators, I should explain that it is designed to enable the Governor General to carry out the obligations of this country under Article 41 of the Charter of the United Nations, which, as we all know, was duly signed in San Francisco in June, 1945. After moving the second reading of the bill I shall request that it be referred to the Senate Standing Committee on External Relations, for inquiry and elucidation. Before making that suggestion, however, I think it should be realized by honourable senators that this bill represents the first of a series of realistic features in the Charter of the United Nations which were fully discussed at the time the subject was debated in the chamber and in the other house, but which, I submit, should be brought home to our own minds, and to those of the Canadian public whenever opportunity presents itself.

In order to refresh the memory of honourable senators, I would refer to the Charter of the United Nations, which was discussed at some length in this chamber following the conference in San Francisco. In Chapter 5, which includes articles 24 and 25, full assumption by the Security Council of responsibility for the fundamental protection and security of the world, was granted by the members of the United Nations. Article 25 reads:

The members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present Charter.

Based on that foundation, chapter 7 of the Charter of the United Nations, including Article 41 which is the subject matter of this bill, deals with procedure and action on the part of the Security Council with respect to acts of aggression and threats and breaches of the peace.

As I intimated in the beginning, Articles 41, 42 and 43 represent the real teeth of the United Nations' Charter, and I think that we should give full consideration to these articles, and particularly Article 41, which is reproduced in full on the back page of the bill now before us. It is the first of two measures involving, not the use of armed forces but rather the employment of economic sanctions and the possible interruption of economic relations by rail, sea, air, postal, telegraphic, radio and other means of communication, and the possible severance of diplomatic relations.

In order that the full implications of this bill may be brought home, not only to our minds but indirectly to the attention of the public of Canada, I feel that further consideration should be given to it in the Standing Committee on External Relations, where officers of the department and, I hope, the minister himself, could appear and discuss this matter fully.

One might objectively, and in popular parlance, picture the situation in regard to the United Nations' Charter and this bill in particular. We were privileged to engage in the christening of an infant born of the hopes and aspirations of this world in the conference at San Francisco in 1945. Part of the christening ceremony took place in this chamber, and the time has now come when one of the first teeth appears. I feel we should celebrate the occasion by continuing the ceremony before the Standing Committee on External Relations with all the seriousness that the circumstances warrant.

Hon. JOHN T. HAIG: This is a very important piece of legislation, and is the first invoked to put power into the hands of the Security Council of the United Nations to enable them to carry out the terms of the charter. We must face the situation seriously, for it means that as soon as the peace treaties are signed the next step will be to call upon the armed forces of the member nations. We know what happened to the League of Nations. We know that it failed because certain people involved in it gave lip-service, but did not give actual service.

Not more than three months ago I heard the very distinguished Foreign Secretary of Great Britain say he never thought the day would come when he would be a member of a United Kingdom government that voted for conscription in peacetime, but that he had to support such a policy until it became clear that the 55 members of the United Nations would give to that organization sufficient power to enforce their united will on the world as a whole. I am wholly in accord with this bill; I have not one reservation to it. I agree with what was said by the honourable gentleman from Ottawa (Hon. Mr. Lambert) in emphasizing how important the bill is, and in urging that it should be sent to a committee. But I think everybody should understand that in this measure we are taking the first step towards carrying out our undertaking to support the United Nations organization. In the debate on the Address in Reply to the Speech from the Throne I said that I know of no other machinery than the United Nations organization which holds out

any hope for maintaining the peace of the world. But as practical men and women we must give the organization power to maintain peace.

I am entirely in favour of the general principles underlying the United Nations organization, and I think we all can be in favour of those principles. But we must remember that some day, maybe not this session but perhaps next session or later, we shall be presented with a bill calling upon us to guarantee that a certain number of Canadian men will be furnished for the Army, Navy and Air Force, or one of those forces. When that day comes we in Canada shall have to take proceedings to get the required number of men into the Army, Navy or Air Force, as the case may be. If the men are not already enlisted, we shall have to get them.

Hon. Mr. MacLENNAN: May I ask my honourable friend a question? Has the veto power got anything to do with this bill?

Hon. Mr. HAIG: No. I do not want to bring a discussion of the veto power into this debate, because for one thing I do not know, and I do not believe anybody knows, how far the veto power can go. I believe wholeheartedly that without the veto power we can have no United Nations. I am hoping the time will come when some other means will replace war for the settlement of disputes; but at present—let us be candid—if the Security Council decided to make war on Russia, the vetoing by Russia of that decision would make no difference: there would be war.

I do not like the wording of section 3 of the bill, which provides a penalty for violation of any order or regulation made under the act. It should not be left to the Governor in Council to prescribe what the fine or term of imprisonment should be. I am not saying this because of the wide powers that have been exercised by the Governor in Council in recent years, for if I had been a member of the government during the war I probably should have agreed with what was done. But when we are passing a statute authorizing the Governor in Council to impose punishment, I think that a limit to the amount of the fine or term of imprisonment should be specified in the statute. In committee I will suggest that the section be redrafted to specify the limits of the penalty that may be imposed.

Hon. ARTHUR W. ROEBUCK: Honourable senators, this appears to me to be an exceedingly important piece of legislation, and as we have been told that it is the

first of a number of bills of a similar character I must confess that I should like to see what the other bills contain.

Hon. Mr. HAIG: Excuse me, but I did not mean that there would be other bills this session. My point was that in time to come, as the United Nations organization develops, further bills will be presented to us.

Hon. Mr. ROEBUCK: I misunderstood my honourable friend in that regard. Nevertheless, my remark that this is an exceedingly important piece of legislation stands. I have seen it for the first time just at this moment, and what I know about it is what has been said here, together with what I have been able to make out from reading the bill and applying my imagination to the words. I find here that the Security Council of the United Nations—an organization of which the people of Canada are a part, but over which they have no control—may decide upon a measure to be employed to give effect to any of the council's decisions, and it may call upon Canada to apply such measure. That is, an outside authority may call on us to do something, to apply a certain measure, whereupon apparently the Government of Canada, that is to say the executive, the Governor in Council, shall apply the measure. Parliament would be entirely sidetracked, and the Governor in Council could proceed to fine and imprison the citizens of Canada in order to compel them to carry out a decision made by some authority outside our borders.

That may be all right, but I suggest to honourable members that it raises a number of very serious implications and that, to say the least, it is unique in the history of this or any other British country. So I say this is legislation of the greatest importance and should be viewed by us with a great deal of care and, I might say, even suspicion.

Moreover, this bill originates in the Senate. It does not come from the other house, with a mere request for our concurrence. So the responsibility for it rests upon us in greater degree perhaps than it would if we were passing legislation which had been reviewed, discussed and considered in another legislative assembly.

I wonder whether this feature of the situation as it appeals to me has been considered by the drafters of this bill. In this country we have two classes of parliament of co-ordinate jurisdiction, the parliament of the dominion and the legislatures of the provinces. In a treaty a government may agree to do certain things, to take away or to modify the rights of its citizens. A government may sign a treaty to that effect without

consulting parliament. But according to our constitutional rules, when a government does so it takes the risk of not being able to carry out its undertaking. Our country may enter into a treaty with another country, a treaty solemnly signed under the Great Seal, with the name of the Governor General or the King attached to it, but those who sign it or arrange to have it signed take the risk of the parliament of this country refusing to carry it out. And if parliament does refuse to carry it out, the treaty falls down. That is the constitutional rule that applies to this country.

An Hon. SENATOR: The government would go out of office.

Hon. Mr. ROEBUCK: My honourable friend says the government would go out of office. Not at all. Under our constitution the only result of the failure of parliament to ratify a treaty is that the treaty is not carried out, and those who have signed it can get out of it as best they may. Parliament is not bound to a treaty unless parliament accepts it. Otherwise the sovereignty of parliament could be abrogated by a mere act of the Executive in the name of the Crown.

Now, what are we running into here? We have a treaty or something in the form of a treaty—it has at least the colour of a treaty—entered into by the Governor in Council, that is to say the Cabinet, with the United Nations, that certain things shall be done in this country. While that has been signed, there is no obligation on this country to carry it out unless the parliaments of this country agree. And, as I have already intimated, we have two classes of parliaments—one parliament at Ottawa, with a general jurisdiction throughout Canada, and another series of parliaments of co-ordinate jurisdiction within the provinces, the rights of these parliaments to legislate within their own fields of jurisdiction being absolute and sovereign.

So, honourable senators, in this bill are we not running into this difficulty, that we are agreeing, and in a way endorsing the attitude of the government in agreeing, to carry out something, we know not what? At least, I know not what. I do not know what it is proposed that we shall carry out. It may be within our jurisdiction or it may be within the jurisdiction of the provinces. In this bill we would give to the government in the federal division of the total jurisdiction in Canada the power to fine and imprison people for not doing something which may be within the jurisdiction of the provinces.

I say this is a most tangled skein that we are weaving, and as the originators of this bill and as the elder statesmen of Canada as

well, it behoves us to be very careful indeed in what we are doing. I suggest to the honourable leader of the house that his measure had better not be passed today. There is no hurry. I think it would be well if it stood on the order paper during the recess, in order to give some of us a chance to consider its constitutional and other implications.

Hon. Mr. MURDOCK: Would the honourable senator say what the provinces have to do with this bill? It deals with the United Nations. Canada is a nation, but not one of the nine provinces is. Would you tell us where the provinces are found to be classed as nations?

Hon. Mr. ROEBUCK: Of course, I did not classify any province as a nation. The honourable gentleman does not seem to have followed me clearly, or I have failed to make my position clear. My statement is that Canada, as a nation, represented by its government—or, as is euphoniously stated here, by the Governor in Council—may enter into an agreement or a treaty or something of that character, and that is apparently what has been done. But in order to implement the treaty you must go to parliament; or, if you wish to implement it within the jurisdiction of the provinces you must go to the provincial parliaments, the legislatures. In such circumstances, if the provincial legislatures refuse to carry out the treaty it is just too bad for those who entered into it. They should have found out about the matter in advance.

Hon. Mr. LAMBERT: May I ask the honourable senator a question? Has some precedent not been set and is some light not thrown on this question by the fact that war was declared by Canada, at a special session of parliament, in September 1939? To follow the logical implications of his own argument, it would have been impossible for war to have been declared in 1939 except with the approval of all provincial legislatures. He is arguing something with respect to this charter. We have approved of this charter. The Parliament of Canada has already approved of the United Nations charter in every particular, and all we are asking here is that an act be passed to enable the government to take action if, as and when the occasion arises, subject to the approval of parliament later, because the order in council will be placed upon the table of parliament within fifteen days after it is approved.

Hon. Mr. ROEBUCK: I think the distinction is that we are now at peace, and when the declaration of war was made by the Parliament of Canada we were at war, and the subject-

matter of that declaration was not within the jurisdiction of the provinces but rather within the jurisdiction of this parliament, because of the introduction to the British North America Act with the overruling powers given to the dominion in section 91. So the cases are not analogous. If we were in a state of war, then matters pertaining to war would be within our jurisdiction. But at the present moment we are in a state of peace, and—the phrase “peace, order and good government of Canada” does not apply as it does in times of emergency. We have to face the fact that this legislation may be within the purview of the legislative authority of the provinces, and not of the dominion. I am only concerned to point out the necessity for care and consideration before we pass this bill, so that we may know where we are going before we arrive there.

Hon. Mr. MURDOCK: Surely my honourable friend would not argue that Alberta and Saskatchewan were members of the United Nations?

Hon. Mr. ROEBUCK: No, I would not argue that.

Hon. Mr. MURDOCK: Then what have they got to do with it?

Hon. Mr. ROEBUCK: Because they control property and civil rights within their respective territories. And when the Security Council—listen now—

... decides upon a measure to be employed to give effect to any of its decisions and calls upon Canada to apply such measure, the Governor in Council may make such orders and regulations as appear to him to be necessary or expedient for enabling such measure to be effectively applied.

That is to say, if the United Nations asks the Dominion of Canada to apply a measure which affects the property and civil rights of citizens within this dominion, we shall be attempting to give the Governor General in Council of the dominion the power to legislate within the jurisdiction of the provinces in times of peace. I may not have made myself very clear in this. It is difficult. But remember the principle which I have stated with regard to treaties. The executive, the Crown, the cabinet, makes all the treaties it likes and signs them, but it cannot carry them out without the consent of parliament. If parliament does not consent, then the Crown can get out of the situation as best it can. Here you are giving power to our executive to take measures which may invade the jurisdiction of the provinces, and which it may not be in a position to carry out. In other words, you are passing a bill which is inviting another contest between the jurisdictions.

Hon. T. A. CRERAR: Honourable senators, I must say at once that I cannot read into this measure the serious implications that appear to be in the mind of the honourable member from Toronto-Trinity (Hon. Mr. Roebuck). I may be quite wrong, but the matter seems to me to be a relatively simple one. After the organization of the United Nations, which took place at San Francisco, as I recall, a year ago last May, both houses of this parliament considered the charter that came out of the San Francisco meeting. That charter was debated in the other house and in this house, and as I recall, was unanimously passed in both. I submit that when the ratification was before this house the honourable member from Toronto-Trinity should have raised this objection, because section 25 of the United Nations charter—which, let me repeat, was ratified unanimously in both houses—states that the members of the United Nations, and we are one of them, agree to accept and carry out the decisions of the Security Council in accordance with the charter. Now, we are committed to that. We are committed by our ratification of the United Nations Charter. What does that mean?

Hon. Mr. ROEBUCK: That is, by the Parliament of Canada.

Hon. Mr. CRERAR: All this bill does, as I read it, is to authorize the government of the day at Ottawa to carry out the decisions reached by the Security Council; and the limitation is found in Article 41 of the United Nations Charter, which is printed here as a schedule to this bill. It says:

The Security Council may decide what measures—

Now, note this.

—not involving the use of armed force are to be employed to give effect to its decisions,

—and so forth.

Let me illustrate. There might be a dispute before the Security Council. A member is seeking to violate its obligations under the charter. The Security Council decides to invoke sanctions against such member. For instance, it may ask the other members of the United Nations to withdraw their diplomatic representatives as a censure on the offending nation; or it may say, “You must not export arms or munitions or anything else to such an offending nation”, or “You must cut off communication entirely.” That, as I understand it, is the purport of the powers that we seek to give the government here in Ottawa—whatever government it may be. Surely that does not trench in any way upon the powers of the provinces.

Hon. Mr. LEGER: Suppose, for example, that the order was to stop telephonic communication: would that not be interference? It says, "and other means of communication". Suppose the order was to disrupt or stop telephonic communication.

Hon. Mr. CRERAR: My honourable friend is a lawyer and I am not, and consequently he may at the moment have the advantage of me.

Hon. Mr. LEGER: I am not trying to take advantage of the honourable senator. I am just presenting an argument.

Hon. Mr. CRERAR: I think that if my honourable friend from Toronto-Trinity and my honourable friend who has just raised the point will inquire into the matter, they will find that there are precedents for this kind of control of international communications—not interprovincial but international communications—by the central government at Ottawa. Be that as it may, certainly we must give the federal government power to carry out the commitments that we have already made in giving our adherence to the United Nations Charter. That is all that this seeks to do; with the limitation, as I have already pointed out, that the federal government is barred from sending forces outside of the country to meet a request of the United Nations.

It seems to me that in essence the matter is really very simple. If we are going to carry out our commitments to the United Nations, which we find clearly set out in Article 25, and which let me repeat we agreed to—and our ratification is already placed with the proper authority—it is only common sense and necessary that the federal government have the power to act. It is all very well to say that we should call parliament. Suppose the Security Council sends a telegram to the government here: "We are asking all signatories to the United Nations Charter to withdraw their diplomatic representatives immediately from the offending power". Are we to wait?

Hon. Mr. ROEBUCK: That is within the jurisdiction of the dominion.

Hon. Mr. CRERAR: Are we to wait until parliament has assembled to get authority to do that? I do not believe that is a reasonable view to take. I think this act confers upon the federal government nothing but the necessary power to act when it is called upon to act in accordance with the commitments we have already made to the United Nations.

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

REFERRED TO COMMITTEE

Hon. Mr. HOWARD moved that the bill be referred to the Standing Committee on External Affairs.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 13, 1947.

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

Prayers and routine proceedings.

MILITIA PENSION BILL

FIRST READING

A message was received from the House of Commons with Bill 5, an Act to amend the Militia Pension Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: Honourable senators, this bill will be followed by another one, to be given first reading today. If we were to attempt to dispose of these two measures before we adjourn on Friday, it would be necessary for me to ask leave to move second reading today in order that they might be considered in committee tomorrow morning. But as the bills arise largely out of the powers given under the National Emergency Transitional Powers Act, which remains in effect until the end of March, I know of no particular urgency attaching to them, and so far as I am concerned I would be quite prepared to ask leave to move that they be given second reading tomorrow, in which event they could be considered in committee when we re-assemble after the adjournment.

Hon. Mr. HAIG: I have read both bills and do not think there is any serious objection to Bill No. 5. On the other hand, I know of no special reason why these measures should be rushed through before we adjourn.

Hon. Mr. ROBERTSON: With leave of the Senate, I will move that Bill 5 be placed on the order paper for second reading tomorrow.

FERTILIZERS BILL

FIRST READING

A message was received from the House of Commons with Bill 9, an Act to amend the Fertilizers Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

UNITED NATIONS CONFERENCE

REPORT OF PREPARATORY COMMITTEE

Hon. Mr. ROBERTSON: Honourable senators, I desire to lay on the Table the report of the first session of the Preparatory Committee of the United Nations Conference on trade and employment held in London, and with the indulgence of the house I should like to make a brief statement regarding the significance of this report.

The first session of the Preparatory Committee of the United Nations Conference on trade and employment was held in London from October 15 to November 26, 1946. The whole problem of reducing trade and tariff barriers was discussed, and tentative agreement reached on a draft charter for the proposed international trade organization.

Article 25 of the draft charter, which appears on page 29 of the report of this session of the Preparatory Committee, states that:

Except as otherwise provided in this charter, no prohibition or restriction other than duties, or other charges, whether made effective through quotas, import licences, or other measures, shall be imposed or maintained by any member on the importation of any product of any other member, or on the exportation or sale for export of any product destined for any other member.

It is evident then that the present trend of international trade negotiations points to a possible joint elimination of such prohibitions when negotiations have reached a more advanced stage.

I have not had an opportunity to read this report in detail, but it seems to me that it deals with a subject of very great importance to this country, and I am drawing it to the attention of the house for two reasons. I am not going to suggest the first reason at the moment, because the Chairman of the Committee on Trade Relations is absent, and without opportunity to consult him I would not take the initiative in moving that the matter be referred to that committee. I do think, however, that the subject is of sufficient importance to this country to warrant careful examination. As you know, honourable sena-

tors, our representatives are leaving for Geneva in the next month or two in order to continue negotiations.

There is a second reason which I think is of interest to this house in view of the discussion which surrounded the amendment proposed to the Dairy Industry Act last year, and which may well surround it again. While this is a tentative proposal, it is a draft agreement which, if it should be further developed, contemplates that no country shall resort to import prohibitions of any kind. As I say, in the light of the discussion which took place here last session, this is of more than passing interest, and I thought that instead of merely tabling the document formally I should take the liberty of pointing out these two very important points.

Additional copies of the report are not available at the moment, but in a short time they will be at the disposal of honourable senators for study, and I suggest to the members of the Trade Relations Committee that they might well consider having this report referred to them for examination in the future.

Hon. Mr. BALLANTYNE: Does the honourable gentleman know anything about the personnel of the government delegation that is likely to go?

Hon. Mr. ROBERTSON: It was announced in the press that Mr. Wilgress, formerly the Deputy Minister of Trade and Commerce, and at present our Ambassador to Russia, will head the delegation.

Hon. Mr. DAVIES: Do I understand that the members of the United Nations Organization are meeting for the purpose of discussing tariffs and various other questions?

Hon. Mr. ROBERTSON: That is true.

Hon. Mr. DAVIES: There was a conference along this line held in London last fall, and the Dominion Government sent over a very formidable delegation, including Mr. Hector McKinnon, Chairman of the Canadian Tariff Board, and Mr. David Sim, Deputy Minister of National Revenue for Customs. But did anything come out of that conference in relation to the members of the Commonwealth? Something that I have never been able to understand is this. If a Canadian purchases a Canadian-made article in Canada and pays the sales tax on it and then takes it over to the Old Country, he has to pay a purchase tax on it there. I am wondering if this conference will deal with matters of that nature.

Hon. Mr. ROBERTSON: In answer to that I shall read again what I read before.

The first session of the Preparatory Committee of the United Nations Conference on Trade and Employment was held in London from October 15 to November 26, 1946.

That is the conference to which my honourable friend refers, and the report before us is the report of that conference.

It is not specifically Canada's report; it is a report of a committee of which Canada was a member. I shall not attempt to go into it in all its phases. It is a summary of the discussion and of the tentative agreement to the proposed charter. The report is now being submitted to the respective governments and parliaments. Honourable senators will realize that in the light of their views, there will be a further discussion. It does not necessarily mean that the agreement adopted will be precisely in its present form, nor does it mean, of course, that any country is bound to it until it has been ratified by the parliament of that country. The very point that my honourable friend has brought up suggests to me that the Senate should interest itself in this matter. In the United States today representations are being made from the point of view of that country, and I think the Senate could render a very useful service to this country at large if our committee were to undertake to do the same thing.

I understand that reference was made to this report in the other place last Friday when, I believe, it was tabled there. I have taken the opportunity of pointing out to the Senate the significance and importance of this report in the belief that we could well address ourselves to it. Should copies become available in the interim, I could have them mailed to the honourable senators, so that they may peruse the text in their homes.

Hon. Mr. DAVIES: May I ask the honourable leader one more question? If this matter is referred to a Senate committee, will it be possible to have before the committee some of the representatives of the Dominion Government who attended the conference?

Hon. Mr. ROBERTSON: I should say that it would not only be possible but desirable that those representatives should appear before a Senate committee, and I am sure they would welcome such an opportunity. In my slight experience of international conferences, I have often wished that I had the benefit of having, as my colleague the leader of the opposition had, the point of view of honourable senators.

Hon. Mr. DAVIES: Can my honourable friend tell the Senate if there was any discussion of inter-Commonwealth relations?

Hon. Mr. ROBERTSON: I have no particular knowledge as to that, but I believe there was. I think that was announced in the newspapers. That is a very vital question. It is along the lines of the suggestion made by my honourable friend from Kingston (Hon. Mr. Davies), that officials be brought before the committee which studies this matter.

Hon. Mr. LAMBERT: Honourable senators, is it in order to move that the report be referred to the standing committee for consideration?

Hon. Mr. ROBERTSON: I said I hoped that would be done, but that I did not wish to do it in the absence of the chairman of the committee.

THE SENATE CHAMBER ATMOSPHERIC CONDITIONS

On the Orders of the Day:

Hon. Mr. HAIG: Honourable senators, I wish to call attention of the honourable leader of the government to the fact that this chamber seems to be cold and drafty all the time. The drafts are what I am complaining about particularly. They are not so bad in the front row, but they make the second row and the back row very uncomfortable.

Hon. Mr. HOWARD: Yes.

Hon. Mr. HAIG: I would ask the leader if he could arrange to have the matter investigated by the engineers.

Hon. Mr. ROBERTSON: I will undertake to do that. The honourable senator who shares with me the pleasure of residing in the most beautiful village of Nova Scotia, if not of all Canada, drew attention to the same condition last year. I asked the department to look into the matter, and I understood that it had done so and had remedied the condition. I shall certainly request that a further investigation be made.

CUSTOMS BILL

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of Bill 6, an Act to amend the Customs Act.

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

FEEDING STUFFS BILL

MOTION FOR THIRD READING—REFERRED TO COMMITTEE

Hon. Mr. ROBERTSON moved the third reading of Bill 7, an Act to amend the Feeding Stuffs Act, 1937.

He said: My honourable friend from L'Acadie (Hon. Mr. Leger) said yesterday that he would like to study the act before we proceed further with this bill. I have not had an opportunity to consult with him in the meantime, but subject to any desire that he may have for further consideration of the bill I would move the third reading.

Hon. ANTOINE J. LEGER: Honourable senators, I have the act before me and, as I apprehended, it provides no appeal from the decision of the minister that feeding stuffs of a certain kind or composition are not eligible for registration under the act. After looking through the act I think that this bill is not necessary at all, because it seems to me that all the powers which the minister could possibly require are already provided in the statute. But if this view is not generally accepted and the bill is considered necessary, then I say we should define "public interest". I would not imply anything against the minister, but for some years I was a minister in my province and I confess that when I was politically embarrassed by a question I would reply that it was not in the public interest to give the information requested.

Hon. Mr. HOWARD: That is still the fashion.

Hon. Mr. LEGER: I think it is going very far to give a minister absolute power to say that it is not in the public interest that a certain kind of feed should be registered under this act. If we think that the bill is necessary at all, we should at least define "public interest" as used in this section, or we should provide an appeal from the minister's decision.

Section 14 of the act gives the Governor in Council power to make certain regulations. I should not object to this bill if it authorized the Governor in Council to decide what feeding stuffs should be eligible for registration, but the bill gives absolute power to the minister alone.

Hon. A. L. BEAUBIEN: Does the act not require that regulations made by the minister shall be approved by the Governor in Council?

Hon. Mr. LEGER: I do not read it that way. Section 14 of the act says:

The Governor in Council may from time to time make regulations not inconsistent with the provisions of this act—

And there follows a list of things to which such regulations may be applied. Then according to section 15:

The minister may from time to time make regulations not inconsistent with the provisions of this act respecting—

And this is followed by certain other things.

Then section 16 provides:

Regulations made under this act shall be enforced from the date of their publication in the *Canada Gazette* unless otherwise provided in the said regulations or publication.

As I read it, the regulations made by the minister are not subject to approval by the Governor in Council.

I do not intend to make a motion, but I humbly suggest to the honourable leader of the government that in what I have said there is sufficient ground for referring this bill to a committee in order that we may examine into the working of the act. Some of our honourable members who are farmers will know whether this bill is desirable legislation or not.

Hon. Mr. ROBERTSON: In view of what has been said by my honourable friend from L'Acadie, I would move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. HAIG: I wonder if it would not be better to refer the bill to the Standing Committee on Natural Resources. One reason for making this suggestion is that my honourable friend from Saskatchewan North (Hon. Mr. Horner) wishes to bring before that committee another matter which would come under the same bill, namely, rock salt for cattle.

Hon. Mr. LEGER: How would it be to refer it to the two committees sitting together and acting as a joint committee on this matter?

Some Hon. SENATORS: Oh no.

Hon. Mr. LEGER: There is a legal question involved.

Hon. Mr. LAMBERT: I think the point which has been raised as to the implications of this section is a very important one, and reference to the proper committee to discuss this matter is a very important consideration. For a long time there has been constantly an issue between the manufacturer of feeds and the consumer of feeding stuffs in this country. As a very simple illustration, the alleged quantity of screenings that goes into mill offal has been a frequent source of contention between certain classes of consumers and the manufacturer. I think that if the officials of the department cannot satisfy the minds of the committee in connection with this matter, whatever committee considers this bill should be prepared to call in one or two representative agents of the different interests concerned. While I am inclined, off-hand, to refer it to the Committee on Agriculture, I am not just sure that that is the proper committee to consider it. Possibly it requires a broader representation than even the agricultural interests.

Hon. Mr. HAIG: If I may speak again, I would say that the reason I suggested the Committee on Agriculture was that I was accepting the view of the honourable senator from L'Acadie (Hon. Mr. Leger). He said that the farmers will know whether the legislation is desirable or not. I am of the same opinion. We can easily call before that committee representatives of the Department of Justice who will explain the legal position and cover that phase of the subject. But fundamentally this is a farmers' proposition; the real object is to protect the farmers who are feeders, and personally I would prefer to see the bill referred to the Committee on Natural Resources.

Hon. Mr. MacLENNAN: I do not think it is a matter of great importance whether this bill is referred to one committee or another, because if they approve it, they really will not know what they are approving of. The bill is to be "subject to regulations", and we do not know what the regulations are. I would say that before it is sent to any committee the members who compose that committee should know what the regulations are. I heard one of the most eminent of English judges declare that it has become the fashion to pass statutes, and under them to impose regulations of which the people in general know nothing. It is this practice, which he disparaged, that is involved in the present bill. Suppose honourable senators unanimously approve of the bill, what do they know about the regulations? I believe that the regulations which it is proposed to frame in connection with the bill should be attached to it, because their effect may be to alter altogether the operation of the statute.

Hon. Mr. CRERAR: Honourable senators, it seems to me that the bill should be sent to a committee. Whether that committee be the Committee on Agriculture or the Committee on Banking and Commerce does not matter, perhaps, a great deal. But the honourable senator for L'Acadie (Hon. Mr. Leger) has raised a point which I think is entitled to some consideration, namely, what is meant by the words "public interest".

Who is to judge what constitutes public interest in this matter? I venture to say that on a set case you could get a dozen different opinions from members of this honourable house as to what is signified by "the public interest." I do not know whether the term could be more closely defined or not; but at any rate if the bill goes before a committee, that committee could ascertain what is in the mind of the officials of the department, or of the Minister of Agriculture, in suggesting this

type of amendment to the Feeding Stuffs Act. I look with a good deal of concern upon the extension of rather broad, blanket powers, even on a matter which perhaps is not so very important. The principle is unsound. For this reason I should like to see the bill go to a committee to be further explored and, possibly, improved. But I repeat that if we begin to embed in laws this ill defined principle of "public interest", we shall get very badly off the track.

Hon. Mr. COPP: I wonder whether we are in order in discussing this at the moment.

Hon. Mr. LEGER: Oh yes. I understood that the leader moved that the bill be not now read a third time, but that it be referred to the Committee on Banking and Commerce. That was certainly in order.

Hon. Mr. COPP: We will be in order as soon as the motion for the third reading of the bill has been discharged from the order paper.

An Hon. SENATOR: That has been done.

Hon. Mr. COPP: No; I beg your pardon.

The Hon. the SPEAKER: With leave of the Senate, the honourable leader may withdraw the motion for third reading, and then move that the bill be referred to committee.

Hon. Mr. ROBERTSON: With leave of the Senate, I withdraw that motion.

The Hon. the SPEAKER: Leave is granted.

Hon. Mr. ROBERTSON: I now move that this order be discharged from the order paper, and that the bill be referred to the Standing Committee on Natural Resources. My proposal that it be referred to the Committee on Banking and Commerce was made upon the assumption that it might facilitate business, because the other committee was sitting; but that is not a really important consideration. The habit of referring to the Banking and Commerce Committee some matters which, though quite within its province, might be referred to some other committee has perhaps caused me to overlook the very excellent services of the Standing Committee on Natural Resources and its chairman.

The motion was agreed to, and the bill was referred to the Standing Committee on Natural Resources.

PUBLICATION OF STATUTES BILL THIRD READING

Hon. Mr. ROBERTSON moved the third reading of Bill E, an Act to amend the Publication of Statutes Act.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. WILLIAM DUFF: Honourable senators, it is our duty at every session of this parliament to consider the speech which His Excellency the Governor General comes here and delivers for our benefit. I am sure that all of us agree with His Excellency in his expressions of good wishes to this country.

We should reciprocate by wishing Their Excellencies the very best of everything while they are in this country acting as the representatives of His Gracious Majesty King George VI.

It is the privilege of those who are appointed to this distinguished body to express not only their own views but also those of the people whom they represent, from the Atlantic to the Pacific. This is not only a privilege; it is a pleasure. When I look at you, Mr. Speaker, and see you presiding over this assembly, my memory goes back a great many years. I first met you in the city of Vancouver in the year 1920, when you were a member of the Government of British Columbia. Since then you have filled many posts, having long been a member of the Privy Council of Canada and a distinguished colleague of the present Prime Minister, first as Minister of Public Works, later as Minister of Health, and now as Speaker of the Senate. To you I extend my heartiest good wishes, as does everybody, I am sure, who has ever known you.

Some hon. MEMBERS: Hear, hear.

Hon. Mr. DUFF: We listened with a great deal of attention to the speeches made by two of our newest members. Those of us who have been here for some years, and who also had the privilege of being elected to the other place, have heard many Speeches from the Throne as well as many speeches in debate, and I am sure that while listening to these two young men the other day we could not easily forget that we are growing old. This is an age of young men, and we are very proud indeed to have such capable men appointed to this chamber. I am sure that in wishing them long life and many years of service in this chamber, I am expressing the views of everybody who had the pleasure of hearing them speak.

We also listened with intense interest to the speeches made by our two leaders. Those speeches were in a serious vein and referred to very important matters related to the international situation as it exists today. Although I enjoyed those speeches, I could not help agreeing yesterday with my honourable friend from Saskatchewan North (Hon. Mr. Horner) that it would be a nice thing perhaps for the lion and the lamb to lie down together. I know that the honourable leader opposite did a good job at the United Nations conferences. How lovely it must be to go to Paris, or Lake Success, or San Francisco. I hope that down in his heart—or at least in his prayers—the honourable gentleman has not forgotten that a lot of "us Grits" were left sitting at home biting our fingernails. But there is no question about it that after hearing the international situation explained the other day, we all felt that the world was in a very serious condition.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. DUFF: It does not matter what our political views may be, we are all concerned about seeing that the world gets out of the present chaotic condition in which it finds itself, and we appreciate the good work that our delegates did at the conference.

It is to be regretted that though the lion and the lamb can lie down together, neither we nor our representatives can make agreements with "The Bear that walks like a Man". We who sit on the sidelines and watch the different conferences take place are wondering just how much longer we should sit back and quietly allow any one particular power to tell those who are not in favour of its policies what it is going to do.

We have been sending millions upon millions of dollars worth of our goods to countries which support this "great bear" of Russia—to Poland, for instance. This is both amusing and expensive. I do not mind assisting somebody for whom I have respect, but it seems to me that if Russia has so much influence over Poland and some other European countries that she can control them in peace conferences at London, Paris, Lake Success or San Francisco, the least she should do is pay their bills and feed their people.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DUFF: However, honourable senators, there are some bright spots. Canada and the United States for many years have led the way in showing other countries what two nations lying side by side can do. I am sure that everybody must have been gratified to read the dispatch which appeared in the newspapers yesterday. The announcement in

Ottawa and Washington of general approval of the continued defence collaboration between Canada and the United States, was received with the greatest delight. The speeches in connection with greater peace plans between the two countries were a great contribution towards the peace of the world.

Canada and the United States have been neighbours for the last one hundred years, and there has been neither a fort nor a gunboat along our border. They have a cosmopolitan population, made up of peoples from Europe, Asia and every part of the world; yet they can live side by side and work out their problems, whatever they may be, and still remain loyal to the principles of peace. It was a splendid thing to read, as we did this morning, about the decision that has been arrived at in the last two or three days between the governments of Canada and the United States, whereby they have pledged themselves anew to walk in the paths of peace and set the lead for every other country in this world.

When we talk about peace between Canada and the United States, there is but one thing that I regret, and that is that there is not enough attention paid to fiscal matters between the two countries. If there is to be real peace between any two countries, their trade relations must be such that both countries will benefit and there will be no bad feeling between them. I hope that it will be in the future plans of world peace that there will be no such thing involved as the forty-ninth or any other parallel of latitude in reference to Canada and the United States, and that there will grow up between the two nations a feeling that we should do everything possible to increase the trade between these countries and, if possible, remove tariffs and other restrictions altogether.

Hon. Mr. BALLANTYNE: Surely my honourable friend does not mean free trade!

Hon. Mr. DUFF: As my honourable friend has asked me that question I will say that I am a great believer in the Churchill-Roosevelt doctrine. I remember how proud I was when the warships lay off my native land, and Roosevelt and Churchill got together and discussed the different phases of the war and decided on the "Four Freedoms", one of which, if I remember rightly, was freedom of trade. Honourable senators, I believe in free trade. If I am the only man in this country who does so, I still believe in free trade. I cannot understand why there should be any tariffs between nations. I feel that each nation should stand on its own feet and sell its goods in the most favourable market, and buy where it can buy cheapest.

Hon. Mr. DUFFUS: "No truck nor trade with the Yankees!"

Hon. Mr. DUFF: I believe in trade with all countries.

Hon. Mr. ASELTINE: They did not decide that at the conference.

Hon. Mr. DUFF: They did not decide it; they recommended it.

Hon. Mr. BALLANTYNE: That is quite different from free trade.

Hon. Mr. DUFF: My honourable friend from Peterborough (Hon. Mr. Duffus) has a name that is similar to mine, and I have been endeavouring to compromise with him for several years as to whether I should put the "us" in my name or he should drop it from his. My honourable friend from Winnipeg (Mr. Haig) certainly should be a free-trader. I say to him that as far as I am concerned I have always been in favour of free trade, for I believe it is only with such a policy that a country will ever prosper.

I should like for a moment to discuss some of our local problems. In the Speech from the Throne there was reference to the tax agreements negotiations that have been carried on with certain of the provinces. I am not quite sure, honourable senators, whether this is the proper time to discuss this matter; but if we wait until the government has introduced legislation and it has reached us, we will find ourselves in a very embarrassing position. I should like, therefore, to give my views now on what is known as federal-provincial relations. If I am correct, when we were fighting the Axis powers the federal authorities were considerably worried as to where they were going to get sufficient revenue to carry on that great fight. I think that during the war years everybody in Canada was inclined to give the government full power to raise all the taxes possible, and, although it is pretty clearly laid down in the British North America Act that the federal and provincial authorities would each have certain taxing powers, in 1941, I think it was, the federal government entered into a five-year agreement with the provinces, whereby it could collect succession duties, income taxes, etc. As I say, everybody at that time was anxious to win the war, and although there was a double succession duty, as well as other burdens, we felt that this was all right. But once the war was over, the question came up as to whether these agreements should lapse, and the provinces return to the position in which they were before the 1941 agreement.

I submit that we who have been summoned to this chamber by His Excellency the Governor in Council, and the members of another place who have been elected by the people of this country from the Atlantic to the Pacific, are representatives of federal opinion. It is the duty of members of both houses of parliament to see that the federal authority and the federal taxpayers are protected. Similarly, it is the duty of members of the legislatures to look after their respective provincial interests.

The federal authority felt that it should have a conference with the provincial authorities. In my opinion that was a mistake. I think that if it is necessary for the provincial authorities to raise more money to carry on their economy, they should do so by one means or another. However, the fact is that the federal authority decided to try to make an agreement with the provincial authorities. I say with the "provincial authorities," not with the "provinces," because we all are residents of one or other of the provinces. Nowadays we are British subjects, Canadian citizens, residents of the provinces—and I do not know what we are.

Hon. Mr. LACASSE: Or what we are not.

Hon. Mr. DUFF: Or what we are not. But at any rate we all are residents of the provinces, and for that reason I am making a distinction between the provinces and the provincial authorities.

A meeting between the federal authority and the provincial authorities was held, and after figures had been presented to show how much money the provincial authorities collected from succession duties, corporation taxes, provincial income taxes and so on, the federal authority felt that the provincial authorities would be making a good bargain if in return for giving up the right to levy all those taxes they received a payment on the basis of \$10 per head of their population. The provincial authorities, however, did not think that figure was high enough, and the conference broke up.

Afterwards the dominion authority carried on negotiations with some of the provincial authorities separately, and had meetings with them separately, and as a result an agreement was arrived at with the provincial authorities of Manitoba, Saskatchewan and New Brunswick whereby the federal authority would pay them at the rate of \$15 per head instead of \$10. Honourable senators, if I am looking at this thing properly, I cannot see why there should be any horse-trading between the federal authority and provincial authorities. If the dominion government owed something to the provincial governments, or wanted to trade with them in certain taxation fields, a fair

agreement should be made. But I cannot understand why in these negotiations the ante should be raised by the federal authority from \$10 to \$15 per head in one jump. And that was not all, because we find that the federal authority agreed to pay Saskatchewan not only \$15 per head of population, but also to cancel a debt of some \$44,000,000 and interest of \$16,000,000. In other words, the dominion agreed to make Saskatchewan an outright present of \$60,000,000.

During the depression Nova Scotia and the other Maritime provinces had to raise money for certain purposes, to take care of unemployment relief and so on. Well, we raised the money ourselves. We did not come to the federal government and ask for a gift or a loan. Why should the federal government now agree to give Saskatchewan \$60,000,000, and give nothing to Nova Scotia, New Brunswick and Prince Edward Island?

In my opinion these agreements are nothing to be proud of. I noticed that our good friend the Premier of New Brunswick, who was in Ottawa and agreed to accept a payment of \$15 per head of the province's population, promptly boasted on his return to Fredericton that he had made a good bargain with the federal authority because the provincial government would receive \$2,500,000 a year more than it could have collected under the taxes which it gave up. Let us not forget, honourable senators, that these agreements are between members of the same family, as it were. If I made a bargain with one of my honourable friends opposite and he got the better of me, that would be all right; but the kind of bargain that the Premier of New Brunswick boasted about is altogether different.

For the benefit of my honourable friends from New Brunswick let me make it clear that I have not the slightest thing against that province. If there had been some difficulties between New Brunswick and Maine, let us say, and the Premier of New Brunswick had gone to Washington and made an agreement under which the provincial government would receive from United States authorities a payment representing an annual profit of \$2,500,000 for the province, I would say that he had something to boast about. That would be new and outside money. But in this country the federal authority and the provincial authorities represent one family. We all pay taxes to our respective provincial governments and to the federal government, and the residents of New Brunswick will have to pay back to the dominion part of the money that they receive from the dominion. That seems to me to be a ridiculous state of affairs.

Hon. Mr. ASELTINE: Will the honourable gentleman say what he would have done if he had been Premier of New Brunswick?

Hon. Mr. DUFF: I was never premier of a province, and I do not know that my honourable friend ever was. What I am trying to say is—and I am sorry if I cannot make it clear—that the dominion and provincial authorities represent the one group of people, one family, as it were. The people who pay taxes to one or more of the provincial governments pay taxes also to the dominion government. What is the sense in taking money out of one of our pockets, and putting it in another? We are robbing Peter to pay Paul.

Hon. Mr. HAIG: Would the honourable gentleman permit me to interrupt him? The premiers of New Brunswick, Manitoba and Saskatchewan were ready to recommend to their governments that the dominion's offer of \$15 be accepted. Then along came a premier from the Pacific Coast who had five acres in his pack.

Hon. Mr. DUFF: I am coming to that. Don't spoil my speech; I had trouble enough getting it ready.

As my honourable friend says, after the premiers of New Brunswick, Saskatchewan and Manitoba had agreed to the bargain offered by the dominion government, the Premier of British Columbia came along, and he was a better horse trader than the others. He was able to go back and tell his people that the government of British Columbia would get from the dominion government a payment on the basis of \$20 or \$21 a head.

Hon. Mr. McKEEN: British Columbia gave the dominion more, though.

Hon. Mr. DUFF: Of course, British Columbia always gives more than any other province.

Hon. Mr. McKEEN: Hear, hear.

Hon. Mr. DUFF: It is perhaps quite true that, as my honourable friend says, the government of British Columbia gave up a little more to the federal authority than other provincial governments did, but I do not see why one province should be treated differently from another. My view is that every province should be treated alike. Anyway, as soon as it became known that the federal authority had agreed to make a payment to the British Columbia authority at \$20 or \$21 a head, the premiers of Saskatchewan, Manitoba and New Brunswick went up in the air and repudiated their agreements. That is the kind of horse-trading which is being done in this very important sphere of dominion-provincial relations. The first bargain was at \$10 per

head. That was supposed to be fair, but for some reason a second bargain was made at \$15 per head. The latest figure agreed upon has been \$20 or \$21. But goodness only knows how much Mr. Duplessis will get if he comes here to negotiate with the dominion in a couple of months. He will probably strike a bargain at \$25 a head, and then new agreements will have to be made with all the other provinces.

Somebody said that the dominion government made this gift of \$60,000,000 to the Saskatchewan government because the province was poor. I am sure that no honourable gentleman representing Saskatchewan in this house will admit that. I certainly am not going to admit that about Nova Scotia, and I know that my honourable friends from King's and Queen's (Hon. Mr. Sinclair and Hon. Mr. McDonald) will not admit it about New Brunswick and Prince Edward Island.

Hon. Mr. ASELTINE: What does Nova Scotia want?

Hon. Mr. DUFF: I will tell you. Nova Scotia would like the very thing that my honourable friend objects to, namely, free trade. What we want in Nova Scotia is an expansion of our foreign trade. We do not like having all our business centralized in Toronto and Montreal.

Hon. A. L. BEAUBIEN: That is a good come-back.

Hon. Mr. ASELTINE: How would you solve the problem?

Hon. Mr. DUFF: What problem?

Hon. Mr. ASELTINE: The problem between the provinces and the dominion.

Hon. Mr. DUFF: As I stated when beginning, under our constitution the provincial authorities have certain rights and the federal authority has certain rights. I say that as the war is now over the dominion and the provinces should once more assume their respective rights. While the war was on it was perhaps proper for the dominion to say to the provincial governments, "In order to carry on during this national emergency we need your help." But that situation no longer exists.

Let me put this to my honourable friend. If his income last year was \$50,000 and this year it is \$100,000, is he likely to spend more this year than last year? Is he more likely to be extravagant this year? Of course he is. And that holds true of provincial government expenditures. If out of moneys from the federal treasury the provincial governments are paid a sum in excess of their former

revenues, they are likely to become wasteful and extravagant. I say that with the utmost respect for the governments of our provinces. It is only natural that the more money you get the more you will spend.

Let me now refer to some figures for the last five years, to show you that the provinces are not so "hard up".

That the provinces are not, after all, so hard up is indicated by the following comparison of total revenues in 1937 and 1944:

	(Thousands of dollars)	
	1937	1944
Prince Edward Island	1,583	2,168
Nova Scotia	10,489	17,651
New Brunswick	7,656	12,858
Quebec	57,284	100,751
Ontario	87,017	115,459
Manitoba	15,386	20,418
Saskatchewan	16,855	31,570
Alberta	19,146	29,111
British Columbia	30,573	40,963

A province such as British Columbia, whose revenue has jumped in seven years from \$30,000,000 to \$40,000,000, should not require any hand-outs from the federal taxpayer who today is expecting a reduction and not an increase of taxation. If we are to pay from the federal treasury to the various provinces \$150,000,000 more than we shall receive by taking over certain provincial sources of taxation, how are we to reduce federal taxation? How are we ever to get back on our feet as far as the federal economy is concerned? So I say that in my opinion the whole system is a mistake; and while I have not very much respect politically for the governments of Quebec or Ontario, I feel that they are justified in refusing to enter the new scheme, if they can obtain enough revenue otherwise to carry on upon their own account. So far as the other provinces are concerned, if they are not raising sufficient revenue by their present methods of taxation, it is their duty to find some other alternative than to resort to the hard-pressed taxpayers of the federal Government—a government which today is carrying from fifteen to seventeen billions of dollars of public debt. I remember that after the last war, when the public debt was a little over two billion, all of us got gray-headed over it. Now it is between fifteen and seventeen billion, yet we are asked or are going to be asked to pay out an additional 125 million dollars to the provinces over and above what we shall receive through taking over succession duties and other taxes.

I say therefore, honourable senators, that it is our duty, as federal representatives of the people of this country, to oppose this legislation when it comes before us; and this, not because we belong to a certain province, for

in addition to belonging to a particular province we belong to the whole country. It is our duty, as representatives of the federal authorities of this country and the federal taxpayers, to see that no money is given out unless the expenditure is absolutely necessary and fully justified.

I feel that this is a very serious matter and one to which we should give every consideration. So far as I am concerned—although I am ready to do anything possible to give the provinces such additional revenue as they need, and are entitled to—it is my conviction that if we give any of these provinces a great deal more money than they receive now, and substantially more than they raise from their ordinary revenues, all that money will be spent, and much of it, perhaps, in ways which would not be in accord with good business principles. This is not to say that the provincial authorities are not honest, or that they are not sincere, but if any province gets quite easily say, five, ten or fifteen million dollars from the federal treasury, it will feel at liberty to go ahead and spend that money in any way it sees fit. Of course, it may be said, "Oh well, they have greater responsibilities now and they need more money to carry on the business of the province." It seems to me that the federal taxpayer is doing very well so far as his obligations to the provinces are concerned. One has only to look at the contributions to old age pensions, to unemployment insurance, and also by way of baby bonuses—in which many people, though perhaps not honourable senators, are greatly interested. It would be much better economy if the federal government, especially in view of its inability to make an agreement with the provinces, would say to them, "Gentlemen, we will put you back in the same position that you occupied in 1941, and if you cannot raise enough revenue from your own economy you will have to impose more taxation."

Hon. A. L. Beaubien moved the adjournment of the debate.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. A. K. HUGESSEN moved the second reading of Bill D, an Act respecting the Toronto, Hamilton and Buffalo Railway Company.

He said: The honourable senator from Lincoln (Hon. Mr. Bench) asked me to give a brief explanation of this bill on the second reading.

This is a very simple bill, and merely purports to ratify a trust deed issued by the Toronto, Hamilton and Buffalo Railway Company in favour of the Royal Trust Company as trustee, securing an issue of \$2,000,000 of notes of the railway company, and the issue of the notes under that deed. Apparently there was some question as to whether under its present legislative powers the railway company had the right to issue this particular form of security, which, I may say, replaces a very much larger issue of bonds originally issued, and which have been paid off from time to time during the past few years.

Hon. Mr. MURDOCK: When I was a railway worker I understood that the New York Central owned 52 per cent of that railroad and the Canadian Pacific Railway owned 48 per cent. Could the honourable senator tell us whether conditions have changed, and in what respect? Is the company itself getting the \$2,000,000?

Hon. Mr. HUGESSEN: I think my honourable friend is right. I am speaking without much knowledge of the matter, but I understand that the Toronto, Hamilton and Buffalo Railway Company is owned to the extent of approximately 50 per cent by the New York Central Railway, and 50 per cent by the Canadian Pacific Railway; but it is a corporate entity of itself and does its own borrowing. I might add that I understand this is not new money, but just to refund a very much larger amount of bonds.

Hon. Mr. HAIG: The rate is $2\frac{3}{4}$ per cent, and I think the old rate was 4 per cent.

Hon. Mr. HUGESSEN: Yes. It is a very good deal.

Hon. Mr. DAVIES: I have read the bill, and I note that the trustee is under no obligation whatever. I understand that this is a public offering. If this bill passes through parliament, as no doubt it will, it is a guarantee to the people of this country that it is a good investment. Am I correct?

Hon. Mr. HAIG: No.

Hon. Mr. DAVIES: Before I vote for the bill I should like a much clearer explanation of it than we have had so far.

Hon. Mr. HUGESSEN: I am sorry if I was not sufficiently clear for my honourable friend, and I hope I shall be able to answer any questions that he puts.

There is no question here of a guarantee at all. This is not a guarantee by the Dominion Government or anybody else of the bonds of this company; it is merely an authorization to the company to issue these particular notes.

In answer to the honourable senator's question with reference to a public issue, I understand that in this case no public issue of these notes is involved. If my honourable friend will look, he will see that the total amount involved is \$2,000,000, which matures at the rate of \$200,000 in each of the next ten years.

Hon. Mr. DAVIES: I read that.

Hon. Mr. HUGESSEN: As he knows, public institutions such as banks and insurance companies are only too anxious to invest in short-term obligations of this kind. I understand there is no question of any public offering of this issue at all.

Hon. Mr. MURDOCK: Would my honourable friend pardon me again? If the New York Central owns 52 per cent of the railroad and the Canadian Pacific Railway owns 48 per cent, where is the backing for this loan of \$2,000,000 by the Toronto, Hamilton and Buffalo Railway?

Hon. Mr. HUGESSEN: I think the answer to my honourable friend is simply, as I said before, that this railway is owned partly by the New York Central and partly by the Canadian Pacific; but it has a corporate entity, and it owns its own railroad, its own stations and its own rolling stock. That is the security for this loan.

Hon. Mr. DAVIES: Honourable senators, I quite agree that this is not a guarantee, but supposing these insurance companies and other organizations do not take up this \$2,000,000, and that there are private investors who want to invest some money, what position would they take? Would they not naturally assume, if the Parliament of Canada passes this bill, that parliament had looked into all the particulars of the assets and liabilities of the company, and all that sort of thing, and would they not say to themselves, "This is a good investment, because if it were not, the Parliament of Canada would not have given the company the right to borrow the money?"

Hon. Mr. FOSTER: The ownership by the New York Central and the other railways may be under a term lease, on a proportion of traffic, or something of that kind which gives the original company some revenue. That is, the ownership by these two railways may not involve control of the total income of this railway. Hence there might be something as between the two.

Hon. Mr. LEGER: What I would like to know—I do not think there is much to it—is, whether the original company by its charter had authority to issue notes in the first place? Also, had it authority to borrow to the extent of \$2,000,000? If these two provisions were

in the original act, all very well. But if the authority was not contained in the original act, and the company has actually issued the notes and then comes to us to ratify what it has done without authority, that is another matter. If there was the authority, and if it extended to an issue in the amount of \$2,000,000, and all that is desired is ratification of some technical matters; to that I can see no objection.

Hon. Mr. HUGESSEN: Honourable senators will bear in mind that I am only the Charlie McCarthy here. Bergen is sitting right beside me.

Hon. Mr. DAVIES: Let us hear from Bergen.

Hon. Mr. HUGESSEN: I think I can satisfy the three honourable senators who have spoken. In reply to the honourable senator from Kingston (Hon. Mr. Davies), I may say that I am instructed that the whole of this issue has been purchased by the Bank of Montreal, so there is no question of any public offering. In the second place, in reply to the honourable senator from Saint John (Hon. Mr. Foster); there is no lease; the Toronto, Hamilton and Buffalo Railway owns its own property. It owns its railway and its rolling stock. The ownership by the New York Central and the Canadian Pacific is merely a stock ownership: each of these companies owns half the shares. In answer to my honourable friend from L'Acadie (Hon. Mr. Leger), I might explain that in 1915 the Toronto, Hamilton and Buffalo Railway Company obtained the power to issue bonds or debentures to a total of \$10,000,000. That indebtedness was gradually reduced until, a short time ago, it was a little over \$2,000,000. Then the company wished to refund the balance by the issuance of these notes, and it was merely a question of law as to whether the original authorization gave the power to issue what were called "notes", instead of bonds or debentures. It is merely to clear up this matter that the bill is presented.

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

REFERRED TO COMMITTEE

Hon. Mr. BENCH moved that the bill be referred to the Standing Committee on Transport and Communications.

He said: Honourable senators, I should like to say a word of apology for having been absent from this chamber when Bill D was being discussed. I was unavoidably delayed.

I wish to thank my honourable friend from Inkerman (Hon. Mr. Hugessen) for moving the second reading on my behalf and explaining the bill on such short notice. I should also like to thank honourable senators for the kind consideration they have shown in the questions asked of the honourable senator for Inkerman (Hon. Mr. Hugessen).

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, February 14, 1947.

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

Prayers and routine proceedings.

INSPECTION AND SALE BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce on Bill 8, an Act to amend the Inspection and Sale Act, 1938.

He said: Honourable senators, the committee have, in obedience to the order of reference of the 12th of February 1947, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 1, lines 7 to 9 inclusive. Delete paragraph (a) of clause 12A, and reletter subsequent paragraphs.
2. Page 1, line 10. After "means" delete "any" and insert "the scutched."
3. Page 2, line 2. For "proof" substitute "evidence."
4. Page 2, line 5. Delete "and without further proof thereof."
5. Page 2, lines 14 and 15. Delete "and not less than fifty dollars."
6. Page 2, line 16. Delete "such."

The Hon. the SPEAKER: When shall these amendments be taken into consideration?

Hon. Mr. ROBERTSON: Honourable senators, unfortunately I was unable to be present this morning when the Committee on Banking and Commerce was considering this bill, and I would ask honourable senators to defer consideration of this report until I have had an opportunity of ascertaining the viewpoint of the government with respect to the changes proposed, in order that I may enlighten the house as to their significance, if any.

The report stands.

SUBSIDIES ON CONTROLLED
COMMODITIES
INQUIRY

Hon. Mr. BALLANTYNE inquired of the Government:

What is the total amount of subsidies paid by the Commodity Prices Stabilization Corporation or any other agency to maintain ceiling prices on all commodities controlled during the periods from April 1, 1945, to March 31, 1946, and from April 1, 1946, to date?

Hon. Mr. ROBERTSON: I may say to my honourable friend that I am having a statement prepared. When the Senate opened this afternoon the information was not available, but I am hoping to have it before 4 o'clock, in which case I shall table it. If through unforeseen circumstances it should not be available when the Senate adjourns, I will table it at the next sitting, and in the meantime I will send a copy of it to my honourable friend.

Hon. Mr. BALLANTYNE: I suggest that the honourable leader leave it until we meet again on March 5.

INDIAN ACT

JOINT COMMITTEE—MESSAGE FROM THE
HOUSE OF COMMONS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons reading as follows:

Resolved, That a Joint Committee of the Senate and the House of Commons be appointed to continue and complete the examination and consideration begun by a joint committee of the Senate and the House of Commons, pursuant to a resolution of the House on May 13, 1946, and continued by a commission under the Inquiries Act, appointed by Order in Council P.C. 3797, dated the 11th day of October, 1946, of the Indian Act, Chapter 98, R.S.C. 1927, and amendments thereto, and to suggest such amendments as they may deem advisable, with authority to investigate and report upon Indian administration in general and, in particular, the following matters:

1. Treaty rights and obligations.
2. Band membership.
3. Liability of Indians to pay taxes.
4. Enfranchisement of Indians both voluntary and involuntary.
5. Eligibility of Indians to vote at dominion elections.
6. The encroachment of white persons on Indian reserves.
7. The operation of Indian day and residential schools.
8. And any other matter or thing pertaining to the social and economic status of Indians and their advancement, which, in the opinion of such committee should be incorporated in the revised act.

That the following members be appointed to act on behalf of the House of Commons on the said joint committee, namely: Messrs. Arsenault, Brown, Brunelle, Bryce, Blackmore, Case, Castle-

den, Charlton, Church, Farquhar, Gariepy, Gibson (Comox-Alberni), Glen, Harkness, Little, Matthews (Brandon), MacLean, MacNicol, Raymond (Wright), Reid, Richard (Gloucester), Stanfield.

That a message be sent to the Senate requesting their honours to appoint Senators to act as members of the Senate on the said special joint committee.

That the records, exhibits and evidence received and taken by the joint committee during the last session of parliament and by the commission aforesaid, be made available to the said joint committee and made part of the records thereof.

That the said committee have power to appoint from its members such subcommittees as may be deemed advisable or necessary to deal with specific phases of the problem aforesaid with power to call for persons, papers and records, to examine witnesses under oath and to print such materials from day to day as may be ordered by the committee for the use of the committee and members of the House of Commons and the Senate.

That the said committee shall report from time to time and that the provisions of Standing Order 65 limiting the number of members on special committees be suspended in relation thereto and that a message be sent to the Senate to acquaint their honours therewith.

When shall this message be taken into consideration?

Hon. Mr. ROBERTSON: Now.

MOTION

Hon. Mr. ROBERTSON moved:

That the Senate do unite with the House of Commons in the appointment of a joint committee of both houses to continue and complete the examination and consideration begun by a joint committee of the Senate and the House of Commons, pursuant to a resolution of the Senate of May 16, 1946, and continued by a commission under the Inquiries Act, appointed by order in council P.C. 3797, dated the 11th day of October, 1946, of the Indian Act, Chapter 98, R.S.C. 1927, and amendments thereto, and to suggest such amendments as they may deem advisable, with authority to investigate and report upon Indian administration in general and, in particular, the following matters:

1. Treaty rights and obligations.
2. Band membership.
3. Liability of Indians to pay taxes.
4. Enfranchisement of Indians both voluntary and involuntary.
5. Eligibility of Indians to vote at dominion elections.
6. The encroachment of white persons on reserves.
7. The operation of Indian day and residential schools.
8. And any other matter or thing pertaining to the social and economic status of Indians and their advancement, which, in the opinion of such committee should be incorporated in the revised act.

That the following senators be appointed to act on behalf of the Senate on the said joint committee, namely, the Honourable Senators: Blais, Dupuis, Fallis, Horner, Johnston, Macdonald (Cardigan), MacLennan, Nicol, Paterson, Robicheau, Stevenson and Taylor.

That the records, exhibits and evidence received and taken by the joint committee during the last session of parliament and by the commission aforesaid, be made available to the said joint committee and made part of the records thereof.

That the said committee have power to appoint from its members such subcommittees as may be deemed advisable or necessary to deal with specific phases of the problem aforesaid with power to call for persons, papers and records, to examine witnesses under oath and to print such materials from day to day as may be ordered by the committee for the use of the committee and members of the House of Commons and the Senate.

That a message be sent to the House of Commons to inform that house accordingly.

Hon. Mr. CRERAR: May I inquire if the reference is the same as the one of last year?

Hon. Mr. ROBERTSON: Exactly.

The motion was agreed to.

The Senate adjourned until Wednesday, March 5, at 3 p.m.

THE SENATE

Wednesday, March 5, 1947.

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

Prayers and routine proceedings.

CANADA GRAIN BILL

FIRST READING

A message was received from the House of Commons with Bill 4, an Act to amend the Canada Grain Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

MILITIA BILL

FIRST READING

A message was received from the House of Commons with Bill 14, an Act to amend the Militia Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

Hon. Mr. ROBERTSON.

DEPARTMENT OF NATIONAL DEFENCE BILL

FIRST READING

A message was received from the House of Commons with Bill 19, an Act to amend the Department of National Defence Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

SUBSIDIES ON CONTROLLED COMMODITIES

INQUIRY

On Notices of Inquiries and Motions:

Hon. Mr. BALLANTYNE: The honourable leader has not mentioned the inquiry that I made some time ago about subsidies, though he promised he would present a statement on it today.

Hon. Mr. ROBERTSON: I was going to make an explanation in respect of that when the order for Inquiries was called.

Hon. Mr. BALLANTYNE: I thought Inquiries were called.

Hon. Mr. ROBERTSON: When I intimated, just before our recent adjournment, that the statement being prepared for my honourable friend was practically ready, I was under a misapprehension. The statement I referred to covered a report from the Wartime Prices and Trade Board, but I now find that reports from two other departments should be included—the Department of Agriculture and the Department of Reconstruction and Supply. Just before coming into the chamber I was advised that the report from the Wartime Prices and Trade Board is available, and that the Department of Agriculture hoped to have its report completed this afternoon. It may be a day or two, however, before the report of the Department of Reconstruction and Supply is ready. As soon as all the information is received it will be tabled. I apologize to my honourable friend for misleading him into the belief that a reply to his inquiry had been practically completed.

PRIVATE BILL

FIRST READING

Hon. Mr. McKEEN presented Bill G, an Act respecting British Columbia Telephone Company.

The bill was read the first time.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

The Senate resumed from Thursday, February 13, the consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. McKeen for an address in reply thereto.

Hon. J. FREDERICK JOHNSTON: Honourable senators, in rising to make a few observations on the motion before the house, I desire, first of all, to offer my congratulations to the mover (Hon. Mr. McKeen) and the seconder (Hon. Mr. Bouffard) of the address in reply. This is, I think, the thirty-first session of parliament at which I have been privileged to listen to the speeches made by the mover and seconder of the address, and I can assure the honourable gentlemen who performed the duty on this occasion that their speeches compared very favourably with those that I have heard in the past.

Dealing with the material things of this country, I find that the income from natural products in Canada for the year 1945 totalled \$11,000,478,000. The net income from farm products, included in that amount, was \$1,400,000,000, and in this sum wheat was represented by \$336,851,000. More than one-quarter of the total income from farm products was contributed by the wheat industry. In view of that record, one need not offer apologies or excuses for introducing in this chamber the subject of wheat, its growth and marketing. With permission of honourable senators I shall deal with the matter for a few minutes.

Honourable senators know that an agreement between the United Kingdom and Canada has recently been entered into. It has aroused considerable controversy on the part of the Winnipeg Grain Exchange. Exception has been taken to the terms of that contract on the ground that the price is too low. The honourable leader opposite (Hon. Mr. Haig) dealt with this matter a few days ago.

The *Family Herald* and *Weekly Star*, of Montreal, published on November 20, 1946, an article headed "Paging Mr. Gardiner." I shall not weary honourable senators by reading the whole article, but will quote only a couple of paragraphs from the end of the editorial:

We have differed from Mr. Gardiner on occasion, but in our opinion he knows more about the wheat business as a whole—its growing and marketing, its politics and its economics, its position at home and abroad, than any man in Canada. We believe that if his plans, and the broad aims of the Federation of Agriculture are to resist criticism and objection, they should get

together with the Department of Trade and Commerce and the Wartime Prices and Trade Board, and re-examine the whole wheat situation.

And, just as important as this re-examination, will be a plain, clear statement of the case by Mr. Gardiner himself, meeting objections, giving reasons for the price differentials and showing that the present plan, or some adaptation of it, is the best that can be devised for Canada.

A copy of the agreement between this country and the United Kingdom appeared as an appendix to the Senate *Hansard* of July 25, 1946.

As to the prices to be paid for the wheat, we find on page 3 of the agreement these provisions:

2. (a) The price per bushel to be paid by the United Kingdom Government to the Canadian Government, on the basis Number One Manitoba Northern, in store Fort William/Port Arthur, Vancouver or Churchill, shall be as follows:

(i) In respect of wheat bought and sold in the crop year 1946-47, \$1.55.

(ii) In respect of wheat bought and sold in the crop year 1947-48, \$1.55.

(iii) In respect of wheat bought and sold in the crop year 1948-49, not less than \$1.25.

(iv) In respect of wheat bought and sold in the crop year 1949-50, not less than \$1.

Hon. Mr. HORNER; Excuse me, please. That is at Fort William, not at the farm?

Hon. Mr. JOHNSTON: I said it was at Fort William and Port Arthur.

I point out that before this agreement was made the Government of Canada set \$1.35 a bushel as an initial payment to the farmer on his wheat for the crop years 1945 up to July 31, 1950.

The agreement further reads:

The actual prices to be paid for wheat to be bought and sold within the crop year 1948-49 shall be negotiated and settled between the United Kingdom Government and the Canadian Government not later than the 31st December, 1947—

That is, on the 31st of December this year the price is to be negotiated and set for the crop of 1948-49.

—and the price for the crop year 1949-50 shall be negotiated and settled not later than the 31st December, 1948.

In determining the prices—

This is very important.

—for these two crop years, 1948-49 and 1949-50, the United Kingdom Government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in 1946-47 and 1947-48 crop years.

That simply means, honourable senators, that on or before December 31 this year the price of wheat in the open market will be taken into consideration in fixing the price for the crop year 1948-49.

In explaining the provisions of the agreement, the Right Honourable Mr. Gardiner stated, at a meeting in Montreal:

There are three special provisions of the contract which deserve special mention. The first is that which provides that Britain can dispose of wheat to others. That is necessary so that quantities disposed of for a price to prevent hardship cannot be considered a breach of faith or contract. Britain requires 200,000,000 bushels for her own use. It stands to reason she is not going to sell any portion of the 160,000,000 bushels she gets from us and go into the world market to buy more.

The second is that if multilateral arrangements are made to which the two governments are parties, the terms of that arrangement supersede this commercial contract. As a matter of fact plans are being discussed at Washington at the moment. Canada is ready to offer similar contracts to other countries who want our wheat, and discussions have been held with at least five other countries.

The third is the important one from the point of view of those who are impressed by the argument of the Grain Exchange. In their advertisements they ask this definite question, "What guarantee have you that because you accept the lower price now you will get a higher price later?" My answer is this provision in the contract:

"In determining the price for these two crop years 1948-49 and 1949-50, the United Kingdom Government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in the 1946-47 and 1947-48 crop years."

Hon. Mr. EULER: May I ask my honourable friend a question? I think he said that in December of this year there shall be negotiated an agreement—

Hon. Mr. JOHNSTON: December 31 this year.

Hon. Mr. EULER: —in which the world price shall be taken into consideration.

Hon. Mr. JOHNSTON: In setting the price for the crop year 1948-49.

Hon. Mr. EULER: Very well. It is quite conceivable that the negotiators might not arrive at an agreement. What happens if they do not agree?

Hon. Mr. JOHNSTON: We shall have to leave that to them. I believe that so far, they have always been able to reach an amicable agreement.

Mr. Gardiner continued:

The Grain Exchange says in their advertising, "There is no guarantee at all, and don't let anybody tell you anything to the contrary. It isn't true."

All I can say in reply is that I personally discussed the matter with the British officials and their minister. They are agreed that we are entitled to have possible losses in the first two years made up in the last two. They have

so stated in the contract. I have at least as high a regard and respect for the word of the British Government as I have for that of the Grain Exchange, and I know the western farmers have a much higher regard for the British Government, whatever party heads it.

The *Family Herald and Weekly Star*, in an editorial on December 25, 1946, after Mr. Gardiner had been to Montreal and made a speech, states as follows:

The *Family Herald* felt that, owing to the attacks made on the Government's wheat policy by various organizations and individuals interested in the grain trade, a re-examination of this matter of Canadian wheat exports and prices should be made. It felt also that the Honourable Mr. Gardiner could give that answer better than anybody else in Canada.

Speaking in Montreal recently, before a big meeting of the Agricultural Institute of Canada, and quoting from the *Family Herald* editorial, and from the leaflets and advertisements suggesting that Canadian grain growers are being unfairly dealt with, Mr. Gardiner gave a full examination of the whole subject, which is printed verbatim elsewhere in this issue. His audience was a mixed one of technical agriculturists, prominent farmers, feed manufacturers, grain trade men, and others interested in the processing and distribution of farm products. The *Family Herald* hopes everyone will read the Minister's admirable explanation of the subject. It has the advantage of being thorough, complete and authoritative. It hardly matters whether the reader agrees with all of it or not; he should study it, and, if permanently interested in the subject, keep it as a reference. Apart from the clear summary of the whole matter of Canada's wheat contract, we particularly commend to interested farmers Mr. Gardiner's frank treatment of statements made in the attacks on the government's policy regarding comparative prices for Canadian, Australian, Argentine and other wheat."

A little further on it says:

The *Family Herald* has always supported the Federation of Agriculture in its broad approval of the present Government wheat policy, and a clear understanding of the reality of the Canadian farmer's position, as compared with the Australian or Argentine farmer's, shows that not only is Western Canada's chief industry being guaranteed some measure of stability, but that, even at this point of peak world open market prices, the Canadian wheat grower is getting a square deal.

The Minister of Trade and Commerce, in a statement given to the press in Ottawa on December 6 last, had this to say:

It has been contended that Canadian producers should either receive the full export price now or at least a higher minimum price than the \$1.35 which has been guaranteed to July 31, 1950. Fundamental to our own wheat policy is the expressed desire of producer organizations not to take advantage of high export prices temporarily, only to be confronted with much lower prices when wheat is again in surplus. As an initial step in providing price stability, the Canadian Government concluded with the United Kingdom Government a four-year contract. While the contract did not provide a

complete guarantee of prices and market within this period, the Canadian Government at some risk to the treasury established the initial advance of \$1.35, effective from August 1, 1945, and continuing to July 31, 1950. No other government has assured its producers so high a minimum advance for so long a period.

Despite what happened in Western Canada in a by-election, I think that, if the farmers of Western Canada were fully advised as to the terms of this agreement, there would have been a different story.

Hon. Mr. ASELTINE: Would the honourable gentleman permit me to ask him a question? Does he know that on Monday of this week the price of wheat for export to countries other than Great Britain went up to \$2.72?

Hon. Mr. JOHNSTON: Yes, I do.

Hon. Mr. ASELTINE: How is the farmer going to get back the difference between \$1.55 and \$2.72, that is \$1.17 a bushel, on the wheat exported to Great Britain? Is the farmer not going to lose that money?

Hon. Mr. JOHNSTON: Does my honourable friend wish to ask a question or to make an argument?

Hon. Mr. ASELTINE: I am simply asking how the farmer is going to get that money.

Hon. Mr. JOHNSTON: I say to my honourable friend that one of the worst things that can happen to the western wheat producers is the establishment of very high prices at certain times. We had that experience when the party to which my honourable friend belongs was in office. We had high prices for wheat one year, but the following year that price was cut in two. After the last war farmers went ahead and bought land at inflated prices of \$50 to \$75 an acre. My honourable friend knows what happened to that land: it reverted to the original owners. At times fluctuating high prices are not good for western agriculture. As I have stated, on December 31 this year the government will negotiate with the British government for the supply of wheat next year on the basis of the world prices. That is a term of the contract.

Hon. Mr. MORAUD: May I ask a question? How can the government negotiate with Great Britain if there already is a contract with that country?

Hon. Mr. EULER: The contract says that shall be done.

Hon. Mr. JOHNSTON: I am sorry, but I did not follow my friend's question.

The big wheat producing countries have been trying for years to get an international wheat agreement that would stabilize the

price both to the farmer and the consumer. A draft of such an agreement was made only a few weeks ago at Washington, by the International Wheat Council, for consideration at the International Wheat Conference to be held at London, this month, and a copy was tabled in the House of Commons by Mr. MacKinnon, the Minister of Trade and Commerce. At the meeting of the International Wheat Council representatives of Canada, Australia, Argentina and the United States sat around a table. They recommended that \$1.25 and \$1.55 a bushel for No. 1 Manitoba Northern be set as the basic minimum and maximum export prices in an agreement for the next four or five years. That is pretty well in line with the prices under the agreement we have with the United Kingdom. As those prices were proposed by representatives of the wheat producing countries who had before them the relevant facts in the history of wheat for the past few decades, it would appear that the price fixed in the agreement with the United Kingdom is a fair one.

Another recommendation of the Council was that Canada be given 40 per cent, or 200,000,000 bushels, of the basic 500,000,000 bushels world export market; Argentina, 25 per cent, or 125,000,000 bushels; Australia, 19 per cent, or 95,000,000 bushels, and the United States 16 per cent, or 80,000,000 bushels.

In his speech of February 5 the honourable leader opposite (Hon. Mr. Haig) criticized the government's agricultural policy. I am reading from page 21 of the Senate *Hansard*:

To my mind its whole policy indicates a forgetfulness of the fact that agriculture, and especially farm agriculture, is the basic industry of our country. I do not believe the government has ever given that industry the rights that it ought to have.

Honourable senators, I am going to point out a few things that this government has done. The agreement about which I have been speaking is one thing; there have been others. A statute known as the Prairie Farm Assistance Act has brought great relief and assistance to the wheat producers of Western Canada. During the war period the government introduced the Prairie Farm Income Act and the Wheat Acreage Reduction Act. The total amount of money paid to the western wheat producers under these three statutes amounted to \$168,720,697. I think that answers my friend's statement that this government has been forgetting or neglecting western agriculture. As to production, I think a record of the results is the best proof of

what the government has done. Here are some figures comparing production in the two periods of 1935 to 1939 and 1940 to 1944:

	1935-39	1940-44
Wheat, bushels . . .	312,000,000	426,000,000
Oats, bushels . . .	338,000,000	464,000,000
Barley, bushels . . .	89,000,000	177,000,000
Hogs	3,338,000	6,783,000
Cattle	1,031,000	1,144,000
Eggs, dozen	219,523,000	287,447,000
Milk, pounds	15,282,097,000	17,032,293,000
Creamery butter, pounds	254,000,000	289,000,000
Cheese, pounds . . .	119,922,000	168,650,000

It can be seen that in both dairy and grain products there has been an increase all along the line. There has been a shortage of butter in this country and butter has been rationed, but that was not because of any lessening of production. On the contrary, during those two periods there was an increase of 35 million pounds of butter and 49 million pounds of cheese.

What about the cash income from farm products? Has it increased or not? In 1935 the cash income from the sale of farm products was \$511,300,000; in the period from 1935 to 1940 it had increased to \$765,845,000. The cash income for 1941 was \$914,039,000; 1942, \$1,100,942,000; 1943, \$1,409,561,000; 1944, \$1,826,493,000; 1945, \$1,685,846,000 and 1946, \$1,759,311,000. Honourable senators will note that the income for each of the last three years, 1944, 1945 and 1946, was more than three times that for the same products in the year 1935.

Hon. Mr. HORNER: Chiefly as a result of the war.

Hon. Mr. JOHNSTON: With their larger income farmers have been paying off mortgages and so on. More land titles have been cleared of mortgage indebtedness during the past five years than during the previous thirty years. Farmers must have money, and they have been getting it under this Government's agricultural policies.

Hon. Mr. ASELTINE: Are you giving the government credit for the big crops we have had in the past eight years?

Hon. Mr. JOHNSTON: I do not give all the credit to the government, but I give credit where it is due. My honourable friend's party was not responsible for all the trouble we had in the thirties, but its policies made matters a lot worse than they otherwise would have been. I shall deal with that subject later.

I agree with honourable senators who have stated that Canada should have more immigrants. The sooner we get them the better.

But before being admitted they should be subjected to very close physical and mental examination. I have seen people come to this country who looked all right physically, but who mentally were far from healthy. As far as humanly possible we should guard against admitting people of that type.

I was in Western Canada during its growing period of 1900 to 1910, in which decade we had 1,414,396 immigrants. Of this number 562,054 were of British extraction; 457,964 came from the United States, and 394,378 from Continental Europe.

The other day when my honourable friend the leader opposite (Hon. Mr. Haig) was speaking in favour of immigration, I could not help recalling the criticism the Liberal government was subjected to in the early days of this century for permitting people to come from Continental Europe to Western Canada. Those dark-skinned people were described as "bohunks" of the worst type. A large number of them settled in my district at that time, and I want to pay tribute to them. There are no better farmers to be found in the country, and many of them have no superiors as citizens. Their children are able to take their places in the halls of learning—they top class after class.

Canada cannot long retain her tremendous open spaces with such a small population as she now has. I should like to see carefully selected immigrants admitted here in as large numbers as we can properly assimilate. And when they come here it is the duty of every one of us to point them to a better way of life, and not to abuse them.

My honourable friend the leader opposite spoke along political lines. I am not finding fault with him on that score, but he made an admission that struck me as being rather peculiar. He dealt with the subject of Communists. I have had very little to do with the Communists; if there are any in my district I do not know of them. So I am not going to touch upon that aspect of the honourable gentleman's remarks. But at page 20 of *Hansard* I find he said this:

When the Communists are eliminated, you have three parties left—C.C.F., the Liberal and the Progressive Conservative.

When my honourable friend made that statement I wondered why he omitted the Social Credit party. Surely they are worthy of mention. They hold the views of government in the province of Alberta and have administered affairs there for many years, yet my honourable friend overlooks them entirely. I wondered if there was anything to the rumour of a get-together between the party of my honourable friends opposite and the Social

Credit party. Does the honourable leader opposite fail to mention the Social Credit party because he takes it for granted that it has already been absorbed by the Tory party?

Hon. Mr. QUINN: My honourable friend should not have mentioned the C.C.F. party. It is supposed to be absorbed by the Liberal party.

Hon. Mr. ASELTINE: Just like the old Progressive party.

Hon. Mr. JOHNSTON: I propose to satisfy my honourable friend on that score in a few moments.

Hon. Mr. ASELTINE: You are getting on dangerous ground.

Hon. Mr. JOHNSTON: I shall be glad to have my honourable friend's company.

The getting together of parties reminds me, honourable senators, of what happened in this country back in the year 1911. I am old enough to remember that.

Hon. Mr. BALLANTYNE: Are you?

Hon. Mr. JOHNSTON: Yes, and so is my friend.

I think the repudiation of the reciprocity agreement in 1911 was a bad deal for everybody, and set this country back many years. I suggest to honourable senators that if we had done our part in putting that contract through, Western Canada would have had double the population that it has today. But the agreement was rejected. I recall the election campaigns of 1911 and following years, and the eloquent speeches made by some honourable members. I could mention one gentleman now in this chamber who made very effective speeches in support of the agreement.

I suggest, honourable senators, that there is a get-together between the party of our friends opposite and the Social Credit party. We know that certain men high in the organization of the Conservative party visited the city of Edmonton a few weeks ago—to be exact, the week of January 20—and the Tory party was buried, put out of existence, in that province. What does that mean?

Hon. Mr. BALLANTYNE: Will my honourable friend explain the statement we so frequently see in the press, that Mr. Coldwell has been approached—not officially, but unofficially approached—to succeed Mr. Mackenzie King?

Hon. Mr. JOHNSTON: Probably Mr. Coldwell is doing something to raise the value of his stock. But I can assure my honourable friend that there is no get-together between the Liberal party and the C.C.F.

Hon. Mr. BALLANTYNE: It looks as though there were.

Hon. Mr. JOHNSTON: I now assert that the Conservatives elected the present C.C.F. Government of Saskatchewan in the year 1944. I repeat, in the hearing of my two friends across the way from the province of Saskatchewan, that Tory votes put the C.C.F. in power in Saskatchewan. Why do I say that?

Hon. Mr. BALLANTYNE: Goodness knows.

Hon. Mr. HORNER: We thought anything would be better than what we had. I can tell the senator that.

Hon. Mr. JOHNSTON: I am glad to get that admission—for it is an admission—from my honourable friend. One who lives for years in a small district gets to know people pretty well. When you have been in politics for some time you can tell how people are voting. In the election of 1944 I along with other men, who knew the voters just as well as I did, checked the list of my own home poll. We could not find more than about forty C.C.F. votes, and we conceded the party some doubtful ones. When the polls closed and the votes were counted there were seventy-three C.C.F. votes. We thought that the poll officials had made a mistake, as in our opinion there could not be so many C.C.F. votes in that poll. The next day we heard of this and that Conservative having voted for the C.C.F. candidate. But the proof came in the Dominion elections one year after, when instead of seventy-three C.C.F. votes in that poll there were only forty-three. This showed that in the 1944 election thirty Conservatives had voted C.C.F. Apparently they were willing to do anything to put a Liberal government out of office.

Hon. Mr. ASELTINE: They may have been Liberals.

Hon. Mr. JOHNSTON: They were not Liberals.

Hon. Mr. ASELTINE: The Liberals in Rosetown voted C.C.F.

Hon. Mr. QUINN: Who defeated Arthur Meighen in West York?

Hon. Mr. JOHNSTON: Let us look at the constituency of the honourable senator from West Central Saskatchewan (Hon. Mr. Aseltine).

Hon. Mr. QUINN: Who defeated Arthur Meighen in West York?

Hon. Mr. HUGESSEN: Arthur Meighen.

Hon. Mr. JOHNSTON: Let me give this statement to my honourable friend, and see if he can explain it to us. In 1944 the C.C.F. candidate got 3,168 votes in my honourable friend's constituency, and the Liberal got 1,864 votes.

Hon. Mr. ASELTINE: Is the honourable senator referring to the provincial or the federal election?

Hon. Mr. JOHNSTON: I am talking of the provincial election in 1944. The federal election was in 1945. The C.C.F. candidate got 3,168 votes; the Liberal, 1,864 votes; and the Progressive Conservative, 1,046 votes. That was in 1944. I understand that the last time a Conservative candidate won that seat he got 3,440 votes.

Hon. Mr. ASELTINE: Nearly all those who voted for us were Liberals.

Hon. Mr. JOHNSTON: Where did they all go? No, that is not so, because from 1934 to 1944 that seat always returned a Liberal.

Hon. Mr. ASELTINE: In 1929 the Liberals voted for the Conservative candidate.

Hon. Mr. JOHNSTON: My honourable friend knows as well as I do that the Conservatives in Rosetown voted for the C.C.F. candidate, and that Conservatives all over the province of Saskatchewan voted for C.C.F. candidates. If there is a C.C.F. Government in that province at this time, we can put the responsibility on our friends opposite and their friends.

Hon. Mr. ASELTINE: Oh, you are entirely wrong.

Hon. Mr. JOHNSTON: Before leaving political subjects I want to correct a statement made in this house by my honourable friend from Saskatchewan North (Hon. Mr. Horner). The other day he said he was sorry that some Western member had not checked him up when he made a slip of the tongue during a speech in the present debate. But the statement to which I am calling attention was made by my honourable friend a year ago, and is reported in *Hansard* of 1946, at page 82. My honourable friend said:

At the market in Winnipeg recently I was talking to a commission man who was explaining why I could not get more for my cattle. He said: "You know the packers bought all kinds of good steers for six and seven cents." I replied: "I don't see why they would do that; it would put them in a high-income tax bracket. But I suppose they have to contribute to party funds, and that costs a lot of money." He said that one packing house was supposed to have given \$1,000,000. The Minister of Agriculture was out at the University of Saskatchewan, where the C.C.F. had been winning elections. The young people had ganged up on the

Liberals and Tories and beaten them. I am told that when the Minister heard that he said: "No more of that or you will get no help from me," and he put his hand on his pocket. It was election time, you see.

Here are the facts about the Minister of Agriculture and his visits to the University of Saskatchewan. The Right Honourable Mr. Gardiner has spoken at the University of Saskatchewan on two occasions; once at Convocation in 1926 and again on February 23, 1946. There was no election in progress on either occasion, and no reference was made to politics. Mr. Gardiner has never at any time canvassed or spoken to university students at election time. He does not know of any subscription made to the Liberal party by any packing company at any election, and certainly had none of their money in his pocket, as insinuated by the honourable senator. Mr. Gardiner spoke to the Young Liberals of the university at a banquet in the Bessborough hotel on February 26, 1946. The leader of the Liberals in the university and not the leader of the C.C.F., was premier of the mock parliament. Mr. Gardiner at no time met or addressed any part of the student body anywhere while the C.C.F. were winning an election there.

Hon. Mr. HORNER: I do not think I stated that Mr. Gardiner said that at the university. It was said in a discussion amongst Liberals. As a matter of fact, I was told by a man who was present.

Hon. Mr. JOHNSTON: I have read my honourable friend's speech.

Hon. Mr. HORNER: It was not said at any public address in the university, and I do not think I stated that it was.

Hon. Mr. JOHNSTON: I read the statement of my honourable friend as it appeared in *Hansard*.

Hon. Mr. ASELTINE: It was before the executive of the Young Liberals in Saskatoon that this took place, not at any public meeting.

Hon. Mr. HORNER: He is far too good a politician for that.

Hon. Mr. JOHNSTON: The honourable senator has every right to correct me if I am wrong.

Now may I say a few words as to controls. A few days ago the leader opposite, advocating the abolition of controls, said, "The sooner this is done, the sooner we shall get back to major production." I am going to give the house the opinion of some other people who know something about this matter. At the outset let me say that I do not think any one in Canada likes controls. They were

necessary during the war and played an important part in keeping things stable throughout the Dominion and in helping to achieve victory. The Minister of Trade and Commerce, who knows something about the subject, stated, as reported in the *Ottawa Journal* of February 18, that "without export controls Canada would soon be denuded of essential goods." He was speaking on the second reading of a bill authorizing continuation of certain controls. The Government, he said, planned to remove the export controls from goods as quickly as possible. However, the bill would give the cabinet power to deal with export and import controls during the next year. He added that export controls were needed to help the Dominion fill its United Kingdom contracts and to direct goods to needy areas under international agreement. Import controls were as necessary as controls on exports.

Here are the views of a labour man. A few days after the speech of my honourable friend, Mr. Pat Conroy, Secretary-Treasurer of the Canadian Congress of Labour, made a statement, which was reported in the *Ottawa Journal* of February 7. The report stated, among other things:

He concluded by saying that higher prices mean fewer buyers and, in turn, surplus of goods and less employment. The government should halt this course now.

My honourable friend the leader on the other side takes exactly the opposite view. In his statement he asserted that the sooner we did away with controls the quicker we would get back to mass production.

In an article headed "A Success for Mr. King", the *Halifax Chronicle* has this to say:

Control relaxation is all a matter of timing and of degree. The Prime Minister has declared it the policy of his government to keep to the middle of the road and to deal with controls as circumstances warrant. This plan hitherto has not kept prices precisely where we should like to see them, but it has maintained better conditions in Canada, on the whole, than may be found in any other country.

The *Halifax Chronicle*, I am informed, is not a Liberal publication.

I have read no better statement on these controls than that made by the honourable leader of this house (Hon. Mr. Robertson) in his speech the other day, and I want to include it in my remarks. Speaking on February 5, as reported in *Hansard*, page 28 he said:

I know it is customary to denounce controls in theory, and I do not suppose there is an individual in the country who has not been in some way inconvenienced by them. It is easy enough to criticize the administration of the controls, but at this moment when we are emerging from

our tremendous war effort and going through an almost unbelievably successful transition from war to peace, there is not a business man in Canada who in his heart of hearts does not believe that one of the outstanding accomplishments of the government has been the controlling of prices in order that there might not be a boom and a collapse such as followed the last war.

The more a man has been engaged in business, the more he has to be thankful for in that respect. I know that controls are unpopular, that the government has been criticized and ridiculed because of them, but I believe honourable senators will agree that when we get a proper perspective we realize that nothing contributed more to the success of our war effort and to a sound basis for the future success of our country than those very controls. Business after business and industry after industry in this country can thank their stars that controls were maintained.

I agree with these words, as I think the majority of the Canadian people do.

My honourable friend the leader opposite did not think enough was being done to encourage trade, and he was much disturbed about this. Although I should like to deal with this topic now, I have taken up so much time already that I shall leave the matter until it comes up for attention later on.

With regard to the United Kingdom wheat agreement and the lending of money to that country, I shall later quote from a couple of statements made by the leader of the Conservative party in another place. The honourable leader opposite was disturbed because he did not think Britain would ever pay her debt. He said, as reported at page 21 of *Hansard*:

I refer particularly to Great Britain. Why should she not buy our goods? We gave her the money. Lord knows she will not pay it back!

That was a bad statement to make. I quote him further at page 21 of *Hansard*:

The other day Mr. Dalton, Chancellor of the Exchequer, said that Great Britain was living on "tick" . . . If that condition does exist there is no reason under the sun why we should walk into it.

Further on my honourable friend stated: . . . but there is no use doing something which at the very start you know is going to fail. That is the kind of thing we are doing now.

My honourable friend then asked:

What is the policy of the government to be when we stop lending money to European countries?

Honourable senators, I should hope that the credit we have extended to Britain will put her on her feet so that she will be able to do business with us as she has done in the past. But if before she can do that she needs further

credit from us, I think we should give it. If Britain were to go down, what would happen to Canada?

I am going to let the leader of the Conservative party reply to the criticism of the leader on the other side of this house. I quote from Mr. Bracken's speech to be found at page 30 of the House of Commons *Hansard* of March 18, 1946:

From the point of view of the selfish interests of Canada, the loan is amply justified.

I should like to read the entire statement, but it would take too long. Further on Mr. Bracken says:

I think we have every justification for supporting this loan; we see justification for it on purely selfish grounds. The money will be spent here to give employment in this country. As a matter of fact, it is an unemployment measure for us as much as anything else. From our point of view . . .

That is, the Conservative party's point of view . . .

. . . we support the loan, not alone on the ground of British and world welfare, but on the ground of our own self-interest.

On April 16, 1946, at page 964 of *Hansard*, Mr. Bracken is quoted as follows:

We support this bill . . . Our best customer has been Britain . . . As the minister said, this is an investment in trade for the future, to try to keep a good customer going until later on, when she can pay for the imports she will take from us. This measure is essential to the preservation of the Canadian economy . . .

Those are good words . . .

If we lose the British market the farmers will lose a market for a large proportion of what we export. If that should happen we would be in the position of having to let possibly one-third of our Canadian farms be abandoned.

That is what Mr. Bracken thinks, but the leader opposite in this house thinks almost the opposite to that.

Hon. Mr. QUINN: I do not think you are justified in drawing that conclusion from the observations made by the leader on this side of the house.

Hon. Mr. JOHNSTON: Did my honourable friend hear the statement?

Hon. Mr. QUINN: I heard what you said and I do not think your conclusion is justified.

Hon. Mr. JOHNSTON: I do not know how my honourable friend can draw any other conclusion from the speech of his leader than that he does not regard the loan favourably.

Honourable senators, I have already spoken longer than I had intended to; but there is one further matter that I should like to mention. At the beginning of the war there was

a move for a union or coalition government. The present Prime Minister of Canada was told that he had been a good leader in peace time but, not being a military man, he would not be a good wartime leader. Everything possible was done to have him "see the light." I think it was to the benefit of Canada that he stayed at the helm and, with the assistance of men who I feel were unsurpassed in any country—I refer particularly to men like Mr. Howe and Mr. Ilsley—did a wonderful job in the prosecution of the war. The thanks of the Canadian people are due to these men for a war effort which has been the envy of many other countries. These same men are holding office today and, supported by the confidence of the Canadian people, will do a good job in returning Canada to a peacetime expansion all along the line, in cultural as well as in material affairs.

Hon. Mr. HORNER: The honourable senator might have mentioned Mr. Ralston and Mr. Power, who are not in the government today.

Hon. Mr. JOHNSTON: Is my friend asking a question?

Hon. Mr. HORNER: You omitted to mention two former members of the government, Mr. Ralston and Mr. Power.

Hon. Mr. QUINN: Honourable senators, I did not come here today prepared to address the house. We have listened to a fine political speech by the honourable member for Central Saskatchewan (Hon. Mr. Johnston). He is an old parliamentarian, and I have a great deal of regard for him. He and I are old friends, but I could not follow him in some of his statements. One of these was to the effect that in 1911 the people of Canada made a decision which did inestimable harm to this country.

An Hon. SENATOR: Hear, hear.

Hon. Mr. QUINN: An honourable gentleman to the left of me says "Hear, hear." Well the honourable member from Central Saskatchewan has others in the house and chamber who agree with that opinion.

While my honourable friend was speaking I wondered if he thought that Canada's action in 1911 had anything whatever to do with the legislation of Congress in the twenties when it imposed the Fordney-McCumber tariff, and in 1930 when it put through the Hawley-Smoot tariff, whereby this country was shut out of United States markets. Honourable members will recall that we were prevented from exporting to that country a pound or a

dollar's worth of any of our products. Those are some of the things that entered my mind when the honourable gentleman was talking about all the good which according to him, was accomplished in this country by the Liberal party. I do not blame him for saying what he did, for he is a good supporter and follower of that party.

But let us be fair. I ask only that we be fair; I am not a partisan. I wish to be friendly, and I am able to see the other fellow's point of view and deal with a question fairly, and argue with him if he desires to argue a point. Let us go back to the year 1930, when we did not have a trade treaty with any country in the world, when we were not exporting a dollar's worth of the products of Canada, when the government changed and the Conservative party came into power. What did they have when they came into power? They came into power with one of the worst legacies that has ever been known in the political history of this country. There was a depleted treasury, and Canada did not have a trade treaty with any country in the world. The then Prime Minister, now Viscount Bennett, had an almost insurmountable task before him. We know the difficulties that were encountered in attempting to arrange the Empire trade agreements. Mr. Bennett was howled down in Great Britain, and his proposals were referred to by one of the British ministers as "humbug." However he persisted in his attempts for an Imperial Conference, until he was successful in having it held here in Ottawa in the year 1932.

Up to that time our trade had completely vanished. As he said, we had to tighten our belts and reduce our incomes. He even cut by 10 per cent the incomes of members of parliament and civil servants, for which action he was condemned afterwards. But he had no alternative. Nothing was coming into the coffers, so something had to be done. He was successful in having the Empire trade agreements ratified in Ottawa in 1932, and from then on the trade in Canada increased until, Mr. Bennett went out of power, in 1935, when it was in a pretty good condition. I say these things merely to keep the record straight and to be fair to the party of which I have always been proud to be a follower.

The honourable gentleman from Central Saskatchewan (Hon. Mr. Johnston) placed upon the shoulders of the Conservative party the responsibility for the number of political parties we have in this country at the present time. Under the administration of the Liberals there has been developed the C.C.F. party, the Bloc Populaire, the Liberal Progressives, and a party just recently formed,

the Union des Electeurs. The Conservative party has had nothing to do with the creation of these parties.

Hon. Mr. JOHNSTON: I know my honourable friend wishes to be fair, and I can tell him that he will not find in my remarks a statement that his party has increased the number of political parties in Canada.

Hon. Mr. QUINN: But I think the honourable gentleman placed on us responsibility for the existence of the C.C.F. party.

Hon. Mr. JOHNSTON: I charged the Conservatives with the responsibility of electing the C.C.F. government in my province, and I stand by that statement.

Hon. Mr. QUINN: My honourable friend was, I think, a member of the House of Commons in 1926, as was also the honourable member from Wellington (Hon. Mr. Howard) and some others. I was a member at that time and I recall we had a most interesting session. The Liberal party, of which the honourable senator (Hon. Mr. Johnston) was a member, carried on for six months with 101 members. I ask him if he can recall by whose good offices his party was kept in power for six months. It was the C.C.F., Labour, the United Farmers and all the cosmopolitan groups that were in the house at that time who kept the Liberal party in power. I do not think he is fair in placing the responsibility for the increased number of parties in this country upon the shoulders of the Conservative party. It would be better for Canada if we had no third party but carried on under the old system with only the Liberal and Conservative parties as we did from Confederation down to the twenties. Under that system if the people of this country were not satisfied with the government of one party they could always turn it out and put in the other. Both parties were comprised of responsible citizens—men of high calibre, high standing, patriotic, loyal and devoted to their country. While they differed, the Liberals from the Conservatives, all were loyal and true-blooded Canadians. It is a pity that we are developing in this country so many smaller groups who are becoming only a menace to the political life of Canada.

That is all I wish to say. I merely wanted to keep the matter straight and correct a few impressions that the honourable gentleman tried to convey.

Some Hon. SENATORS: Hear, hear.

The Address was adopted.

INSPECTION AND SALE BILL

REFERRED BACK TO COMMITTEE

On the Order:

Consideration of the amendments made by the Standing Committee on Banking and Commerce to Bill S, an Act to amend The Inspection and Sale Act, 1938.

Hon. ELIE BEAUREGARD moved that the Order be discharged and that the bill be referred back to the Standing Committee on Banking and Commerce.

He said: Honourable senators, consideration of these amendments has been delayed with a view to sending the bill back to the Committee on Banking and Commerce. The first amendment is to delete paragraph (a) of clause 12A and reletter subsequent paragraphs. This amendment would delete the following paragraph:

(a) "Export" means send out of Canada or out of one province to another province.

This definition of "export" would broaden the bill to apply to exports not only from Canada but out of one province into another. Some honourable members of the committee thought that a trade barrier between provinces was being created with respect to certain products such as flax fibres. It was stated before the committee that flax producers in the west are selling their product to the province of Quebec for manufacturing purposes. The view was expressed that the definition of "export" would enforce inspection of flax fibres before they were sent from one province to another. Departmental representatives inspect flax fibres that are to be exported out of the country; and if "export" means shipment from one province to another province the product will have to be inspected as if it were being sent out of Canada. It is feared that such a measure would be an impediment to trade, and it is suggested, as an afterthought, that the producer might get better results by the deletion of this paragraph. There is however this to be borne in mind, that if flax is shipped to a buyer without any inspection and is not up to standard, the vendor will be the loser. The purpose of the motion to send the bill back to the committee for reconsideration is to determine whether it is the intention of the members of the committee that inspection should not be required.

The motion was agreed to.

The Senate adjourned until Thursday, March 6, at 3 p.m.

THE SENATE

Thursday, March 6, 1947.

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

Prayers and routine proceedings.

GOVERNMENT LEADER IN SENATE

TEMPORARY ABSENCE

On the Orders of the Day:

Hon. A. B. COPP: Honourable senators, it is with more than ordinary regret that I must make a statement to the house about the leader of the government (Hon. Mr. Robertson). Circumstances have arisen which make it necessary that he be absent from his place in the Senate for the next few weeks, and he has asked me to carry on for him in the meantime. I have decided to do so, and will do the best I can. I speak for myself and my colleagues in expressing the hope that we shall continue in the usual amicable and friendly way during the leader's absence. We shall be glad to have hearty co-operation and assistance from all members of the house.

I am sure all honourable senators regret this unfortunate incident and join in the hope that the honourable leader will be back with us after the Easter recess, if we have one, as I trust we may.

May I inform honourable members that there is very little business on the Order Paper for tomorrow. If we get through our work this afternoon, we could perhaps adjourn until Tuesday next. A number of bills are to come before us next week, and we should be in a position to deal with them promptly.

During the next few weeks I shall appreciate suggestions from honourable members as to the work of the Senate and what, if any, adjournments we may take from time to time.

Hon. JOHN T. HAIG: Honourable members, I regret that I was not in the House yesterday when the honourable leader of the government was in his place. I speak for myself and all members on this side of the house when I say we are very, very sorry indeed that he finds it necessary, for health reasons, to take a rest from his duties. I assure the acting leader (Hon. Mr. Copp) that we shall do everything within our power to make his work easy and successful, so that when the leader returns he will find there has been no slip during his absence.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. COPP: Thank you very much.

POLITICAL PARTIES IN CANADA

ALLEGED INACCURACY

Hon. J. FREDERICK JOHNSTON: Honourable senators, I rise on a question of privilege to correct something that was said yesterday by my honourable friend from Bedford-Halifax (Hon. Mr. Quinn). The honourable gentleman used these words:

The honourable gentlemen from Central Saskatchewan (Hon. Mr. Johnston) placed upon the shoulders of the Conservative party the responsibility for the number of political parties we have in this country at the present time.

The remarks I made yesterday do not bear out that assertion.

My friend went on to say:

Under the administration of the Liberals there has been developed the C.C.F.—

Hon. Mr. HAIG: Mr. Speaker, I rise on a point of order. The honourable gentleman has no right to correct the senator from Bedford-Halifax (Hon. Mr. Quinn), who is quite capable of correcting his own remarks, if necessary.

Hon. Mr. JOHNSTON: A point of order, Mr. Speaker. The honourable gentleman from Bedford-Halifax made the statement that the C.C.F. party came into being under Liberal rule.

Some Hon. SENATORS: Order, order!

Hon. Mr. HAIG: Under the rules the honourable gentleman could have raised that point while the debate was in progress, but he cannot do so now.

The Hon. the SPEAKER: The honourable gentleman has a right to raise a point of order, but not to debate it.

Hon. Mr. JOHNSTON: My honourable friend continued—

Some Hon. SENATORS: Order, order!

Hon. Mr. HAIG: You cannot do that.

Hon. Mr. JOHNSTON: My honourable friend's statement is not in accordance with the facts, and I have a right to correct it. The other statement is this—

Hon. Mr. HAIG: I must rise again to a point of order. The honourable gentleman cannot answer another member's speech in this way.

Hon. Mr. JOHNSTON: I suggest, on a point of order, that any member has the right to correct a mis-statement of this kind.

Hon. Mr. HAIG: No, no.

The Hon. the SPEAKER: *Hansard* has not yet been distributed, and what was said yesterday is not before us.

Hon. Mr. JOHNSTON: Oh, yes.

The Hon. the SPEAKER: We must wait.

Hon. Mr. JOHNSTON: *Hansard* has been distributed, Mr. Speaker. I have a copy in my hand. The other statement I wished to correct was this—

Hon. Mr. HAIG: Mr. Speaker, I rise to a point of order. Clearly, if the honourable gentleman has the right to do this, I have the right to take his speech and go over it word for word and answer it myself. If he desires me to do that, I will do it.

Hon. Mr. HORNER: And I have the right to make another speech.

Hon. Mr. HAIG: Surely. The honourable senator has no right to make an alleged correction in another member's remarks. The time to have challenged the remarks was while the debate was going on. It is too late now.

Hon. Mr. HORNER: Believe me, I will tell the honourable gentleman something.

Hon. Mr. JOHNSTON: I am sure my honourable friend from Bedford-Halifax (Hon. Mr. Quinn) will agree, because this is a statement—

Some Hon. SENATORS: Order.

The Hon. the SPEAKER: The honourable senator is raising a question of privilege. I have not seen yesterday's issue of *Hansard* to which he refers; before I came in I was told that it was not yet available. He is calling attention to certain statements which he says are erroneous. I think that if the statements are not in accordance with the facts he is within his rights.

Hon. Mr. HAIG: Mr. Speaker, I beg to appeal your ruling. I will ask for a division of the house on that issue. I beg to move, seconded by the honourable senator from West Central Saskatchewan (Hon. Mr. Aseltine), that your ruling be not concurred in.

The Hon. the SPEAKER: The senator has raised a point of order and a question of privilege. He indicates that certain statements made by an honourable member opposite are not according to the facts. It is that to which he is calling attention.

Hon. Mr. HAIG: He cannot do that.

The Hon. the SPEAKER: He has that privilege.

Hon. Mr. HAIG: I have made a motion. I appeal your ruling, Mr. Speaker, and I ask for a division on it; because if it is permissible to do what the honourable gentleman is

attempting to do, there would be no end to debate in this house. This is not a case of an honourable member being accused of misdemeanor or something like that. I read the statement of the honourable member from Bedford-Halifax (Hon. Mr. Quinn), and all that is involved just now is a difference of opinion as to the effect of it. I may think the statement of an honourable senator opposite is incorrect, but I cannot raise a point of order on that.

Hon. Mr. LAMBERT: Will the honourable senator quote the rule on the point he has raised?

Hon. Mr. HAIG: The point is clear. Vote to sustain the Speaker's ruling if you believe it is right.

Hon. Mr. LAMBERT: I am not disputing the honourable senator's point of view, but I should like to know the basis of it.

Hon. Mr. HAIG: The rule is that a member may rise in his place and correct a statement that he himself made, or answer a charge dealing with his personal integrity or honesty. He may quote or criticize something that another member has said, but he cannot correct it.

Hon. Mr. COPP: Honourable senators, I suggest that all that it is necessary to say in regard to this matter has been said, and it seems hardly worth while to divide the house on so simple an issue. The honourable gentleman from Central Saskatchewan (Hon. Mr. Johnston), has, I believe, completed the remarks that he wished to make.

Hon. Mr. HAIG: But the Speaker has made a ruling which I do not want to have stand, because it would make for unending debate in this house. I believe the Speaker is wrong, and that is why I have protested against the ruling. Even after the ruling the honourable member from Central Saskatchewan went on talking as though he had the right to do so. That is why I appealed. Had he sat down I would not have said a word.

Hon. Mr. COPP: He is sitting down now.

The Hon. the SPEAKER: I have not made a definite ruling, but I have indicated that the senator has the right on a question of privilege to call attention to what took place in the debate. But the matter is not debatable and the discussion should not be continued. I believe any member has the right to call attention, on a question of privilege, to statements made in a debate.

Hon. Mr. HAIG: I will withdraw my motion.

The motion was withdrawn.

MILITIA PENSION BILL

SECOND READING

Hon. A. B. COPP moved the second reading of Bill 5, an Act to amend the Militia Pension Act.

He said: I have asked the honourable senator from Inkerman (Hon. Mr. Hugessen) to explain this bill.

Hon. A. K. HUGESSEN: Honourable senators, this is a bill of minor importance, designed to take care of two small errors which crept into the Militia Pension Act. It will extend the provisions of the act to protect the rights of a small number of persons in two particular cases. There are only two sections in the bill. The first section applies to fifteen naval ratings who, during the war, accepted or were given the rank of acting warrant officer and as a result lost certain pension rights to which they were entitled as enlisted men. They have continued as acting warrant officers, but will revert to the rank of men, and this amendment is designed to preserve for them the pension rights to which that rank entitles them.

The second section of the bill deals with pension rights of members of the permanent forces who served previously in the non-permanent active militia or non-permanent air force or any of the auxiliary services of the navy. Under the statute as it now stands any men who are appointed to the permanent forces after the 1st of April, 1946, are credited for pension purposes with one-quarter of the length of time they served in a non-permanent force. The object of the amendment is to extend that privilege to members of the permanent force who were appointed before the 1st of April, 1946. I am informed that the amendment would apply to only a very small number of persons.

Hon. Mr. DUPUIS: Honourable senators, those of us who sit in the far ends of this house have difficulty in hearing what is spoken by any one from the middle of the chamber. I do not know one word that was said by the honourable member who has just taken his seat. I understand that he was explaining a bill, but I am unaware what that bill is. I am sure it is not desired that a number of us should sit here as "dummies". We should like to hear what is said, and I would ask, as a favour, that when an honourable member is speaking he endeavour to make himself heard all over the house.

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

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. HUGESSEN: Unless my honourable friend from Rigaud (Hon. Mr. Dupuis) wishes to wait until he has had an opportunity to read my remarks, with the leave of the house I would move that the bill be read the third time now.

Hon. Mr. DUPUIS: I have no objection. I am simply asking, as a favour, that an honourable member who speaks from the centre of the chamber raise his voice so that he can be heard by everyone present. When my honourable friend from Inkerman (Hon. Mr. Hugessen) was speaking I did not even know what bill was under consideration.

Hon. Mr. QUINN: We can hear the honourable gentleman from Rigaud (Hon. Mr. Dupuis) pretty well.

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

FERTILIZERS BILL SECOND READING

Hon. A. B. COPP moved the second reading of Bill 9, an Act to amend the Fertilizers Act.

He said: Honourable senators, I have asked the honourable gentleman from King's (Hon. Mr. McDonald) to explain this bill.

Hon. JOHN A. McDONALD (King's): Honourable senators, this bill contains six amendments to the Fertilizers Act. The first five have to do with the percentages of the different ingredients entering into the production of fertilizers, the object being to bring the act into line with present day practice. I do not believe that anything in these first five amendments should evoke discussion here on the motion for second reading. I hope that if the motion is passed the bill will be sent to the Standing Committee on Natural Resources, where these sections could be studied in detail in the presence of representatives of the fertilizers division of the Department of Agriculture.

Section 6, however, is in a different class. It seeks to continue the wartime control regulating quality and composition of fertilizers offered for sale. During the war years the regulating was done in co-operation with fertilizer boards established by the provinces, and it is feared that unless this practice is continued the quality of fertilizers sold to farmers may seriously deteriorate. The chief reason for continuing this control is that the principal ingredients for fertilizers, such as potash, are in short supply. As has been said here by others, no one likes controls. Certainly farmers, who are individualists, do not like them. I believe that we should get rid

of controls as soon as it is in our best interest to do so, but so long as there is a shortage of fertilizer ingredients such as potash I feel it is important that the controls on them should be continued.

During the war the fertilizer council boards across Canada gathered much information that was of great help to the federal Department of Agriculture and to the minister in carrying on control work. It is only fair to those fertilizer boards to say that they did a magnificent job. When there were critically short supplies of nitrates, phosphates and potash these boards helped farmers very materially by arranging as fair a distribution of these ingredients as could be made.

Unfortunately up to the present time potash has not been manufactured in Canada. All that we use has to be imported, and from what we know at present it appears safe to say that this year our supply will be ten thousand tons short of our requirements. To illustrate the need for control I will take the case of an orchard farmer, who may use a fertilizer composed of nine parts of nitrates, five parts of phosphates and seven parts of potash—in other words, what is known as a 9-5-7 mixture. Some orchardists might wish to increase the proportion of potash in the mixture, but if they were allowed to do so it might mean that potato producers would be unable to obtain sufficient of this chemical to meet their needs.

I hope honourable senators will agree that the control should be maintained while the shortages continue. I know it is in the mind of the government of the day to get rid of all controls as early as possible, and I personally would trust the Minister of Agriculture to dispense with the control on fertilizer ingredients as soon as he thinks it is in the general interest to do so. However, if honourable senators agree to a second reading today and the bill goes to committee, it may be decided there that in the general interest of all concerned a time limit should be placed on this control.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. McDONALD: I am not sure that it is necessary to specify a time limit.

Hon. W. M. ASELTINE: Honourable senators, by and large I am quite in favour of the bill with the exception of section 7 which has just been mentioned by the honourable gentleman from King's (Hon. Mr. McDonald).

An Hon. SENATOR: Section 6.

Hon. Mr. ASELTINE: I should like to deal with that section a little later. I understand that for some considerable time we have had a wartime fertilizer advisory

committee. This committee was set up to advise the administrator during the war period and to guide him by making certain suggestions and recommendations. I believe I am correct in stating that it was at the request of the committee that companies manufacturing fertilizer offered fourteen detailed suggestions for the revision of the Fertilizers Act. The proposed changes, intended to bring the act into conformity with current practices and, in some cases, clarify its wording, were subsequently recommended by the committee to the administrator. To the farmer and the industry the most important of these recommendations was that the plant food content of combined fertilizers be increased from the minimum of 14 per cent as now required by the act to 22 to 24 per cent. Bill No. 9, as passed in another place has taken these recommendations into consideration and increased the content to approximately 20 per cent. In my opinion, honourable senators, that is a very definite improvement.

The bill in its present form incorporates most of the suggested revisions and, if passed, would improve the act from the viewpoint of the government, the farmer and the fertilizers industry. However, section 7 of Bill 9—

An Hon. SENATOR: Section 6.

Hon. Mr. ASELTINE: Section 7 of this bill, which provides for a new paragraph (i) of section 10 of the act—

Hon. Mr. SINCLAIR: Section 6 of the bill.

Hon. Mr. ASELTINE: No. Section 7 reads:

Paragraph (i) of section ten of the said act is repealed and the following substituted therefor:—

Hon. Mr. MURDOCK: On my copy of the bill, page 3, that is section 6.

Hon. Mr. ASELTINE: Mine says section 7.

Hon. Mr. McDONALD: It was section 7 in the bill as read the first time in another place.

Hon. Mr. ASELTINE: I am sorry; I was looking at the first reading form of the bill that came from the other house. Honourable members will understand that I wished to refer to section 6 of the bill as now before us. That provides for new paragraph (i) of section 10. That is the section to which I object. I am informed that when that was drafted, the manufacturers of fertilizer were not consulted. The section appears to be an attempt to perpetuate by legislation certain powers vested in the Minister of Agriculture during the national emergency by regulations issued under the War Measures Act. Paragraph (i) would give him power to make regulations

prescribing the physical and chemical properties of fertilizers to be used in any zone or province in the Dominion of Canada and prohibiting the sale or offering for sale, in such zone or province, of fertilizers whose properties do not conform with his prescription. The effect of this new paragraph could be to prevent a farmer in any part of Canada from buying a particular type of fertilizer which, in his opinion, was most suitable in the particular area in which he was farming. Likewise, manufacturers would be prohibited from producing or supplying the fertilizer that the farmer wanted, even though they might regard a fertilizer of that type suitable for his particular purpose.

As intimated by the honourable gentleman from King's (Hon. Mr. McDonald) in the past manufacturers who have recommended types of fertilizers as suitable for sale in certain areas have constantly received sympathetic hearings, not only from the department in Ottawa but also from the provincial fertilizer boards. However if some political or other situation interrupted these good relations, the fertilizer companies would have little or no control over the sale of other fertilizers in the areas affected.

I am informed that the companies doing business in Canada at the present time possess the most advanced scientific and technical knowledge available on fertilizers. The full benefit of this knowledge should not be withheld indefinitely by regulations that were originally intended to apply only as war measures.

I understand there was objection in the other house to the indefinite continuance for a long period of time of this provision in paragraph (i), and the minister stated that he would be glad to reconsider the paragraph next year, if someone brought it up. However, unless some honourable member of the house kept the matter in mind it would not be brought up. This does not seem to be a very satisfactory procedure, and I suggest that paragraph (i) be enacted for one year only.

Wartime controls were not intended to remain in effect beyond the transitional period, and it would seem that the control provision embodied in paragraph (i) should be made subject to annual re-enactment. If, as suggested by the honourable gentleman from King's, the bill is referred to committee, I shall suggest there that this new paragraph be enacted for one year only. Should the government wish to have it re-enacted, the matter can be further considered next session. In this way we shall not be perpetuating the control

indefinitely and depending upon some honourable member in another place to bring up this subject for discussion next year.

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

REFERRED TO COMMITTEE

Hon. Mr. McDONALD (King's) moved that the bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

MILITIA BILL SECOND READING

Hon. Mr. COPP moved the second reading of Bill 14, an Act to amend the Militia Act.

He said: I have asked the honourable gentleman from Inkerman (Hon. Mr. Hugessen) to explain this bill.

Hon. Mr. HUGESSEN: Honourable senators, this bill consists of some 34 sections. Its general object is to bring up to date the Militia Act of Canada, which, I understand, was originally enacted in the year 1868 and has not been often amended. Honourable senators will appreciate that the Militia Act today contains a number of provisions and phrases which are quite inapplicable to present conditions affecting military establishments.

Many of the changes proposed by this lengthy bill are procedural, designed to bring the language of the statute up to date. For instance, "Canadian Army" is substituted for "Canadian Militia"; "active force" for "permanent force"; "reserves" for "non-permanent forces"; "unit" for "corps", and "command" for "military district." I do not propose to discuss these particular changes in detail, but there are some more important provisions to which I should like to direct the attention of the house for a few moments.

Section 3 amends the provisions of the act in relation to the enlistment of boys under the age of 18 years. Under the act such boys can be enlisted as buglers, trumpeters or drummers only, but it may now be necessary to enlist boys for training in other categories at an earlier age than 18 years. In fact, I believe the categories of bugler, trumpeter and drummer were sometimes misused in the past. I recall that in the First Great War my own unit had two boys under 18 years who were enlisted in the capacity of trumpeter and drummer, but they did no trumpeting or drumming and were in exactly the same position as the rest of the ranks.

Section 5 of the bill reads as follows:

The organization of the Canadian Army shall be as from time to time prescribed by the Governor in Council.

That provision, honourable senators will understand, gives general control over the nature of the Canadian Army to the Governor in Council, and enables him to decide from time to time what proportion of the forces shall be infantry, machine gun, anti-aircraft and so on.

Hon. Mr. LEGER: Is that a change from the present act?

Hon. Mr. HUGESSEN: It is a slight change. The act now provides that:

The Reserve Militia shall be raised and maintained under regulations prescribed by the Governor in Council.

The new provision is a broadening of the principle.

Section 6 of the bill states the term for which men may be enlisted. They are to be enlisted in the active forces, or what has been called the permanent forces, for a period not exceeding five years; and in the other forces—that is the reserves, or what we formerly called the Militia—for a period not exceeding three years. The act at present provides no particular limitation to the term of service in any branch of the army.

Section 9 of the bill is interesting and important because it puts what one might call a ceiling limit on the total or peacetime active Canadian Army. The strength is not to exceed 30,000 men.

Hon. Mr. WHITE: May I draw the honourable gentleman's attention to section 8, in which the proposed new section 20 (2) (b) of the Act reads as follows:

(b) the minister may at any time disband or redesignate any unit or revoke, amend or restrict any establishment if he considers it advisable so to do.

That means, I presume, that the minister can change an infantry regiment to an artillery regiment?

Hon. Mr. HUGESSEN: I am not sure that it goes quite as far as section 5, which contains the general power of the Governor in Council to prescribe the organization of the Canadian Army. I doubt that under the new section 20 (2) (b) the minister could say that such and such an infantry unit shall hereafter become part of the Army Service Corps.

Hon. Mr. WHITE: I have in mind a case in which an infantry regiment was changed to an ack-ack. I do not think that has helped recruiting in the unit.

Hon. Mr. HUGESSEN: Was that done by the minister or by the Governor in Council?

Hon. Mr. WHITE: I do not know. It was done since the war.

Hon. Mr. HUGESSEN: Of course, there must be some authority to redesignate units. Whether it be done by the minister or by the Governor in Council is another question. My view of the bill is that under section 5 a redesignation of this kind would probably have to be done by the Governor in Council. But what my honourable friend has said leads me to another remark. There obviously will be a number of questions which honourable members will want to ask about particular sections of the bill, and I may state now that I intend, if the bill is given second reading, to suggest that it be referred to a standing committee, probably the Standing Committee on Banking and Commerce, where officials of the department would be available to answer questions.

Hon. Mr. WHITE: That, I think, is what should be done, because I recall that when the bill was before another place it aroused considerable discussion.

Hon. Mr. HUGESSEN: My honourable friend is perfectly right: in the other house there was for two or three days considerable discussion, in which military members of that house took an active part. I trust that my honourable friend, a military member of this house, will give the benefit of his views to whatever committee the bill is referred.

Section 16 amends a provision of the act which limits the training of reserve forces to not more than thirty days in each year. Under the new section 47, as enacted by section 16 of the bill, any of the units of the Canadian Army may be drilled or trained for such periods as the Governor in Council may prescribe. It is felt that in certain circumstances it may be necessary to train units for a period of more than thirty days in a year. That would seem to be but a natural result of the extreme complexity which now surrounds various arms of the military service. It is by no means an easy thing to become adept in anti-aircraft, tank work and so on, and there may well be instances in which the training of the non-permanent force should go on for periods of more than thirty days in a year.

Section 23 of the bill is not of great importance in itself, but it reinforces what I was saying a few moments ago, that the bill is designed to modernize the language of the present Militia Act. In section 23 there is provision that the Governor in Council may under certain conditions commandeer transport of any kind. The old section said that he could commandeer "any railway, tramway, boat, barge, scow, or steamship or other vessel, or any wagon, carriage or pack animal." Well

transport has advanced a little, so these particular designations are taken out and it is now proposed to vest in the Governor in Council a general power to commandeer any means of conveyance or transportation.

Sections 32 and 33 are of some importance. Section 32 adds to section 139 of the act a new subsection authorizing the Governor in Council to empower the minister to make certain regulations. I understand that as the act now stands a vast amount of detailed administration has to be approved by the Governor in Council, and this results in the passing of a large number of orders in council concerned with minutiae of organization and which could quite properly come within the functions of the minister himself.

Section 33 makes a rather interesting change. Under the present section 140 of the act all regulations made by the Governor in Council or the minister are required to be published in the *Canada Gazette*. It has been found that in certain circumstances some regulations are of a secret nature. This section as amended by the bill would provide that—

All regulations shall be published in the *Canada Gazette* unless the Governor in Council certifies that such publication might convey secret or confidential information to a foreign power—

In such circumstances, of course, regulations need not be published; and in the nature of things they should not be published.

The bill is more or less of the nature of a temporary measure. The Militia Act, as I say, has not been very greatly changed since 1868; and, as the minister stated when discussing the bill in another place, a complete revision of the act is now in process of being drafted and, it is hoped, will be presented to parliament within the next year or two.

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

REFERRED TO COMMITTEE

Hon. Mr. HUGESSEN moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

DEPARTMENT OF NATIONAL DEFENCE BILL SECOND READING

Hon. A. B. COPP moved the second reading of Bill 19, an Act to amend the Department of National Defence Act.

He said: I have asked the honourable senator from Inkerman (Hon. Mr. Hugessen) to explain this bill.

Hon. A. K. HUGESSEN: Honourable senators, this is a short bill of three sections designed to amend the Department of National Defence Act in three different respects.

The first section provides for the reorganization of the department consequent upon the joining together of the former departments of the Army, the Navy and the Air Force; and it provides that there shall be one Deputy Minister of National Defence and not more than three Associate Deputy Ministers. I am advised that at the present time there is a Deputy Minister of Defence and two Associate Deputy Ministers, one charged with matters of finance and supply, and the other with matters relating to personnel and pay. It is not intended at the present time to appoint a third Associate Deputy Minister, but power is sought in the bill to make the appointment in case that should at any time be found necessary or desirable.

The second section of the bill carries into peace time a very useful provision, one enacted in war time by order in council to provide that the pay, allowances, and gratuities of members of the armed forces who die while on duty or while under care of the Department of Veterans Affairs, shall or may be collected and paid by the Governor in Council to the heirs of those men. There is a simple procedure whereby pay and allowances due to the members of the armed forces at the time of their death are paid to their heirs-at-law. No claim can be made against the gratuities, of course, because the pay and allowances are not susceptible to seizure.

An Hon. SENATOR: The department does not administer the whole estate.

Hon. Mr. HUGESSEN: No, merely the military part of the estate arising out of the military pay and allowances. The first section of the bill may hereafter be of considerable importance. It provides for the establishment of a defence research board, to be charged with the duty of conducting or co-ordinating all research and development for defence and of advising the minister. The board will be relatively small; the section states that its members shall not exceed twelve in number. It is expected that from time to time it will employ scientists for special research, and encourage defence research by providing scholarships and financial aids to universities and other institutions.

I do not know that the three sections of the bill are of such importance or complexity that they need be referred to a standing committee of this chamber, but if any honourable senator wishes to make inquiries, and the bill

is given second reading, I shall be only too glad to move that it be referred to a standing committee.

Hon. Mr. HAIG: I think that had better be done.

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

REFERRED TO COMMITTEE

Hon. Mr. HUGESSEN moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

The Senate adjourned until Tuesday, March 11, at 8 p.m.

THE SENATE

Tuesday, March 11, 1947.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Hon. Mr. HUGESSEN presented Bill H, an Act to incorporate the Quebec, North Shore and Labrador Railway Company.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. HUGESSEN: Thursday next.

CANADIAN TRADE RELATIONS

STANDING COMMITTEE—CHANGE OF PERSONNEL

Hon. Mr. COPP, with leave of the Senate, moved that the name of Honourable Senator McLean be added to the list of senators serving on the Standing Committee on Canadian Trade Relations.

The motion was agreed to.

INDIAN ACT

JOINT COMMITTEE—CHANGE OF PERSONNEL

Hon. Mr. COPP moved that the name of Honourable Senator McKeen be substituted for that of the Honourable Senator Nicol on the Senate section of the joint committee appointed to examine and consider the Indian Act.

The motion was agreed to.

MESSAGE TO HOUSE OF COMMONS

Hon. Mr. COPP moved that a message be sent to the House of Commons to inform that house that the name of the Honourable Senator McKeen has been substituted for that of the Honourable Senator Nicol on the Senate section of the joint committee of both houses appointed to examine and consider the Indian Act.

The motion was agreed to.

SUBSIDIES ON CONTROLLED
COMMODITIES

INQUIRY

Hon. Mr. BALLANTYNE inquired of the government:

What is the total amount of subsidies paid by the Commodity Prices Stabilization Corporation or any other agency, to maintain ceiling prices on all commodities controlled during the period 1st April, 1945, to 31st March, 1946, and from 1st April, 1946, to date.

Hon. Mr. COPP: I have an answer to the honourable gentleman's inquiry.

(See Appendix at end of today's report.)

IMMIGRATION

MOTION

Hon. ARTHUR W. ROEBUCK moved:

That the Standing Committee on Immigration and Labour be authorized and directed to examine into the Immigration Act (R.S.C. Chapter 93 and amendments) its operation and administration and the circumstances and conditions relating thereto including:—

(a) the desirability of admitting immigrants to Canada,

(b) the type of immigrant which should be preferred, including origin, training and other characteristics,

(c) the availability of such immigrants for admission,

(d) the facilities, resources and capacity of Canada to absorb, employ and maintain such immigrants, and

(e) the appropriate terms and conditions of such admission;

And that the said committee report its findings to this house;

And that the said committee have power to send for persons, papers and records.

He said: Honourable senators, one year has gone by since I moved in this house, seconded by the honourable senator from Churchill (Hon. Mr. Crerar), for a committee of inquiry into the subject of immigration. My resolution was couched in terms identical with the one to which I now speak. Honourable senators carried that resolution, and as a consequence an extensive investigation was had into Canada's need for immigrants, her ability to

absorb new-comers into her economic life, and the availability of immigrants for admission.

As you will recollect, your committee reported that both agricultural and industrial resources were available in Canada and were awaiting development. The committee expressed the opinion that immigration is desirable in substantial numbers and as soon as possible. Immigrants in considerable numbers were declared to be available, and it was recommended that Canada proceed to select the more desirable and that they be guided and assisted until established in this country. Particular approval was expressed of the admission to Canada of persons abroad having relations or friends already in Canada who were willing and able to receive and care for them.

The concluding paragraph of the committee's report was as follows:

In conclusion, your committee expresses its opinion that what is required for Canada is a well-considered and sustained policy of immigration, selective in character and pursued by Canadian authorities with initiative and enterprise. We should seek out the individual migrants whom we want who will contribute to our industrial and agricultural economy and who will assist in maintaining our high standards of living by increasing proportionately our productive power, and in addition whose mentality and education will fit them for taking part in Canada's political, economic and social life. What we require is a steady flow in reasonable numbers of good settlers both urban and rural, rather than any excited or spasmodic rush, with regard, of course, to the varying economic conditions and needs of the country from time to time. Successful immigration can be secured only by careful and intelligent planning, and sustained over a number of years. Continuity of policy is essential to great and lasting success.

The committee said: "The immigration problem is urgent. Action should be immediate, as otherwise opportunities will have passed or been seized by others."

The committee's recommendations accordingly were as follows:

1. Announcement immediately by the Government of Canada of a policy of selective immigration into Canada of both agricultural and industrial workers.

2. That such immigration be limited in numbers to what from time to time appears to be the absorptive capacity of the country, and by practical considerations of transport and establishment, and be subject to the shipping priority of service men and their dependents and other Canadian citizens.

3. That in anticipation of shipping becoming available for immigration purposes:

(a) Canada's immigration policy be published in appropriate foreign countries with explanations as to the unavoidable delay.

(b) That forthwith Canadian immigration and inspection officers be dispatched to Europe, and offices be opened with a view to meeting prospective immigrants and to the selection of those most desirable.

(c) That surveys be undertaken immediately in Europe to determine the localities where immigrants may be found, and the conditions and anticipated problems be met.

(d) That a survey be undertaken in Canada in order to determine the agricultural and industrial resources available for use by prospective immigrants, and the conditions and anticipated problems to be met.

(e) That the immigration ministry at once make studies and lay plans for an immigration movement, and promptly take steps to implement such a policy.

4. That everything possible be done to make shipping available subject to the above mentioned repatriation, and that thereupon priority be given to the relatives, in all degrees, and to the friends of Canadian citizens who assume responsibility for the care and establishment of the new-comer, and who are well able and willing to give guarantees.

5. That the Immigration Act and regulations be revised to provide for the finding and selection of immigrants, the admission of those most desirable, and for the supervision and assistance of the new-comers until established in Canada.

The committee's report was received and adopted without dissent, and it is satisfactory to note that it was accorded a most favourable and sympathetic reception throughout Canada, and particularly in the press. One cosmopolitan journal remarked editorially:

The Senate can take pride in this week's report of its Immigration Committee.

This particular comment I happened to clip, but such comment was fairly general throughout Canada.

Urging action, one paper quoted the report, as follows:

A settled immigration policy and a sustained effort is necessary if any real success is to be achieved in attracting immigrants of the type indicated. Worthwhile men of skill and enterprise do not lightly pull up stakes in the land of their birth in order to emigrate into new and unknown conditions, but experience proves that there are such men abroad and that they are willing to come to this country. The presently disturbed condition of the world presents an opportunity to Canada in this regard which will be largely lost if too long delayed.

Our agents should be in Europe now searching out and interesting those whom we want, and preparing for the time when shipping will become available. Time is an element in such migrations, for men of the type indicated must know what they are doing . . . Canada should not stand inactively by, accepting passively those who apply.

Organizations and individuals in great numbers, and representative in character, have with practical unanimity endorsed the Committee's finding.

I quote from resolutions passed at the recent meeting in Ottawa of the National Liberal Federation Advisory Council:

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1. Resolved that the Federation expresses its appreciation of the statement of the Canadian Representative to the meeting of the Assembly of the United Nations at New York, that Canada would do its full share in providing a home for displaced persons, now homeless in western Europe. We therefore ask that all further active steps necessary to implement this policy be taken at once.

2. Be it Resolved that the National Liberal Federation urges the adoption of an enlarged immigration policy on a selective basis.

I might mention at random a resolution passed by the Canadian Council of Churches urging, "a generous immigration policy," and that on January 23 last the Toronto Branch of the United Nations Society in Canada passed a resolution asking "that Canada accept a fair number of displaced persons as immigrants, without regard to financial resources."

Probably the most outspoken individual on this question of immigration has been the Dominion's Minister of Agriculture, the Honourable James Gardiner.

Hon. Mr. ASELTINE: Right Honourable.

Hon. Mr. ROEBUCK: Right honourable, is it?

Hon. Mr. ASELTINE: Yes.

Hon. Mr. ROEBUCK: I beg his pardon. I always honour a man of Mr. Gardiner's stamp and type for his generous, bold and outspoken comments, and I honour him particularly for what he said on this occasion. He is quoted in dispatches from Vancouver as saying:

We need as soon as possible in this country from ten to twelve million people, most of them settled west of the Great Lakes. We need industries, not centralized, but scattered all over the West from Vancouver to Fort William. The twelve million ought to be secured first by retaining as many as possible of our native born in Canada, and secondly by drawing upon the skilled populations of Europe from Britain eastward.

I suppose if twelve million people are to settle from Fort William west that would mean a good many more than twelve million in Canada as a whole.

Urged forward by an overwhelming public opinion in favour of immigration, the government has not been altogether inactive. It has twice widened the classes of those admissible and, including the Polish soldiers and the war brides and their children, has admitted during the calendar year of 1946, twice as many persons as reached our shores during the previous six war years. That sounds spectacular, but of course during those years we received very few immigrants.

Hon. Mr. HAIG: Could my honourable friend give the figures for the different years?

Hon. Mr. ROEBUCK: I shall come to that.

Unfortunately, honourable senators, departmental action has been taken with such deadly deliberation that the resulting impression conveyed to our people has been one of holding back rather than of pushing forward with any enthusiasm for the enterprise. Perhaps one reason why that impression has gained ground has been the deadly silence of the minister responsible for the Immigration Branch. I took the liberty of saying to him not very long since that the clam is never as popular as the lark. So far, except for a few formal statements from the department, no words of inspiration or of forward-looking desire to build Canada have emanated from our Immigration Branch.

Having said that by way of criticism, which I think I have a right to express, it would be fair for me to give some account of what has been done during this last year, following the activities of the Senate committee and other bodies. To lay the foundation for a statement I must ask you to recollect that since March 18, 1931, the landing in Canada of immigrants of all classes and occupations has been prohibited, with certain narrowly restricted exceptions. I will summarize the excepted classes. Honourable senators will understand that I am not quoting the exact language of the order in council, but I am giving the facts. The exceptions have been:

1. British subjects and United States citizens with sufficient means of maintenance until employment is secured.
2. The wife or unmarried child under 18 years of a legal Canadian resident in a position to care for his dependents.
3. An agriculturist having sufficient means to farm in Canada.

That means somebody who brings means with him, and who is an agriculturist whose main activity is farming, as distinct from a farm labourer.

4. The fiancée of any adult male.

I have heard a good many speeches on women's rights. With some of them I have agreed but with most of them I have not. I do not know why the women's organizations of Canada have apparently sat silent while we have in effect an order in council permitting the male adult to bring in his fiancée while a female adult has not the same privilege. However that has been the rule now since 1931 or longer.

5. A person honourably discharged from the Canadian Armed Forces.

While the Senate Committee was holding its sittings last session these classes were widened by adding the following:

6. The father or mother, the unmarried son or daughter, 18 years of age or over—

Those below 18 were admissible before.

The unmarried brother or sister, the orphan nephew or niece under 16 years of age, or any person legally admitted to and resident in Canada who is in a position to receive and care for such relatives. The term "orphan" used in this clause means a child bereaved of both parents.

The announcement of this concession was received with great joy by those having relatives abroad, but unfortunately it has since been a terrible disappointment to many of them because of the large proportion of relatives excluded from its benefits. The son or daughter, the brother or sister, of someone in Canada must be unmarried in order to gain entrance to this country, as though a person's marriage were a reason why he or she should not be admitted. The nephew or niece must be under 18 years of age—it was at first 16 years of age, but more recently the limit was raised to 18—and bereaved of both parents. And all these persons must have relatives here who are both able and willing to receive and care for them, which means that they must be able and willing to supply them with housing accommodation and maintain them in Canada for an indefinite period until established, and in most cases pay the costs of transportation. No authoritative figures have been given as to the number who may be expected to get under that series of wires, but I have heard the total estimate at 1,500 in all, and I have been impressed in actual experience by the numbers left out.

I have in my files scores of cases in which the nephew has one parent remaining, or is over 18 years, or the brother, sister, son or daughter has committed the sin of matrimony, and in which the department has answered the application of the Canadian relatives with a form letter refusal. Circumstances of appalling hardship mean nothing. The fact that a whole family has been wiped out except for a lone survivor, whom the Canadian relatives would succor, is not even considered. No exceptions can be made from the narrow rule strictly and inexorably applied. It is not so nominated in the bond. From long and tiresome experience I can state that it is a waste of time to ask for the introduction of anybody into this country who, in the light of the immigration definitions as applied, has a hole in his armour.

The committee of last session dealt with the question of relatives and friends, pointing out that the presence of relatives or friends here who assume responsibility and guarantee assistance is so great an advantage to the immigrant as to justify his priority over all other classes. The fact that there are friends and relatives already here ensures an easy assimilation into the Canadian economy and way of life. Such people present no problems of absorption; their successful establishment is almost a certainty, and they are the least likely of all immigrants to pass on to other countries, as thousands of others have done in past years.

I am in constant touch with people whom we call "New Canadians"—that is men and women who at some time came to Canada from Europe, usually leaving relatives and friends behind them. Many of these good people are in grievous distress because of their inability to succor the few survivors of a once extensive family connection, now all wiped out by the Hitler brutality.

The heart-pull is tremendous and stirs my deepest sympathy. I have no difficulty in putting myself in their place and realizing the attitude which I would adopt if I had relatives in devastated Europe who desired to come to Canada and whom I desired to rescue. It would be interesting to know how many applications from such people have been turned down because the son or daughter, brother or sister is married, or because of some picayune definition of relationship rigidly applied.

What an opportunity Canada is missing to win the undying gratitude of these good Canadian citizens and the loyal co-operation of the new-comers. No one ever lost anything by expressing humanity in words and action, and this applies to nations as well as to individuals. The Good Samaritans have been loved in all ages. Those opposed to immigration are disarmed by the human appeal of a government expressing a paternal interest in Canadians who are in a sad predicament. We should open wide our doors to these relatives and friends who can be brought in under guarantees from our own citizens.

On January 30, 1947, a further widening of the regulations occurred which, so far as it goes, has my warmest approval. The following classes were added:

1. The widowed daughter or sister (with or without unmarried children under 18 years of age) of a legal resident of Canada who is in a position to receive and care for such relatives.

Honourable senators will note that such an immigrant would not be acceptable if she had a husband; she must be a widow. I am

reminded of Mr. Weller—perhaps it is facetious to say so—when he told Sam to beware of widows. In this case, however, we prefer widows and refuse to accept married women.

Further classes were as follows:

2. An agriculturist entering Canada to farm when destined to a father, father-in-law, son, son-in-law, brother, brother-in-law, uncle or nephew engaged in agriculture as his principal occupation who is in a position to receive such immigrant and establish him on a farm.

3. A farm labourer entering Canada to engage in assured farm employment.

4. A person experienced in mining, lumbering or logging entering Canada to engage in assured employment in any one of such industries.

5. Orphaned nephews and nieces may now be under 18, instead of 16, as formerly.

I say I approve this easing of the blockade as far as it goes, but one cannot but note the hedging about with qualifications. Few whose principal occupation is farming are in a position to "establish" a relative on a farm and have relatives in Europe who may be described as agriculturists—that is who operate their own farms as farmers as distinguished from farm labourers; and are prepared to close their establishments in Europe to be re-established in Canada by the grace of farmer relatives already here. Such men are more likely to be counted in tens than in hundreds or thousands.

There should be more farm labourers and experienced miners and lumber-jacks who can be assured employment—though I question the need of insisting on prior experience—and I point out that history would lead us to expect more difficulty when employers are allowed to import cheap labour than when Canadians whose hearts are touched are permitted to bring in less fortunate relatives and friends for whose well-being they assume a continuing responsibility. Many instances could be given of difficulties caused by employers bringing in cheap labour—take the Japanese on the Pacific coast—but I think these difficulties will be few when Canadian citizens have brought in their friends and relatives and have established them in this country.

But why, honourable gentlemen, all this hedging about of the free air of Canada? Why this holding back, as though we were misers and every visa was a pearl of great price? I grant you that it is a fine thing to be a citizen of this great and blessed country, but are there not two sides to the ledger, responsibilities as well as privileges? Does not the immigrant assume his share of the indebtedness, both private and public, which Canadians must carry and ultimately

pay off? Does the immigrant not underwrite the success of our railroads and all of our other debt-laden enterprises, public and private? Does he not as a citizen, along with the rest of us, underwrite the success of our country, and of all those institutions which today bear debts and which in the ordinary course of business will encounter the risks of operation? Does not the immigrant arriving in this country undertake that he will claim no share of the great natural heritage of Canada, except that which he purchases from someone already here, some owner already in charge, who has forestalled him? He must pay his way; and the price which he will be expected to pay may be one reason why so many have left us after having reached our favoured shores.

So there are two sides to the ledger. There are obligations and responsibilities as well as privileges. In saying that I am a loyal citizen of this country, I am not boasting; I am only stating what all of us would state. I believe that Canada is the finest land in which to live that can be found in this world. But I am also a realist, and I know that I am called upon to pay to the federal government in taxes approximately one-half of all I earn. Cigarettes, automobiles, gasoline and other manufactured goods are all considerably dearer in Canada than they are across the United States border; wages are about 35 per cent lower, and taxes 50 per cent higher. We have obligations as well as blessings to share with those who come and join us in Canada. We should become realists, and recognize that what we are proposing to share are our burdens as well as our benefits. It is time we quit kidding ourselves that a visa to Canada is a ticket to Heaven. It is nothing of the kind. We are offering an opportunity for labour and advancement, it is true, an opportunity to join the great fraternity of the Canadian people,—a magnificent thing; but I submit that we should not guard it against everybody who applies for entry as though he were trying to rob us of our rights.

We used to think there were just so many jobs to go around, and that when the newcomer arrived in Canada he took one of those jobs from somebody already here. That theory is now exploded, and we have come to realize that every manual worker who arrives brings with him employment, first for himself, and second for those in the secondary industries, in the crafts, and in management and the professions. I have been told that during the recent times Canadians have been leaving Canada at the rate of about 1,000 per month.

There is a shortage of men on the farms, and in the mines and forests. Had there been more farmers, miners and loggers in Canada, we would not have lost so many of our highly trained young men. Honourable senators, I say again that the opening of our doors to select immigrants confers a favour not only upon them but upon us.

Let me now say just a word about the problem of administration. Immigration offices have been established in Paris, France, in Brussels, Belgium, and in the Hague, Holland; provision also has been made for the examination of prospective immigrants at Canadian missions in Athens, Greece, in Lisbon, Portugal and in Oslo, Norway. The indications are that our staffs are engaged in these places, but what they are doing, or how much, is obscure. So far as I know, no one has as yet arrived in Canada as a result of their activities. If anyone has reached Canada, his is a very rare case, indeed, despite the fact that the war is two years in retrospect. However, I am hoping that the work now going forward in these offices will in the future bear fruit.

It is also proposed that teams of immigration officials shall proceed into Italy and into the occupied zones of Germany, there to conduct examinations; but when they will go and where has yet to be revealed.

I spoke of the deadly deliberation with which we are moving. It is now nearly two years since the German collapse, and relatives here are still awaiting the first arrivals from overseas. One can picture their impatience. The excuse of lack of shipping, which did service so long, will no longer apply. I hold in my hand a newspaper clipping under the heading "Last Returning Draft Gets Rousing Welcome." It is dated January 24, 1947, and tells of the clean-up of the Canadian army representation in the United Kingdom. Our soldiers have all come home, and the repatriation of Canadian civilians is also reported to be complete. Passage may be had from Great Britain to Canada with little more than normal delay. It was decided to bring to Canada 4,000 Polish veterans from Italy, and this has been done with no apparent difficulty as to shipping.

The more up-to-date excuse, which is now advanced is lack of housing. But lack of housing has been attributed to a shortage of manpower, particularly in our lumbering. Manpower is the first essential in the construction of houses, as of all other buildings. Labour, both skilled and unskilled, is vital to

building, and both classes have been clamouring in the past few months for entrance to Canada. There is undoubtedly a shortage of housing accommodation in Canada, but it is sometimes hard to explain why we find such great difficulty in providing roofs to cover our heads, when our forefathers were able to do it with so few tools and under conditions much more difficult than those under which we live. As I say, gentlemen, there is undoubtedly a shortage of housing accommodation in Canada; but this is no argument against the hundreds and thousands of immigrants who would come to the homes of relatives in Canada, where they would be received and sheltered.

While Canada has been kidding along with excuses for delays, other jurisdictions have been active in skimming the cream off the immigrant pool. The most important action that has taken place is very recent. I have an item from the daily press, a special from overseas, dated March 4, 1947, which states that the British Ministry of Labour has just agreed with the Trade Union Congress on the admission to the United Kingdom of 500,000 European refugees. The purpose of this agreement is to solve the manpower shortage, and it has been agreed that the immigrants are to be selected on the basis of their skill. The "Tight Little Island" is contemplating taking in half a million immigrants while we are talking about immigrants in half-dozens coming into this great and spacious country of ours.

Australia has set a target of 70,000 immigrants per year, with 50,000 orphans to be admitted, so it was said, in the three years following the war. New Zealand and South Africa are both taking progressive steps in the matter of immigration, and the United States is admitting its entire statutory quota, something that has not been done across the line for many years. I suggest to honourable senators that it would be well for us in Canada to at least keep in touch with what is being accomplished in this respect abroad.

Here are the figures for 1946 that the honourable gentleman from Winnipeg (Hon. Mr. Haig) asked me for. They have been issued within the last few days—

Hon. Mr. HAIG: That is why I asked.

Hon. Mr. ROEBUCK: —and they are an improvement, I admit, upon those of the preceding year.

Immigration from overseas during the war years has been practically at a standstill. The grand total of immigrants received by Canada

via ocean ports for the six years from 1940 to 1945, both inclusive, was 34,963. During the calendar year of 1946 we admitted:

English, Irish, Scotch and Welsh, ... 51,408.

It will be noted that the number admitted last year from the British Isles alone considerably exceeded the total of those admitted from overseas during the previous six years.

Northern European Races 5,633
All others 3,209

I call attention to the last figure.

The total number of overseas immigrants for the year was 60,250. To this number must be added 11,469 immigrants from the United States, making a grand total of 71,719. Included in these figures, of course, are the Polish veterans from Italy—the figure for them was set at 4,000, but I think the admissions fell short of that—and the war brides and their children.

Hon. Mr. HAIG: How many war brides and children were admitted? That is a figure I should like to get.

Hon. Mr. ROEBUCK: I can give my honourable friend the number of adult females admitted, but some of them were not war brides. Of the immigrants arriving via ocean ports, 6,273 were male, 36,713 were adult females—most of these were war brides—and 17,264 were children under 16 years of age. Most of these children were the families of war brides, but I cannot give exact figures as to this; I do not suppose any exist.

Hon. Mr. KINLEY: Did you classify the Poles among "Northern European races" or "all others"?

Hon. Mr. ROEBUCK: They would be in "all others". They certainly would not be included in "Northern European races": in that class would be people from the Baltic countries and Scandinavia.

Honourable senators, I wish to call your attention to the number admitted in the "all others" class, because that is a fairly accurate measure of Canada's magnificent contribution towards the succouring of people from conditions in war-torn Europe. With that generosity for which Canada has been noted in the past we opened our doors in 1946 to only 3,209 persons from devastated parts of the continent, although undoubtedly thousands of people here have been crying out to have relatives admitted to this country and removed from the terrible conditions under which they are living. I do not think that is anything for us to be proud of.

Whether the record of the Immigration Branch during the past year has been satisfactory or not is, of course, a matter of opinion. Those who have felt upon their heart strings the tug of family connections in dire distress, and whom they have been unable to succour as month after month has gone by, will be less complacent than some others I might mention. Equanimity depends largely on whose bull is gored. I myself have not found much ground for rejoicing. I am glad of the forward steps that we have taken, but they are not such as to arouse any great enthusiasm. They have reminded me too strongly of the molasses barrel in cold weather. In saying that, I am not by any means referring to the immigration officials with whom I have had a good deal to do in recent months, and whom I have found most efficient, industrious, sympathetic, courteous and helpful. Canada has reason to be proud of the departmental officials who have represented her during this last year and previously, but I cannot say that she has much reason to be proud of the policy which these officials have been forced to pursue.

What the Senate should do about immigration is, of course, the question of the moment. Certain it is that immigration is one of the big problems confronting this country, and that upon its successful solution depends in great measure the future of our nation. I believe we are all agreed upon this, and so it seems to me obvious that we in the Senate should at least keep in touch with what is going on, and if possible influence the course of events as we may think wise. That is expected of us. That is why I have moved this resolution again, in the hope that the work done by the Senate committee last session will be, not repeated, but continued in the current session. If you pass this resolution, honourable senators, as I expect you will, I would suggest that we follow a somewhat different policy from the one followed last year. Then we invited those who seemed to have special knowledge of this subject to appear before us; but if a committee is set up this year I would suggest that it throw its doors wide open and extend an invitation to all who have views to express or knowledge to impart. By providing an authoritative forum for the expression of public opinion on immigration the Senate may perform for Canada a service of great and lasting benefit.

In moving this resolution I am honoured to have associated with me, as seconder, the honourable senator from Rockcliffe (Hon. Mrs. Wilson).

Hon. Mrs. WILSON: I should like to second the motion of the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck), and also to adjourn the debate.

Hon. JOHN T. HAIG: Honourable senators, may I be permitted to speak now? The honourable lady may then adjourn the debate. I do not intend to speak at any great length, and as I have not consulted with a single member on this side of the house I will speak only for myself.

Honourable gentlemen, when your hair is the colour of mine and you have lived in Western Canada as long as I have, you can tell the Senate what Canada was prior to 1900 and what it has been since.

I should like first to congratulate the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the chairman of the Committee on Immigration and Labour (Hon. Mr. Murdock) on their work of last year. By their splendid efforts they rendered a real service not only to this house but to all of Canada. I was a member of the committee, but took no part in it; so I am taking no credit for its success. May I congratulate the member for Toronto-Trinity on the able way in which he has presented his case to this house and to this country tonight.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: May I digress for a moment to relate an incident which shows the difficulties resulting from our present immigration regulations? About thirty-five years ago three Ukrainian brothers came to Manitoba. Today one of them is a manufacturer of coaches in the city of Winnipeg, and has one of the largest businesses west of the Great Lakes and east of the Rocky Mountains; the two others are successful farmers in the Dauphin constituency. They have a brother-in-law, a college professor living in the Ukraine. He is a married man without children. They wish to bring their brother-in-law and his wife—their sister—to this country. A solicitor in Winnipeg whom they engaged came to consult me in the matter and showed me the pitiful letters these people had written to their relatives in Canada. I told him that under the Order in Council nothing could be done. The combined wealth of these three Canadian citizens I would estimate to be between \$300,000 and \$350,000. They are prepared to provide any sort of security for their sister and brother-in-law, but are unable to bring them in.

Those who lived in Western Canada prior to 1900 will recall that the late Honourable Sir Clifford Sifton, when Minister of the Interior, engaged in a wide open immigration policy. There was no screening, no selection. I regret, as everyone does, that some Polish soldiers suffering from T.B. have recently been allowed into Canada. At the present time there are from seventy to one hundred of them confined to the T.B. hospital at Brandon, and I fear they will be there for the rest of their lives. I cannot blame the authorities for that situation; the machinery for screening those people was not properly set up. I am assuming, however, that when we let immigrants come into this country in this day and generation all necessary precautions will be taken.

The immigrants we would like to see allowed into this country are people from Great Britain, Northern Europe and Central Europe. The men and women who were permitted to come to this country between 1900 and 1904 are today, with very few exceptions, as successful citizens as are to be found west of the Great Lakes. Recently, in looking over a list of members of the Manitoba legislature, I was interested to note that out of 58 members one was himself an immigrant and 5 were the sons of immigrants. Three of the 5 were graduates of the University of Manitoba, another was a graduate of the Normal School, and one was a mechanic. They do not belong to my party, but the majority of them favour the party in the government—some of them are members of the C.C.F.

I have been among these citizens of Canada and know that in the farming communities of this country their word is as good as their bond. They have made a success of their lives. True, they got on poor land at the start and have had hard times. My honourable friend from Saltecoats (Hon. Mr. Calder) will tell you that for a few years they lived in dugouts to get along. I attended the University of Manitoba and am governor of one of the affiliated colleges, and I know that sons and daughters of those immigrants are among our best students today. In the universities of Saskatchewan and Manitoba the same situation prevails. It should be remembered that the parents of these young people were not selected immigrants. Do not misunderstand me; I am not criticizing the government of that day; but we now know much better what should be done.

Let us look at things candidly, because education carries with it some difficulties. Too few of our people are willing to take the tough

jobs. How many of them are willing today to go out on the farm and submit to the rugged life there? How many will go to the bush and to the mine to work? In my own home town of Alexander, Manitoba, the sectionmen were at first all Englishmen.

Hon. Mr. ASELTINE: That is on the railway?

Hon. Mr. HAIG: Yes. By 1900 the boss was an Englishman and the section hands were Ukrainians. Today the boss is a Ukrainian, and he can get probably only one man to help him. The railways have to send a gang through in order to get the work done.

In the early days the immigrants took the poorest kind of poor land—they had no money to enable them to do otherwise—and they eked out a living. Today throughout the constituencies of Dauphin, Marquette, Neepawa, Selkirk, Springfield and Provencher, one will find successful men and women. May I be permitted to make a personal reference? Some of my best clients and friends are sons of those men and women who forty-five years ago came to this country as immigrants.

Let me tell you a story that you will scarcely believe. I knew six men, each about forty-five years of age, who in 1902 bought 240 acres of land. Today in that district the third generation are all successful farmers.

Without immigration I do not see how we are to pay for the upkeep of this country. Five years ago our national debt was about 3 billion; today it is around 16 billion. We have two railway systems in this country clamouring for an increase in rates. It is of no interest to me whether they get it or not—I have no stock in either of them; but with a population of only 12 millions we cannot carry on our municipal, provincial or Dominion government, and support the railway, shipping and elevator services in this country.

If I were a young man or woman starting out in life today, and was not sure that Canada would permit immigrants to come here, I would go to the United States. If you have brains, ability and energy, go where the people are and you will have a far better chance. In the University of Manitoba today we have nearly 7,000 students. Our province of 800,000 people cannot possibly absorb that many graduates.

That is the situation all over Canada. It applies at Toronto University, McGill University, Dalhousie University, the universities

of Saskatchewan, Alberta, British Columbia—any one you like to name. We as citizens do not realize that we have to adopt an immigration policy which will give the people of the world who are healthy and willing to work a chance to come here. I know that certain people in the ranks of labour believe that it will prejudice their position. I agree with the honourable member for Toronto-Trinity on this matter. My experience as far back as 1902 to 1905 has been that these immigrants, instead of taking jobs from others, give more jobs to others. The secondary industries and occupations connected with them are busier today by reason of these people being here.

I believe that this is a matter upon which the Senate can give leadership in Canada. Every part of Canada is represented here. We have among us those of every racial origin in Canada. We are interested first and foremost in our country; and it seems to me that even from a purely selfish standpoint—and that is the only one I have discussed so far—we ought to welcome the opportunity of bringing people here.

But think for a moment of another consideration referred to by the honourable member from Toronto-Trinity. If you had a relative, especially a brother or nephew or niece some place in Europe, and you were happy and prosperous in this country, the very stirrings in your being would make you want to bring those people out here. I am reminded of a man who is running a boarding house on McDermot avenue in the city of Winnipeg. The other day he came to me and said, "Mr. Haig, I have made a success in this country." I said, "You certainly have." He went on, "I have a niece about seventeen years old"—he showed me her photograph—"and, she is the last one of my relatives over there whom they did not murder, and I cannot get her out here because I am not a farmer. I run a rooming-house in the city, and I could easily support her if I could get her here." It is such people that I believe we should have here. This man happens to have been born in Germany. He is a good citizen, and was thoroughly loyal during both the first World War and the recent one. These are considerations which appeal to me. I believe we should forget our individual likes and dislikes. We should dismiss the idea that these new-comers would jeopardize the jobs of those working here, because the exact opposite will be the case. At the same time I candidly state that I do not believe that we should bring Japanese to this country. I may be criticized for saying so, but I do not think any person should be brought to

this country who cannot be absorbed into our population. It is my theory of life that unless we absorb immigrants they will be a threat to this country. If you attended the United Nations assembly last fall in New York you will remember the terrific fight which India made against South Africa on the question of contract labour. Somewhere about a hundred years ago the South African government of the day brought Indians into the country under contract to work. They stayed there and multiplied, and what to do with them has now become a world problem. They cannot be absorbed by the people of South Africa: that is what has caused the trouble.

I did not intend to speak so long, but I believe that the Senate is presented with an opportunity in this matter. I am not criticizing the government one iota; probably if I had been a member of the government I would have done exactly as they have been doing. I know there is a feeling that among those refugees that have been allowed in are people who should not have been let in, some who belong to the criminal classes and are otherwise objectionable. Well, I trust our officials. I do not think we need fear to give them authority to let young and healthy people into this country, and I am persuaded that every part of Canada would welcome such people. I know that we of the West are prepared to absorb our share of them, and I am convinced that by admitting them we shall provide work in our secondary industries.

I thank the honourable senator from Rockcliffe (Hon. Mrs. Wilson) for allowing me to speak ahead of her.

Hon. Mrs. Wilson moved the adjournment of the debate.

The motion was agreed to.

CANADA GRAIN BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 4, an Act to amend the Canada Grain Act.

He said: Honourable senators, I have asked the honourable senator from Queen's (Hon. Mr. Sinclair) to explain this bill.

Hon. J. E. SINCLAIR: Honourable senators, this bill is to put into statutory form some amendments that were made during the war, under the War Measures Act, to the Canada Grain Act. The principle involved is not new: the provisions have been in force for a few years and are well known to the Board of

Grain Commissioners, who have the administration of this act. It is not necessary for me to go into the details. I will just mention the amendments which are proposed in the bill.

Section 1 of the bill refers to the case of a person who has ordered a car and has delivered a car lot of grain to an elevator and then sells the grain to another person. The new owner has the right to load the grain on the car ordered by the original owner. This amendment is deemed to be a benefit to the producer, the grower of the grain, and it has been in force since 1944.

Section 2 of the bill refers to insurance in the terminal and eastern elevators, and requires a terminal elevator in the western division and every licensed elevator in the eastern division to at all times keep all grain in the elevator fully insured by companies approved by the board against loss by fire "and inherent explosion". These last words were added under the War Measures Act, and have been in force since 1941. They do not apply to licensed public country elevators.

This bill was first considered before the Standing Committee on Agriculture in another place, when representatives of the Board of Grain Commissioners were present and explained the particulars of the bill. They informed the committee at that time that they had no record of any inherent explosion in any licensed public country elevator; so subsection 2 of section 2 only requires the licensed public elevators to keep the grain at all times in such elevators insured against fire, but does not include insurance against "inherent explosion", as the terminal elevators are required to do in the western division and also in the eastern division.

Section 3 of the bill has been in force since 1943, and refers to the weigh-over in all terminal elevators. This weigh-over is required by statute, and the Board of Grain Commissioners is required to conduct such weigh-over in every terminal elevator once a crop year. Section 3 makes an amendment in regard to weigh-over in terminal elevators. The present act requires that in each crop year the Board of Grain Commissioners shall weigh-over the grain contained in every terminal elevator, and that the period of time elapsing between consecutive weigh-overs shall not be less than 9 and not more than 15 months. The amendment simply provides that the period of time elapsing between consecutive weigh-overs shall not be less than 9 and not more than 22 months.

Section 4 has to do with the weigh-over of grain in eastern elevators. The act as it now stands provides that the period of time

elapsing between consecutive weigh-overs in eastern elevators shall not be less than 9 and not more than 15 months. The amendment changes this to not less than 9 and not more than 22 months.

Sections 5 and 6 refer to Schedules 1 and 2 of the act, giving the definitions of several grades of rape-seed, sunflower seed, soy-beans and peas produced in both the eastern and western divisions. These two sections, which have been enforced by order-in-council since 1942, have proved satisfactory to the Board of Grain Commissioners and, I think, to the producers. It was felt by those who appeared before the committee in another place that from now on it was wise to continue these orders-in-council in statute form.

I feel that that is all I need say in regard to the principle of the bill or its details. The bill was discussed before a committee in the other place. Whether or not it will be sent to a committee here is for members of the Senate to decide. Whatever is their wish, I should be glad to move in accordance with it. If further information is desired, we could send the bill to a standing committee; or if members are sufficiently apprised of the details of the bill, after second reading we could let it stand for third reading.

Hon. W. M. ASELTINE: Honourable senators, one can take very little exception to the provisions of this bill. I am in perfect agreement with section 1. There was a time when a great deal of difficulty was encountered in getting cars for the purpose of shipping grain out of country points, but after considerable effort and negotiation the car order book was established and from that time on you could generally get a car, although sometimes you had to give the station agent a five dollar bill to make certain that you were going to get your car in its right order. However, that has nothing to do with this section as it stands. This subsection has to do with the sale of grain by a person entitled to a car, and authorizes the person who purchases the grain the right to ship it out in that car. We have no objection to that.

The chief objection to the whole bill is subsection 2 of paragraph 2. The honourable senator from Queen's (Hon. Mr. Sinclair), who has just moved the second reading of the bill, states that he has had no information disclosing any inherent explosions in country elevators. I know of many elevators that have gone up in flames from no apparent reason whatever.

Hon. Mr. SINCLAIR: I did not say it was my information. I said that it was information given to a committee in another place by the Board of Grain Commissioners.

Hon. Mr. ASELTINE: Well, that is the same thing, is it not? No one seems to know why or how these fires originated. I have always been of the opinion—perhaps the honourable senator from Thunder Bay (Hon. Mr. Paterson) could give us some information on the subject—that they were caused by internal combustion. Whether internal combustion is the same as inherent explosion or not I do not know. If it is, I should think that subsection 2 as well as subsection 1 should be amended to include the words “inherent explosion.” For that reason I should like to have this bill referred to the Standing Committee on Agriculture.

Mr. NORMAN McL. PATERSON: Honourable senators, may I reply to the honourable senator from West Central Saskatchewan (Hon. Mr. Aseltine) in regard to the country elevator business? I have had some thirty odd years experience in the country elevator business and in the terminal elevator in Fort William. During those years we frequently put out fires by using dust. The presence of corn dust was the cause of all fires that occurred that I know of. One of my early experiences in Fort William was in the year 1908 when a man was sent by the United States Government to inform us of the danger of dust explosions. He brought with him a small metal elevator with a portable roof, an alcohol lamp and a pair of bellows which would ordinarily be used for blowing up a grate fire. He put out the lights and gave us a lecture as to what would happen. He borrowed from the Empire Elevator enough dust for his purpose, and blew it into the alcohol lamp. An explosion was supposed to occur and blow off the lid of the elevator which was a foot square. He tried it three times unsuccessfully; he thought we had put up some sort of a job; and finally we had to get some corn starch from a store so that he could carry out his demonstration.

The dust in our western elevators does not explode, but when you place it alongside corn dust it does explode. The explosion at Port Arthur which killed 32 men is still unexplained. It might have been from an acetylene tank exploding, but as far as I know there was no corn dust in that elevator. It might be possible that the barley was particularly clean and dry, and that the ends of the barley were inflammable.

For a number of years we had a wooden elevator in Fort William, and sometimes we had wheat in one side and oats in the other. The wheat would sink the elevator lower on one side and would cause the shaft to bind, and the sparks would fly in all directions. This would result in a fire. It was always our practice to extinguish the fire by pouring dust on it. That was a regular occurrence in 1912 and 1914. Then we got rid of the wooden elevator and put up a concrete one. As far as I know the explosion at Port Colborne was from corn dust, and so were the explosion at Montreal and the explosion that blew up the Northwestern Elevator in Chicago. As far as I know we had no explosions west of Fort William from wheat or barley dust.

This clause regarding explosion insurance just adds a further tax on the grain industry and the only objection to the bill offered by the West was that it should be applicable to Eastern Canada, where corn is handled in the same elevator as wheat.

Hon. Mr. ASELTINE: Would the fact that we are growing so much more barley now than ever before have any bearing on this question that I have raised?

Hon. Mr. PATERSON: An explosion may have occurred from barley dust, but no one has ever proved it. The grain trade felt that until barley dust or wheat dust was proved dangerous this requirement was more or less a hardship.

Hon. Mr. ASELTINE: Can the honourable senator tell us how much the cost of insurance would be increased if this section were passed?

Hon. Mr. PATERSON: I cannot say, but that information could be obtained in committee.

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

REFERRED TO COMMITTEE

Honourable Mr. COPP moved that the bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

PRIVATE BILL SECOND READING

Hon. S. S. McKEEN moved the second reading of Bill G, an Act respecting British Columbia Telephone Company.

He said: Honourable senators, the purpose of this bill is to obtain an increase in the authorized capital of the British Columbia

Telephone Company from \$11,000,000 to \$25,000,000. Of the \$11,000,000 capital now authorized, \$10,000,000 has been issued. Of the \$1,000,000 additional capital authorized by the amending act of 1940-41 no part has been issued. The increase to \$25,000,000 is necessary for capital expenditures which will be required on the company's properties to provide facilities adequate for the needs of the province of British Columbia, and for the purpose of carrying out the company's post-war programme of expansion and modernization.

The bill would delete subsection (3) of section 6 of the act. The purpose of the deletion is to eliminate the restrictions imposed by the subsection upon the \$1,000,000 of

capital authorized by the amending act of 1940-41, but of which no part has been issued by the company, so that the existing capital and any authorized increase of capital shall be of a uniform type.

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

REFERRED TO COMMITTEE

Hon. Mr. McKEEN moved that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

Answer of the Department of Agriculture

Commodity	April 1, 1945 to March 31, 1946	April 1, 1946 to Jan. 31, 1947
Milk for fluid consumption	\$ 12,919,198 13	\$ 9,951,146 34
Butterfat used for creamery butter	22,884,609 17	19,040,989 68
Fertilizers subventions	437,671 01	282,000 19
Freight assistance on alfalfa meal	6,273 81	—
Freight assistance on alfalfa seed	40,954 39	—

These subsidies were actually paid to assure production or distribution; indirectly they helped to maintain the ceiling.

Answer of the Department of Reconstruction and Supply

April 1 1945 to March 31, 1946	\$ 15,545,673 52
April 1, 1946 to February 28, 1947	4,975,565 87

Answer of the Wartime Prices and Trade Board

	April 1, 1945 to March 31, 1946	April 1, 1946 to Dec. 31, 1946	Total April 1, 1945 to Dec. 31, 1946
Wartime Prices and Trade Board (Subsidy payments on refined beet sugar)	nil	\$ 285,171 56	\$ 285,171 56
Commodity Prices Stabilization Corporation Ltd.	\$ 95,747,513 99	\$ 59,573,245 40	\$155,320,759 39
Total			\$155,605,930 95

THE SENATE

Wednesday, March 12, 1947.

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

Prayers and routine proceedings.

INSPECTION AND SALE BILL REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce, to whom was referred back Bill 8, an Act to amend the Inspection and Sale Act, 1938.

He said: Honourable senators, the committee have in obedience to the order of reference of March 5, 1947, again examined the said bill, and now beg leave to again report the same with the following amendments:

1. Page 1, line 10. After "means" delete "any" and insert "the scutched".
2. Page 2, line 2. For "proof" substitute "evidence".
3. Page 2, line 5. Delete "and without further proof thereof".
4. Page 2, lines 14 and 15. Delete "and not less than fifty dollars".
5. Page 2, line 16. Delete "such".

The Hon. the SPEAKER: When shall these amendments be taken into consideration?

Hon. Mr. BEAUREGARD: Tomorrow.

DEPARTMENT OF NATIONAL DEFENCE BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce on Bill 19, an Act to amend the Department of National Defence Act.

He said: Honourable senators, the committee have in obedience to the order of reference of March 6, 1947, examined the said bill and now beg leave to report the same with the following amendment:

Page 1, line 30. After "or" insert "of former members".

The Hon. the SPEAKER: Honourable senators, when shall the amendment be considered?

Hon. Mr. BEAUREGARD: Tomorrow.

THE SENATE CHAMBER ATMOSPHERIC CONDITIONS

On the Orders of the Day:

Hon. Mr. HAIG: Honourable senators, I want to repeat my complaint about the draft that is felt on this side of the chamber. It is

very bad indeed. Several honourable members have complained to me about it. Surely in the Department of Public Works there should be engineers capable of discovering the cause of this condition and overcoming it. I felt a strong draft when we were sitting here last evening, but I did not mention it as I was suffering from a cold at the time and thought I might have been a little sensitive to any change in temperature. In our rooms the temperature is kept at a reasonably comfortable level, but in this chamber it is much lower. That in itself would not be so bad if it were not for the draft. I would suggest that the acting leader of the government (Hon. Mr. Copp) take this matter up with the Department of Public Works and see if the condition cannot be remedied.

Hon. Mr. MURDOCK: There are three vents at each of the windows above my honourable friends, and I think it will be found that they are kept open all the time. To prevent a draft it would be necessary to have a man get up on a ladder and close those vents.

Hon. Mr. QUINN: A draft comes in through the grill back of us.

Hon. Mr. COPP: I shall see that the matter complained of by the honourable leader opposite (Hon. Mr. Haig) is brought to the attention of the Department of Public Works.

DAIRY INDUSTRY BILL MOTION FOR SECOND READING

Hon. W. D. EULER moved second reading of Bill B, an act to amend the Dairy Industry Act.

He said: Honourable senators, this bill is an exact duplicate and has the same purpose as the one which I introduced at the last session of parliament. Its object is to repeal that portion of the Dairy Industry Act which provides for the prohibition of the manufacture, importation and sale of oleomargarine. I introduce the bill again, with all due respect to my honourable colleagues, because I believe that the Senate erred last session in refusing to end the prohibition of margarine, and thereby deprived the great mass of Canadian consumers of the right of choice as to the purchase of butter or oleomargarine. Further, the prohibition denies to the public the opportunity of purchasing an excellent substitute for the butter which is in short supply and so necessary to the health of the Canadian people.

I have received a great many resolutions passed by public bodies, and communications of all kinds from people throughout Canada. A great many editorials and comments have

appeared in the press from coast to coast. As far as I am concerned all this material was absolutely uninspired and voluntary and, except for that from the representatives of the Canadian Federation of Agriculture and the Dairy Council, is in every instance favourable to oleomargarine.

Before proceeding further with my remarks I should perhaps state that the bill is my own. It is not inspired by the government. I do not know what action the government may take with regard to the bill; it certainly is not promoted by anybody financially interested in the production of oleomargarine. I have had no communication from and have not been approached by anyone who might be interested in the manufacture or sale of the product. I do not expect to convince Mr. Hannam, President of the Federation of Agriculture, who last year and again this year in more or less veiled terms imputed that there were sinister motives behind the introduction of the bill. Apparently he is incapable of believing that even a humble senator might be just as zealous in trying to promote the interests of the Canadian consuming public as is Mr. Hannam in trying to promote the class interests of the organization which he professes to represent.

May I review briefly the history of margarine? It was first produced in France, a fact which I did not myself know until the other day. The product was placed on the prohibited list in Canada more than thirty years ago. During the latter part of the First Great War this prohibition was suspended, and in 1922 we had a very animated debate in the House of Commons as to whether or not the suspension should be continued for an additional year. In that year those of us who supported the use of margarine won the fight. It came up the following year, 1923, and, if I remember aright, the mover of the resolution was Mr. Carroll, who I believe is now a Supreme Court Justice of the province of Nova Scotia and was the chairman of the commission which investigated the coal situation in that province. There was no party feeling or party division, particularly, in connection with his motion. As a matter of fact, as I think I mentioned last year, the then Minister of Finance, Mr. Fielding, was strongly in favour of, as he called it, freedom of choice. The Prime Minister, Mr. Mackenzie King, was just about as strongly opposed. It was rather interesting to watch the debate between those two gentlemen. I myself had something to say on both occasions in support of oleomargarine. In 1923 we were defeated; and from that time on, for the last

twenty-four years, oleomargarine has been banned in Canada, the only country in the world where this is done.

Yet, as I remarked last year, it is no longer contended by anyone that margarine, as it is manufactured now, and indeed has been manufactured for twenty-five years or more, is not absolutely wholesome and palatable; and, with the addition of a vitamin—vitamin A—just as nourishing as butter itself. The use of it is legal in the United States, Great Britain, France, and those great butter-producing countries, Holland and Denmark, and everywhere else, so far as I know. I leave it to the judgment of honourable gentlemen, if it were the case that margarine had been a legal commodity in this country for the last twenty-five years, whether anybody would dare to try to prohibit its use and manufacture and sale at this time.

Last year in advocating the reintroduction of margarine—its manufacture, its sale, and, if you like, its importation—my chief argument was that the sale of no legitimate article of commerce, and certainly of no legitimate and wholesome food, should be prohibited in a free and democratic country. Freedom to purchase any such commodity should be a fundamental right of the Canadian people. It is strange that a country which boasts of its democratic principles—although we sometimes disregard them, and necessarily so in time of war—should be the only country in the civilized world which prevents its people from consuming a butter substitute which is as wholesome and healthful as butter itself. This is especially strange when butter is in short supply here, as it is at present. I do not believe that this prohibition can be reconciled with the principles of that much-abused word, democracy, or of fair play. The existing legislation is, in my opinion, class legislation of the worst kind.

I might pursue that point a little further. We are not consistent when we ban oleomargarine. We might just as well ban a great many other things. For instance, there is a commodity known as Crisco, which takes the place of lard, but we do not banish Crisco for that reason. Nor do we ban the importation of oranges or grapefruit. On the contrary, I believe we even reduce the duty or make some other concession to the importers. Yet, these fruits must compete with apples and tomatoes, which we produce. We do not debar silk stockings, although silk competes with wool. One of the products of my own city, Kitchener, is leatherette, but we do not prohibit its sale to avoid competition with leather, which is produced by tanners, who also are in my city.

Hon. Mr. DAVID: Nor the sale of Postum, which competes with coffee.

Hon. Mr. EULER: No. I read the other day that in Kitchener some people are breeding a little animal called a chinchilla, the fur of which is one of the highest priced in the world. I believe a lady's chinchilla fur coat costs as much as thirty or forty thousand dollars. Now, I am very much afraid that if a success is made of that industry my honourable friends from Prince Edward Island, the province in which foxes are bred, will probably move to have chinchilla breeding barred.

Mr. Hannam contends that we should not permit the sale of oleomargarine, as it interferes with the sale of butter. But there are in this country at least eleven million consumers who cannot obtain a sufficient supply of butter and who are obliged to do with an allotment of six ounces a week. There has been a shortage of butter in Canada for some years, and Mr. Bracken, the leader of the Conservative party in the House of Commons, states that this year there is going to be a shortage of sixty million pounds. This is not to be wondered at, for in the last two years we have exported to the United States 118,000 milk cows. Last year the production of milk was four per cent less than in the preceding year. There is a large production of cheese and ice cream, and the people are urged to drink milk—to their advantage, I think. However, surely apart from the principle of freedom of choice, on which I base my main argument, it is the essence of selfishness for the dairyman to say, in effect, "If you do not buy my butter you may not buy a substitute," or "I forbid you to buy margarine, even though I have not the butter to sell you or have not as much as you want or need," or "You cannot buy margarine, even if you cannot afford to buy butter at twice the price of margarine." Despite the fact of increased wages from time to time, the ordinary working man with a family has a smaller purchasing power today than he has had for some time.

Some of the opponents of this bill have attempted to answer the criticism that the present law is class legislation of the worst kind. So far as I know, oleomargarine is the only article of food fit for human consumption whose manufacture and sale are prohibited in Canada. Mr. Hannam says it is impracticable to permit the manufacture of oleomargarine, because the necessary fats and oils cannot be obtained here. Well, if he is right, why is he worrying about this bill?

Hon. Mr. HAIG: Is it true that the necessary fats and oils cannot be obtained here?

Hon. Mr. EULER: I do not think that is true. At the moment there may be some shortage of oils, but in these days various oils are being used for the first time. In the United States—I refer to that country because we are able to see what is going on there—coco-nut oil used to be an ingredient of oleomargarine, but after the war broke out manufacturers could not obtain a supply and they substituted cotton-seed oil, without any deterioration in the quality of the product. There is no argument as to the palatability or nourishing qualities of oleomargarine as it is made today. According to documentary evidence which I could bring here, it has the same nourishing qualities as butter itself. So while butter cannot be obtained in desired quantities, why should we deprive the Canadian people of the right—for it is their right—to get a substitute that will serve their purposes just as well?

Not only is butter scarce at present, but when it is obtainable the price is higher than some people can afford to pay. If, as is rumoured, the government discontinues the subsidy of 8½ cents a pound to producers, the price will probably go up at least 10 cents a pound, to 55 or 60 cents, a figure that the ordinary man with a large family cannot afford to pay. Then, honourable senators, why should he or any other Canadian be deprived of the right—I repeat that it is a right, and not a privilege—of being able to buy a good substitute at half the price of butter?

Hon. Mr. COPP: Can oleomargarine be bought at half the price of butter?

Hon. Mr. EULER: I am glad my honourable friend asked that, because it reminds me to say something that otherwise I might have forgotten. A few weeks ago I visited Buffalo, chiefly for the purpose of finding out about the oleomargarine being used over there. I went to four large food stores, all of which had oleomargarine for sale. There was no rationing or limitation of any kind on the quantity that one could buy. I hold in my hand a pound package which I brought back. In the past one of the objections raised against this bill has been the alleged ease with which a customer could be deceived into buying a pound of oleomargarine when he wanted butter. Well, as honourable members can see from this package, no one could possibly mistake it for butter. This product, called Parkay, is made by the Kraft Company, and is described as vegetable oleomargarine. It is the highest quality oleomargarine obtainable over there, and I paid 42 cents for the pound. At that time butter was selling there at from 78 to 80 cents, and the price has been as high

as a dollar. I brought this back with me as a sample. I have had it in my possession for two months, and perhaps during that time have been rendering myself liable to the direst penalties for breaking one of the prohibitions in the Dairy Industry Act. Honourable members may be interested to know that oleomargarine has better qualities than butter itself.

Hon. A. L. BEAUBIEN: Is it possible to tell the difference between oleomargarine and butter by taste?

Hon. Mr. EULER: I will reply to my honourable friend's question by relating a little incident. When I went to Buffalo I was accompanied by a friend, who also brought back a pound of oleomargarine. Afterwards he told me that for a Sunday dinner he had as guests his son, who is a doctor, and his son's wife. Butter and oleomargarine were served on separate plates, and both his son and daughter-in-law thought the oleomargarine was butter.

Hon. Mr. MacLENNAN: A case of mistaken identity.

Hon. Mr. EULER: Most honourable members who have visited the United States know what a high quality of oleomargarine is obtainable there.

Hon. A. L. BEAUBIEN: Is it not a fact that when oleomargarine was imported or manufactured here many restaurants and hotels, although able to obtain butter, used to save money by putting oleomargarine on the table, because their guests could not distinguish it from butter?

Hon. Mr. EULER: I do not know whether that was done. May I ask my honourable friend if he has ever heard of bottles labelled "plum preserves," but containing a large proportion of carrots or some other vegetable? If the ban on oleomargarine were lifted, the manufacture and importation could be surrounded with all the precautions possible. We have a pure food law, and the importers and manufacturers of oleomargarine would be obliged to comply strictly with regulations under the statute.

I may say to honourable senators that although I never write out my speeches I usually make rather copious notes; and on this occasion, as once before, I have come here with the wrong notes. So I hope that if my remarks are more or less disjointed honourable members will appreciate the reason.

Hon. Mr. HAIG: Will the honourable gentleman tell us if the notes he brought are in favour of butter or of margarine?

Hon. Mr. EULER: They are in favour of both.

Hon. Mr. QUINN: We thought the honourable gentleman had brought his butter notes.

Hon. Mr. EULER: Anyway, I do not need notes for my main contention which is this: there is no just reason why the people of this country should be prevented from buying a suitable substitute for butter, which they cannot obtain in sufficient quantity. And I say, as I did last year, that even if a sufficient supply of butter were obtainable, in a free country no man and no government ought to be able to say to the people, "You cannot buy a certain wholesome article of food, though you like it and have the money to pay for it." I lay that down as a fundamental principle. After all, honourable senators, we are continually boasting of our freedom and our liberties, and we are supposed to have fought a great war in defence of those rights. All my other points are merely in support of this chief argument, that there should be absolute freedom for every citizen to purchase any wholesome food or legitimate article of commerce.

But Canadians have been prevented from buying oleomargarine now for more than twenty-four years. It is so long since the product has been on sale that our people have forgotten what it is. Only those who have visited other countries know how good modern oleomargarine is. At one time, say thirty years ago, there may have been a reason, or an excuse—I think it was really an excuse even then—for prohibiting the manufacture or sale of oleomargarine. In those days it was not made with the good ingredients that are used today.

Surely our pure food inspectors would see to it that no manufacturer or importer put an unwholesome margarine product on the market. Then why in the name of ordinary fairness and common sense should Canadian citizens be prevented from buying a nourishing food, if they want it? And especially in these days when butter is so scarce we should not be prevented from buying a suitable substitute.

Hon. Mr. DUPUIS: What is the daily consumption of butter in this country?

Hon. Mr. EULER: I am sorry, I cannot answer that question.

Hon. Mr. DUPUIS: What is the approximate consumption?

Hon. Mr. EULER: I do not know precisely.

Hon. Mr. DUPUIS: Is it not about a couple of million pounds per day?

Hon. Mr. EULER: I should think that is approximately correct.

We are today importing New Zealand butter. But we are not bringing it directly from that country; it is coming from Great Britain, and we are robbing the British people of their reserves to the extent of 12,000,000 pounds. This import comes to us through Halifax, and not directly from Australia or New Zealand via Vancouver. But we are going to need more butter. How could we avoid a shortage when in two years the dairy farmers of Canada sold 118,000 milk cows to the United States—and they are still selling them—at \$175 a head?

Hon. Mr. HOWDEN: Does the honourable gentleman not know why they are doing it?

Hon. Mr. EULER: Because it is profitable.

Hon. Mr. HOWDEN: It is because it does not pay them to milk these cows.

Hon. Mr. EULER: That may be the case.

Hon. Mr. HAIG: You are right.

Hon. Mr. EULER: They are also selling milk.

Hon. Mr. ROBICHEAU: They will be selling more than 118,000 cows if we permit the sale of oleomargarine.

Hon. Mr. MORAUD: Do you not think that price control has something to do with the milk selling problem?

Hon. Mr. EULER: Before coming into the house today I read in a Toronto paper that the price of butter would probably go to 60 cents a pound. That is one more reason why people will not be able to buy butter. In a recent article about British Columbia I read that in one district 75 per cent of the milk produced was being sold as beverage milk.

Hon. Mr. HOWDEN: People cannot get enough of it.

Hon. Mr. EULER: Here is an advertisement from my home town paper, the *Kitchener Record*. It occupies almost a quarter page, and is headed:

At every meal put the milk pitcher on the table. Milk is the finest and cheapest food you can serve and here's why.

It then lists the proteins, vitamins and minerals in milk, and goes on to say:

Everybody needs milk: three glasses a day for adults, four to five for children.

That advertisement appears every Saturday in our local paper, and I have no doubt that a similar one appears in papers throughout Canada.

How in the world can we expect anything but a shortage of butter when the people are drinking so much milk—and it is good for them—and we are exporting milk cows to the United States?

On a train going to Toronto recently I met one of my farmer friends, a former constituent of mine. It was after I had introduced this bill in the Senate, and we were discussing the oleomargarine question. My friend was against the bill. I referred to the shortage of butter and said that the individual should be at liberty to buy any wholesome food he pleases. He replied, "I guess you are right, but I am in the business, and for purely selfish reasons I am against margarine".

I say to honourable gentlemen here today that there are only two reasons why people should be against oleomargarine. One is the purely selfish reason that it might interfere with the sale of butter—a reason which I am not admitting, because the producer of butter can sell all he can make. The second reason—I hesitate to mention it, because I think that to some extent it influenced the vote in this house last session—is the political implication. I would suggest to my honourable friend the respected whip on this side (Hon. Mr. Howard) that he do not say too much in reply to that statement.

Hon. A. L. BEAUBIEN: My honourable friend would not care to be accused of saying too much for political reasons, would he?

Hon. Mr. EULER: I would not be guilty.

Hon. C. P. BEAUBIEN: Will the honourable gentleman allow a question?

Hon. Mr. EULER: Certainly.

Hon. C. P. BEAUBIEN: Was oleomargarine given to the troops during the last war?

Hon. Mr. QUINN: Lots of it.

Hon. C. P. BEAUBIEN: And what report was given on the use of it?

Hon. Mr. EULER: Perhaps my honourable friend was not present when I spoke on the bill last year. I said then that one of my colleagues on this side of the house, an officer in the late war, said on his return from overseas that the soldiers had been much dissatisfied with the quality of the butter that they were receiving, but oleomargarine was substituted for butter and immediately all complaints ceased. There is no question that the troops were fed oleomargarine during the last war.

I wish to emphasize that all the press editorials that have come to my notice have been favourable to margarine. Some of them have contained far more vehement statements than any I have made today.

In this morning's mail I received a letter which gives some indication as to the attitude of the working people in this matter. It is written by Mr. Robert Summers, Recording Secretary of the Trades and Labour Council of the city of Sault Ste. Marie, Ontario, and reads as follows:

Dear Sir:

We, the above organization, have read with interest the bill you have placed before the house in relation to legalizing the sale of oleomargarine in Canada. We as an organization feel that this is a matter that is of utmost importance to the worker of Canada. We would also at this time place ourselves on record that we as workers are in the fullest sympathy with this bill and accord it our fullest support.

In last Saturday's paper from Kingston, Ontario, the home town of an honourable gentleman who sits almost opposite me (Hon. Mr. Davies), there was a dispatch headed, "Sale of Margarine Sought by Legion." It was dated at Kingston, March 6, and stated:

Kingston branch of the Canadian Legion last night decided to ask the federal government to permit sale in Canada of margarine, a butter substitute. Members said margarine would help overcome the butter shortage.

Here is a dispatch from North Sydney, which may interest my honourable friends from Cape Breton. It is headed "North Sydney is for margarine. Cape Breton farmers not making enough butter for use."

North Sydney, N.S., January 18—The Town Council of North Sydney, N.S., is urging all cities and towns in the province to join in a campaign to lift margarine restrictions.

The Mayor of North Sydney, A. Charles Thompson, says about 75 per cent of the farmers in Cape Breton, N.S., are without sufficient butter for their tables. And he says he believes a large percentage of people are in favour of having the ban lifted on the importation of margarine into Canada.

The mayor said letters had been sent to all large centres in the province, and although he did not give specific figures on the answers he received, he said they would indicate that people are in favour of lifting the importation ban.

That refers only to the ban on importation of margarine, but we have also a ban on the manufacture.

Hon. Mr. HORNER: Those farmers must be just part-time farmers.

Hon. Mr. EULER: Probably so. And maybe some farmers in Holland and Denmark eat the oleomargarine they produce and sell their butter to Britain.

I have here an editorial from the *Montreal Daily Star*. I do not know whether that paper has any party politics, and it does not make any difference. The editorial states:

If, as the Minister of Agriculture seems to think, it is going to be necessary to import butter to maintain even the somewhat scanty ration now available, it is high time to put an end to the prohibition of the manufacture of margarine in Canada. It is no longer a question of protecting our butter industry. If the butter producer were able to supply the country's needs there might be some reason to help him hold his market, but he has not done so for a long time, and there is small prospect that he will, at least so long as the heavy demand for milk for various purposes continues. The use of margarine can surely do little to hurt the butter industry when the latter cannot meet the demand. No one is likely to use margarine when butter is available at a price which the small-income purchaser can afford. Until it is, it is not only unfair but downright stupid—

These are the newspaper's words not mine. —to deny this large part of the consumer-public an excellent food-stuff at a moderate price.

During the war the argument was used that the oils and fats necessary for the production of margarine were of great importance to war-time industry. That was presumably true in other countries, but did not prevent the making of margarine there.

He is presumably thinking of the United States.

In any case this war priority no longer exists. If the production of margarine cannot be started without too long delay, it should be possible to import it until we can get production under way in this country. It is true that the law now prevents the manufacture of this food product in Canada. That need be no insuperable obstacle at the coming session. Parliament has wisely corrected mistakes before this, and should do so in this instance. To maintain opposition to the production of this healthy and medium-priced food-stuff, particularly under present circumstances, would be a dog-in-the-manger attitude which would be inexcusable.

The farmer or the dairyman of Canada is, I think, just as reasonable a person as any other citizen. I doubt very much whether he would say to the man with a large family in this country, "You must buy my butter and you cannot have a substitute," or "You cannot have margarine, even though I am unable to supply you with enough butter to provide for the needs of yourself and your family," or "You have got to buy my butter, though the price be twice as much as you can afford to pay or twice as high as the price for which margarine could be sold."

Perhaps I am prejudiced, honourable senators, but it seems to me that there is no real argument against margarine. Canada is the only country in the world which prohibits the manufacture, importation and sale of this

commodity; and oleomargarine is, I think, the only wholesome food banned in this country. Is it not discreditable to allow the present law to continue on our statute books?

I have one or two other quotations which would, perhaps, support my case better than I can. For instance, here is one from the *Canadian Grocer*. However, perhaps I should not read it, lest someone say that Canadian grocers are interested parties because they want to sell oleomargarine. Another quotation is from the *Financial Post*. That might be regarded as an organ of the big interests, but I will repeat a portion of the article, and leave it to the sense of the house whether it is logical or not:

Defenders of the ban on margarine lay great stress on the fact that there is no current surplus of vegetable oils in Canada. Even if manufacturing and sale were permitted, they argue, where would we get the raw materials?

This sort of talk is merely a smoke screen. It completely ignores the most serious aspect of the situation, namely that the prohibition of margarine gives butter producers an absolute monopoly and monopolies have no place in a country like Canada.

By supporting this high-handed restriction, which they maintain is of no benefit to them anyway, Canadian farmers are weakening their whole case for wider and freer markets.

I must say that, having always been a Liberal and believed in Liberal principles—although many of my friends are, perhaps, a little more extreme in their ideas in regard to tariffs than I am—when I find men who, though calling themselves Liberals oppose the use of margarine and demand for butter an absolute monopoly which is infinitely worse than the highest tariff in the land, I cannot see any consistency in their attitude.

Hon. Mr. DUFF: Would the honourable gentleman be consistent, and come out for free trade?

Hon. Mr. EULER: Like my honourable friend, I am theoretically pretty much of a free trader myself.

I continue the quotation from the *Financial Post*:

This sort of thing, if extended, would soon bring world trade to a complete stop. Oranges, bananas, gasoline from imported oils, cane sugar, foreign textiles and almost everything else we bring into this country, could be banned on the ground that they compete directly or indirectly with something we produce or could produce in Canada.

Even if consumers were plentifully supplied with butter the ban against margarine could not be defended. To maintain the restriction now after butter producers have demonstrated their inability to keep consumers supplied is preposterous.

This morning I got a rather amazing bit of information. I am pretty sure that there is not a member of the Senate who knows of it, and I am not sure that I should disclose it. It is particularly interesting in the light of the statement made by Mr. Hannam, President of the Federation of Agriculture, that in Canada we could not get enough raw materials to make oleomargarine. I am told on the highest authority that there is today a concern in Toronto—I may not give the name—which collects animal fats, some vegetable fats, and whale oil from both coasts, and exports them to Newfoundland, where they are made into margarine.

Hon. Mr. DUFF: Seal oil?

Hon. Mr. EULER: Seal oil: that is another article. All these are exported to Newfoundland for the manufacture of margarine. It would be a real joke if some enterprising black marketeer sent that margarine right back here to Canada, where the original materials came from.

We can produce practically everything that goes into modern margarine. In the United States they take some pride in the fact that all the constituent parts of margarine, of which the principal ones are coco-nut oil and the soya bean, come from their farms. They are also beginning to use sunflower-seed oil. I am told that Mr. Gordon Ross, a former member of the House of Commons, does quite a business in the collection of sunflower seeds, and ships carload after carload to Eastern Canada, where they are processed into vegetable oils, which could readily go into the making of oleomargarine. In the province of Manitoba, where formerly some four thousand acres were used for the growing of sunflower seed, farmers last year used sixteen thousand acres for this purpose, and had a nice cash crop of nearly \$600,000 from sunflower seed oil. I have sufficient faith in the ingenuity of the Canadian manufacturers to feel sure that they can adapt themselves to the oleomargarine industry if they once get the opportunity.

Canadian farmers cannot produce enough butter to satisfy the needs of this country itself and will not be able to do so for some time to come, because a large proportion of the milk is sold in liquid form, and an increasingly large quantity is used for making cheese, ice cream and other products. The more milk our people drink, the less there is for butter making. As the old saying goes, "You cannot have your cake and eat it."

Last year some honourable senators were in favour of adding an amendment to the bill which would legalize margarine for a period

of two or three years. Well, I have no particular objection to that, although in principle I do oppose it because I think that there should not be any ban on the production of such a healthful and wholesome food as oleomargarine. To any who still have that idea, I would say that if we are going to have the product in Canada at all it surely would be preferable to have it produced here. You cannot expect the packing houses or anyone else who might be interested in the production of oleomargarine to set up a plant and then embark on an advertising campaign if there is a danger that within two years or so they will be put out of business again. I shall leave that question to the judgment of businessmen in the house.

Honourable senators, I have probably spoken too long, but perhaps I may be allowed to quote an item from *Saturday Night*, which is not a party paper but a highly reputable weekly journal. Under the heading "too little butter," that paper states:

The supply of butter in Canada is being permanently reduced by two factors, a sharp increase in the consumption of milk as milk, and a heavy export of milch cows to the United States. Canadians, however, are still debarred by law from the privilege of obtaining that excellent substitute for butter known as oleomargarine. It seems a little hard that Canadians with no margarine should go short of butter while their farmers are selling their cows at high prices to Americans, most of whom are permitted to consume and do consume all the margarine they want; and the present might be a good time for a general push to get rid of a prohibition which has never had any other basis than general sympathy with the Canadian dairy farmer—who at the moment seems to need less sympathy than the Canadian butter consumer and to be likely to do so for quite a long while.

I wonder if I might just give one more quotation. I have so many here that I feel an embarrassment of riches. This quotation, from an article in the *Halifax Herald*, is entitled "A dog in the manger attitude."

Hon. Mr. DUFF: I am against that.

Hon. Mr. EULER: That is stronger language, perhaps, than I myself would use. I do not know whether the paper has any party bias or not. However, that does not make any difference. After mentioning the fact that Canada is obliged to import 12 million pounds of New Zealand butter, the article says:

It means (1) that the Canadian dairy industry is not supplying Canadian needs and (2) that, in order to keep the Canadian butter ration at "a full six ounces" per person per week, we are actually to "enjoy" butter diverted from the United Kingdom.

That probably explains why we get a little more butter in the parliamentary restaurant than we did at the same time a year ago.

Hon. Mr. QUINN: Very little more.

Hon. Mr. EULER: Well, more than the sliver we got last session.

The article continues:

Much as they desire butter, so long in short supply, the people of Canada will not relish the idea of taking it out of the mouths of the British people. And what makes Canadians particularly angry is the stubborn refusal of politicians—and lobbyists for dairying interests—to consider any modification of the rigid 100 per cent ban upon butter substitutes in this Dominion.

We are not supplying our own needs in butter (the Canadian demand far exceeds the supply)—butter is being diverted from Britain to Canada—and still, Ottawa refuses to raise, even temporarily, the prohibition clamped down upon importation, manufacture and sale of margarine and other nutritious substitutes for butter.

Then reference is made to the bill introduced here last year.

Hon. Mr. DUFF: A very sensible article.

Hon. Mr. EULER: It goes on.

That bill did not even pass the Senate and, of course, never reached the House of Commons. It encountered the implacable hostility of Canadian dairying interests—and the government itself displayed little or no concern in the matter.

But the people of Canada are interested—from sea to sea—and will expect reintroduction of the Lift-the-Margarine-Ban Bill at the forthcoming session which opens January 30.

I may say, honourable senators, that that is not my reason for introducing the bill again at this session. If I remember correctly, I promised last session, when the bill was defeated, that I would introduce it again this year. However, I make no promise for next session, because I hope honourable senators will see how reasonable is this proposed amendment to the act, pass it, and let it go over to the House of Commons.

Finally, may I read one or two letters which I think are of interest. I wish to repeat that every letter and communication I have received has been entirely unsolicited. The one I should like to read first came to me shortly after the bill was defeated last year. It is from the President of the National Dairymen Association, whose headquarters are in New York City, and is as follows:—

Honourable Sir:—

I have been called upon many times in the past to state my views with regard to the manufacture and sale of oleomargarine.

My message to you in this connection is based upon information having just reached me concerning the issue before your Senate which has rejected a relative bill, etc.

I take the firm position that nowhere in this world should the public of any country be prevented from purchasing any wholesome product fit for human consumption, and oleomargarine certainly is.

It should be obvious that my expressed view on the subject brings me criticism from certain dairy quarters; however, I maintain that it is good business to permit the public to make decision and this will cause healthier competition and better products.

We do not manufacture oleomargarine . . .

He is the president of the National Dairy-men Association.

. . . however, I would consider erecting a special oleomargarine plant in Canada and pay your government a fair tax.

United States manufacturers may produce as much oleomargarine as they like, but if they colour it they are taxed ten cents a pound. That is as a result of the influence of the dairy industry.

In the state of Pennsylvania retailers pay a licence fee of \$100, and wholesalers pay \$500. Both groups appealed to the courts, and last week these fees were officially declared to be unconstitutional. I wonder what those courts would say about a law that prohibits everyone from making oleomargarine at all.

I replied to the President of the National Dairy-men Association, and received from him another letter which stated in part:

You are absolutely on the right track, Senator, and don't hesitate to call on me. I am prepared to call before a committee with samples of oleomargarine and pure butter. I must add that none of my business activities are engaged, directly or indirectly, in the manufacture or handling of oleomargarine.

In his third and latest letter he says:

1. Under separate cover I have forwarded you considerable self-explanatory data.
2. Should, however, you desire any further material, please let me know.
3. I am prepared to erect a plant in Canada for the manufacture of margarine.
4. Would welcome an opportunity of shipping best quality product to Canada.
5. I am prepared to send one of the best experts to Canada to speak with you and or before any group, in connection with the matter.

Please be good enough to keep me informed and should there become an opportunity of proving the quality and claims in favour of margarine by making shipments into Canada. I shall be glad to arrange this and to indicate that the sale of margarine does not finally injure any phase of the dairy farmer, but rather gives people in the lower bracket incomes an opportunity of buying a good product in place of butter.

Honourable senators, that completes my remarks. I regret the disjointed manner in which they have been presented. In summing up may I say that oleomargarine is a healthful and wholesome product, and as nourishing and

palatable as butter. In a free country, such as we profess to have, no government should have the right to deprive any citizen of the privilege of buying, with his own money, any wholesome commodity that he desires. That is the principle on which I stand. Our people cannot obtain as much butter as they would like to have, and I submit there is no reasonable justification for preventing them from buying a suitable substitute at about half the price.

Hon. Mr. SINCLAIR: Before the honourable gentleman sits down may I, on a point of order, remind him that under our rules when a letter is quoted the name of the writer should be given.

Hon. Mr. EULER: I thought I gave the name of the writer. It is Alfred Altman, President of the National Dairy-men Association, whose headquarters are at 654 Madison Avenue, New York 21, U.S.A. I had not heard of the gentleman until he wrote me. All my citations of support for the bill were unsolicited.

Hon. JOHN J. KINLEY: Honourable senators, permit me first to congratulate the senator from Waterloo (Hon. Mr. Euler) on the fair and lucid way in which he presented the facts of his case to the house. He is to be commended for his industry and persistence. He went to a great deal of trouble to supply this house with a lot of facts. He intimated that from some quarter there was a suggestion that he had an ulterior motive, or that some people were influencing him in bringing the bill before this house.

Hon. Mr. EULER: I really do not suspect anyone here.

Hon. Mr. KINLEY: I can assure him that he need not be alarmed in that respect, because we who have known him for years are aware that he has a mind of his own. He is usually very steady in his thoughts and actions, and he puts his ideas forward with all possible force. In my younger days I knew him as a bulwark of the government in the position of what I think was then called the Minister of Customs.

Hon. Mr. DUFF: National Revenue.

Hon. Mr. KINLEY: Later he was Minister of Trade and Commerce, and we always had great faith in his judgment. We knew that he was a diligent and most capable man in the field of trade and commerce. His opinions, therefore, should have considerable weight with the members of this house. So it is with great regret that I find myself in the position

of not agreeing with his conclusions. I believe his bill should not be given second reading in this house.

By the bill the honourable gentleman seeks to amend a very old act. He wishes to amend one of the Revised Statutes of Canada, 1927. The honourable gentleman said that the act had been on the statute books of Canada for about thirty years, and he included some references to Liberalism and democratic institutions. May I point out to him that this law has faced democratic institutions for thirty years. It has stood the test of time. During three decades, while various parties have come and gone in this country, successive administrations have subscribed to this law. It is therefore of national importance, and represents the national viewpoint of the people of Canada. My friend talked about trade; he told us about Liberalism and freedom. May I remind him that trade, even from a Liberal standpoint, is only good when it contributes to the benefit of the majority of the people; and freedom functions best when it sustains the healthful and abundant life of the people of the country.

My friend brought this bill forward last session. Honourable members of the Senate registered their views at that time, and the situation has not changed much since.

We know that the control, the movement of fats and oils is in the hands of the United Nations, and under the supervision of the Combined Food Board, situated in New York. In Canada the movement is supervised by the Oils and Fats Administrator, an official of the Wartime Prices and Trade Board. The administrator is working in the interests of Canada to see that we get our fair share of these commodities, in keeping with other nations who are trying to meet a world crisis at this time. I consulted with him and he furnished me considerable information.

Under the heading of "Supplies of Fats and Oils for Margarine Manufacture" he has this to say:

I wish to confirm that the supplies of fats and oils which will be available for consumption in Canada during 1947 will, we hope, be equivalent to that imported in 1946. However, our import allocation is insufficient to meet the present demands of the shortening and food industries, and therefore we could not make any quantity available for margarine manufacture without denying the baking and allied trades of their most essential requirements.

Hon. Mr. EULER: May I ask my honourable friend a question? If that is the case, which I do not admit, what harm can result? If you cannot get the ingredients you cannot make any margarine. Your objection disappears.

Hon. Mr. KINLEY: If my honourable friend will be patient, I will answer his question before I get through.

Hon. Mr. LAMBERT: May I ask the honourable gentleman if he would be opposed to importation of the finished product from the United States?

Hon. Mr. KINLEY: I will answer that. I think my honourable friend will agree that for what we buy from the United States we pay in cash, and what we are sending in the way of goods and products to Britain and other countries we are sending on credit. One of the serious problems before this country in the near future may be to find enough United States dollars to fulfil our obligations to that country, in view of the fact that we are sending overseas on credit hundreds of millions of dollars worth of goods. That is only one of the reasons why I would be opposed to importation of oleomargarine from the United States to invade the Canadian market at the present time.

Hon. Mr. McLEAN: What about Newfoundland? There is plenty of margarine in that country.

Hon. Mr. KINLEY: The administrator says further:

In our opinion, it will be some time, probably two or three years, before the supply of fats and oils available for international trade will equal the pre-war level, and we must therefore expect continued shortage of fats and oils in Canada for the next two years at least.

Soap Industry

The soap industry is the largest single consumer of fats and oils in Canada, using approximately 150 million pounds per annum. We expect continued shortage in the soap field during 1947.

Textile Industry

The textile industry in Canada uses some 3½ million pounds of fats and oils per annum; in addition to consuming large quantities of special fats and textile soaps which likewise contain large quantities of fats and oils.

The types of oils used in the textile industry are sulphonated castor oil, lard oil, oleic acid and tallow. Spinners and weavers of cotton, wool, flax, silk and rayon fabrics employ large quantities of oil as lubricants for the moving parts of the looms. The use of fats in the textile industry is of immeasurable importance in the manufacture of wool cloths. Here the fatty oils are required as a lubricant or softener for the wool fabrics themselves because, in consequence of the removal of the natural fatty material by scouring, the fibres or "tops" are rendered comparatively brittle. Treatment with a suitable oil is required in order to reduce the liability of the fibre to snap during the spinning and weaving processes.

Hon. Mr. MURDOCK: Do these figures refer to edible fats, which can be utilized in the manufacture of oleomargarine?

Hon. Mr. KINLEY: Yes. Some of these could be used. Lard is used.

Hon. Mr. MURDOCK: Not edible fats, just fats.

Hon. Mr. ROEBUCK: A question I should like to ask, if I may be permitted to do so, is whether the honourable gentleman thinks soaps and textiles should be given preference over food for the poor people of our country.

Hon. Mr. KINLEY: I do not think that the poor people of our country are suffering very much at the moment, in comparison with the other peoples of the world.

The administrator goes on to deal with the paint industry:

The paint industry, including the protective coating industry, namely manufacturers of linoleum, table oilcloth, etc., consume almost entirely linseed oil in their manufactures. It is estimated that approximately 53 million pounds of linseed oil are used annually in the manufacture of paints and allied products.

Since flaxseed is produced in Canada in substantial quantities, we are hopeful that the high level of production which obtained during the war years will be continued throughout the reconstruction period. It is, however, essential that the western farmer be made cognizant of the desirability of flaxseed production. With the increase in construction and the high level of industrial activity, it is considered that the consumption of linseed oil in 1947 and 1948 will exceed the amount previously indicated.

Fish Canning Industry

Substantial quantities of edible vegetable oils, such as cottonseed, soy bean, peanut and sunflower-seed, are used annually in the fish canning industry. With the development of the canning industry in the Maritimes and British Columbia, the quantities required by this industry in 1947 are considerably in excess of the amounts used during 1941.

In view of the necessity of supporting the canning industry and with due cognizance of the relatively high employment picture therein, we are making small additional quantities of vegetable oil available to this industry.

The total consumption of the canning industry at the 1947 level of consumption will amount to approximately 2½ million pounds of vegetable oil.

In addition, may I refer to the pharmaceutical industry, of which I have some knowledge. In the field of medicine great quantities of oils and fats are needed to make emulsions and ointments and all that sort of thing, and the supply is under the jurisdiction of United Nations officials. Canada is receiving her share in keeping with need and with what should be done under the circumstances.

My honourable friend quoted some editorial opinions and other newspaper articles. One was from a newspaper at Sydney, Nova Scotia, and others were published in different parts of Canada. I want to tell him that in the matter of oleomargarine there seems to be a lobby in this country because people in Nova Scotia have been discussing the subject and considering resolutions about it; but very few have supported the line of argument of the senator from Waterloo (Hon. Mr. Euler), and those who did support it came from the congested industrial areas. Since newspaper opinions have been cited, let me quote the *Ottawa Journal* of a recent date:

SHORTAGE OF OILS CONTINUES

It looks very much as if Senator Euler's bill to allow the sale of oleomargarine in Canada may result in a purely academic debate in the Senate. Even should the bill pass it is doubtful if it would ease the butter situation, which is evidently Mr. Euler's intention.

The latest report on the world oils and fat situation is that supplies are about half what was anticipated, with all importing countries restricted to even less than last year. Canada's allocation for this year, by the International Emergency Food Council, is somewhat less than the 1946 supply.

These imported oils and fats are essential to the manufacture of oleo in Canada and it is obvious that if this substitute for butter were manufactured here we would have to reduce production of shortening which is essential for the baking industry. Authorities also predict that the oils and fat situation will not ease for the next two or three years.

I am also in possession of a rather lengthy editorial on the subject which was printed in the *Ottawa Evening Citizen*. I shall read only the last paragraph:

For the time being, in view of the world food shortage, this is not a question of pressing importance. But in this as in other aspects of agriculture, Canada's farmers feel that from a long-term standpoint they are entitled to know what government policy is to be.

Hon. Mr. EULER: To prevent a misunderstanding, may I interrupt my honourable friend? I said that all the articles that I had seen were in favour of lifting the ban on oleomargarine. If the honourable senator has some that are opposed to this, I can only say that I did not see them.

Hon. Mr. KINLEY: They were published in newspapers pretty close to home.

Hon. Mr. EULER: Well, they must have been published during the recess.

Hon. Mr. KINLEY: If I understand my honourable friend, he gives two reasons why he asks for the passage of this bill. The first is a need for oleomargarine.

Hon. Mr. EULER: That was not my first argument.

Hon. Mr. KINLEY: That is one of your arguments.

Hon. Mr. EULER: Yes.

Hon. Mr. KINLEY: His second argument is that, as a general matter of policy in trade and commerce, this legislation should not stand on the statute books of this country.

Hon. Mr. MURDOCK: There is a more important reason than that, is there not? He is a Liberal.

Hon. Mr. KINLEY: I do not quite understand the unrest of senators who seem to be in favour of this bill. While the honourable gentleman from Waterloo (Hon. Mr. Euler) was speaking, no one at all interrupted him. If our friends will give me an opportunity to discuss this matter I shall try, at the conclusion of my address, to answer any questions.

The honourable senator from Waterloo referred to the prices of butter and oleomargarine in the United States, and it is suggested that there would be a great economic advantage in our opening the doors to the production of oleomargarine at the present time. I have before me a communication from the Oils and Fats Administrator, under date of March 10, 1947, in which he states:

At the time of writing, I am advised that the wholesale butter price in the Eastern United States is approximately 80 cents per pound and the oleomargarine price 49 cents per pound. These prices are subject to some variation, depending on zone and market fluctuations.

I think the wholesale price of butter in Canada is 40 cents—it varies in different manufacturing zones—and the retail price varies, from 43 to 45 cents. Now, what economic benefit would those poor people spoken of by my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) derive from the manufacture of oleomargarine, when they can get a better product in butter?

Hon. Mr. EULER: If they could buy butter nobody would object. We are not asking that people be compelled to buy margarine. Let them buy butter, if they can.

Hon. Mr. KINLEY: The ration of butter in Canada is about 6 ounces a week, or almost an ounce of butter a day. My honourable friend, in finding a remedy for what he says is a shortage of butter in this country, proposes that at this time we introduce oleomargarine. As we all know, butter is the most digestible of fats. It dissolves at the temperature of the stomach and it is a most desirable food.

Hon. Mr. BURCHILL: Would not any other fat which is dissolved at the same temperature be just as digestible?

Hon. Mr. KINLEY: Maybe, but I think the natural product is best. We all know the old saying, "Butter will not melt in his mouth". But butter melts at the temperature of the body and it is most digestible.

Hon. Mr. EULER: That is conclusive.

Hon. Mr. KINLEY: There has been considerable reference to the production of milk. I have had compiled a report on milk production in the whole of Canada during the years 1944-45-46. The report reads as follows:

Milk production—All Canada:	
1944	—17,624,038,000 lbs.
1945	—17,620,047,000 lbs. Decrease 0.02%
1946	—16,937,000,000 lbs. Decrease 3.87%
Milk used in manufacture of butter and cheese and for fluid sales (shown in pounds and also as percentage of total milk production).	
Creamery butter	Lbs. milk used
1944	6,982,000,000
1945	6,872,000,000
1946	6,355,000,000
Dairy butter	
1944	1,271,000,000
1945	1,247,000,000
1946	1,270,000,000
Cheese	
1944	2,018,000,000
1945	2,086,000,000
1946	1,650,000,000
Fluid sales	
1944	3,912,476,000
1945	4,007,858,000
1946	4,254,000,000

Honourable senators will note that while the production of cheese and butter has remained fairly stable, the consumption of milk has increased each year. May I inform my honourable friends that each quart of milk contains at least three per cent butter fat and about an ounce and a half of butter, so the child who drinks a quart of milk gets that much butter in emulsion, the finest form in which it can be taken. To the consumption of butter we might therefore add the consumption of milk.

Hon. Mr. HUGESSEN: But the child cannot put milk on his bread.

Hon. Mr. KINLEY: No, but he gets it just the same.

Hon. Mr. EULER: He cannot eat it and drink it at the same time.

An Hon. SENATOR: He can soak his bread in it.

Hon. Mr. KINLEY: I wish to deal with the suggestion that we should sell butter overseas and keep oleomargarine for home consumption.

Hon. Mr. EULER: I did not make that suggestion.

Hon. Mr. KINLEY: It was made elsewhere. But we do buy for cash from the United States and ship to Europe on credit.

Hon. Mr. BENCH: Would the honourable gentleman be in favour of banning the importation of oranges, grapefruit and other seasonable fruits and vegetables from the United States?

Hon. Mr. KINLEY: That is a most intelligent question.

Hon. Mr. HAIG: We may have to do that.

Hon. Mr. KINLEY: For years we have been developing a bacon hog weighing about 150 pounds to send to Britain, because the people there demand that kind in competition with Danish bacon. When I was a boy pigs were raised to a weight of 300 to 400 pounds.

An Hon. SENATOR: Some pig!

Hon. Mr. DUFF: Put it in sausages.

Hon. Mr. KINLEY: When I was a lad with ten of a family around the table, and my mother wanted fat, she would go to the salt-pork barrel in the cellar. There she would get some wholesome fat and also some lard. But with our enthusiasm to export bacon overseas we have materially affected the fat situation in this country. Everybody from the Maritimes knows that you should cook fish with pork. Fish with a few pork scraps and potatoes makes one of the best meals. Now we use other fats to fry our fish.

Hon. Mr. DUFF: Hear, hear.

Hon. Mr. KINLEY: In this country there is a shortage of tallow and lard, articles which are used to make margarine. We also have a shortage of domestic shortening, which is made for the most part from vegetable oils imported into this country. Crisco is supposed to be 100 per cent vegetable oil; Mazola, which is corn oil, is a good cooking fat.

Hon. Mr. ROEBUCK: Why not ban Crisco?

Hon. Mr. KINLEY: It is not sold under false colours.

Hon. Mr. ROEBUCK: It is a substitute for lard.

Hon. Mr. KINLEY: It is used for cooking purposes and is made from vegetable oils imported from abroad.

Hon. Mr. EULER: It is in competition with lard.

Hon. Mr. KINLEY: We are told that the farmer has a monopoly on the fat situation. The farmer in Canada has no monopoly, because more than half of the fats are imported. He has at the most only one-half of the fats that are used.

Before the recent war the importation of vegetable oils into this country was getting us into a rather serious situation. The sale of lard and tallow was unprofitable both for the farmer and the dealer. I recall a splendid speech made by a member in the other house on the question of oils which were brought in from the tropics in tank steamers to compete with the products of our farms. He said he would not put the Canadian farmer up against the man who need not wear clothes, and who could climb coco-nut trees, throw the nuts down and send their oil into this country.

There are several prescriptions available for manufacturing oleomargarine.

Hon. Mr. ROEBUCK: You are not going to ban the importation of coco-nuts, are you?

Hon. Mr. KINLEY: Just hold on a minute, please.

On the subject of oleomargarine I should like to give a little history, which will perhaps be better received than some of my honourable friend's remarks. Oleomargarine which was first known as "margarine", was the culmination of experiments conducted by a French chemist whose object was to make a substitute for butter. The term "margarine" applied to the finished product was derived from the Greek word *margarites*, meaning pearl. The French product was a fatty substance, named "margarin" because of its pearly lustre. It was later shown to be a eutectic mixture of two common fats, stearin and palmitin. It is recorded that Napoleon III awarded the originator a prize for his success in producing a substitute for butter. The French chemist produced his product by digestive reactions with gastric and mammary tissue extracts and oleic acid, but this has long been abandoned. Today we are told that there are a number of formulae for oleomargarine.

The following formula is from the Armour Livestock Bureau and is published by the University of Chicago:

Milk (usually skimmed).....	23.5 per cent
Vegetable oil (Coco-nut Oil) ..	40.0 per cent
Animal fats	30.0 per cent
Salt—vanilla and colouring..	6.5 per cent

My honourable friend said that oleomargarine would keep better than butter. You can salt butter to keep pretty well too.

Hon. Mr. EULER: May I ask when that formula was issued? I am informed that practically all the manufacturers in the United States use vegetable oils almost entirely.

Hon. Mr. KINLEY: That is true. An editorial in the *Globe and Mail* the other day indicated that in the United States about 94.5 per cent of the constituents of oleomargarine were now vegetable oils. I presume that that statement comes from some authority, but there are various formulae for oleomargarine. Five or six were presented to me, and I chose this one because it was fairly reliable.

The honourable gentleman talked about vitamins. It has been found that there are certain substances of unknown composition normally present in certain food stuffs in minute quantities, whose absence from diet leads to a well defined morbid state; and in addition to the carbohydrates, proteins, fats and salts, certain accessory factors called vitamins are needed to satisfy the requirements for energy and material for new growth. These occur in natural foods and for convenience were termed fat soluble "A" and water soluble "B" vitamins. Butter contains fat soluble vitamins "A", "D", and "E" Oleomargarine is deficient in these vitamins, but it is claimed that it has been reinforced by the addition of vitamins, a practice required in some countries, and in others prompted by competition. The question rises as to whether the artificial vitamins are as good as those that occur in natural foods.

Hon. Mr. EULER: One can secure all sorts of documentary evidence.

Hon. Mr. KINLEY: There are many explanations; I have several of them here. The point is that oleomargarine is reinforced and has not got the natural vitamins.

Hon. Mr. EULER: May I show this to my honourable friend? It says the oleomargarine contains 15,000 units.

Hon. Mr. KINLEY: Yes, of Vitamin "A", which has been put into it for the purpose of reinforcing the oleomargarine so that it will contain some of the elements you get when you eat butter.

Hon. Mr. EULER: It is not intended as a substitute for butter. You can still eat your butter if you want to.

Hon. Mr. KINLEY: Milk, the most perfect food, contains all the vitamins, being deficient only in iron. Therefore we know that butter, which is made from milk, contains the life-giving products which are needed.

A great amount of the oils which used to come to this country is not now available because of the failure of the whale fisheries and of the disrupted production in Malaya, the East Indies, China and the Philippines. The amount of oils available is, therefore, very restricted. It seems to me that in view of conditions of this kind, to try to change the situation now for the purpose of putting on the market an article which has been prohibited in this country for years and years, is like trying to secure something to which, in our capacity of sharer of the supplies which are available, we are not entitled.

Hon. Mr. EULER: On that principle you would retain the prohibition for ever.

Hon. Mr. KINLEY: I will take up this matter of prohibition. A great deal has been said in opposition to what is described as a prohibitive act; but let us remember that every day governments are prohibiting something or other. I have here a book published by Columbia University, entitled *Studies in History, Economics and Public Law*. It states that this question of the manufacture and sale of oleomargarine has been before legislatures in the United States for the past fifty years.

Hon. Mr. EULER: Margarine is not prohibited in any state of the Union.

Hon. Mr. KINLEY: I would ask my honourable friend to wait until I have reviewed the history of the legislation. The author states:

The state and federal oleomargarine laws are an evolutionary product. The first state laws passed between 1877 and 1884 were inoperative because the necessary machinery to enforce them was lacking. In 1884 the state of New York created the office of Dairy Commissioner, whose special duty it was to ferret out violations of the law and to prosecute offenders. This was a very important innovation in the dairy and food legislation of the United States. It had the effect of enforcing not only the provisions of the law pertaining to oleomargarine, but also those pertaining to milk and other dairy and food products. Other states followed in the establishment of the office of dairy and food commissioner.

The general principle upon which all of the early state laws were based was restrictive; that is, it restricted the manufacture and sale of oleomargarine to a product which contained no colouring matter and required that it be marked or branded so as to inform the purchaser of its real character.

Then came the period of prohibitory laws. These prohibited the manufacture and sale of oleomargarine in any form whatsoever. This principle was resorted to because the states were unable to cope with the oleomargarine frauds. The New York legislature, for instance, in 1884, authorized the Senate Committee on Public Health to make a thorough investigation

of the oleomargarine trade and to make such recommendations as it might deem proper. The committee went into the question of drafting a more stringent law than was in effect at that time. The state of Missouri had already enacted a prohibitory law whose constitutionality and validity had been upheld in a decision of the Circuit Court of Missouri. The New York Senate Committee, therefore, concluded that a prohibitory law, together with the establishment of effective executive machinery, would best meet the needs of the exigency in their state. The New York law of 1884 accordingly embodied the prohibitory principle, which, however, was declared unconstitutional by the Court of Appeals in the case of *People v. Marx*, 99 N.Y. 377. Pennsylvania made its law prohibitory in 1885. Maine, Michigan, Minnesota and Wisconsin also enacted prohibitory laws. Some states carried the principle of restriction to such an extreme that in its application it was prohibitory. New Hampshire, Vermont and South Dakota, for instance, passed laws requiring that oleomargarine be coloured pink. The constitutionality of the prohibitory principle was upheld by the U.S. Supreme Court in the case of *Powell v. Pennsylvania* (127 U.S. 678).

Just as the prohibitory principle became firmly rooted in the state laws, Congress enacted a law (August 2, 1886) imposing a tax of two cents per pound on oleomargarine, and special annual taxes of \$600, \$480, and \$48 on manufacturers, wholesale dealers, and retail dealers, respectively. This act made the prohibitory principle embodied in the oleomargarine law of many states unconstitutional. The fact that the United States government imposed an internal revenue tax on oleomargarine caused the courts to hold that Congress recognized the product as a lawful article of commerce. Laws of states, therefore, prohibiting the admission of oleomargarine into their territory were in conflict with the constitutional interstate commerce clause. The prohibitory principle which had been upheld by the U.S. Supreme Court in the case of *Powell v. Pennsylvania* was now declared unconstitutional in the case of *Schollenberger v. Pennsylvania* (171 U.S. 1) decided May 23, 1898. The decision of the U.S. Supreme Court swept the prohibitory principle off the statute books and forced a recession to the original restrictive principle.

Hon. Mr. EULER: Would my honourable friend repeat that? I think it is important, and I did not quite catch it.

Hon. Mr. KINLEY: The statement is:

The decision of the U.S. Supreme Court swept the prohibitory principle off the statute books—

Hon. Mr. EULER: Hear, hear.

Hon. Mr. KINLEY: (Reading)

—and forced a recession to the original restrictive principle. The restrictive principle was supplemented with rigorous administration, a system of licence fees, and conspicuous branding or marking. For a more detailed view of the development of the oleomargarine law, a study of the successive changes made in the law of Pennsylvania will prove useful.

So, you see, this subject has engaged the attention of the federal and state governments

in the United States for many years. It shows that the issue is not as easy and simple as my honourable friend would suggest.

Hon. Mr. EULER: But the fact remains that there is no prohibition in any of the states.

Hon. Mr. KINLEY: I do not know that there is. But what I say is this: Canada is a country of 12 million people. The United States has 140 million people. The populations of both these countries must be fed. Canada's area of arable land is very large, and what applies to the United States cannot be said to apply to Canada. It seems to me that, with 12 million people, we are doing very well, and that we can continue to get along satisfactorily without bringing this imitation into our market.

My honourable friend talks about "class legislation." I contend that our present act is an aid, and a legitimate aid, to agriculture.

Hon. Mr. EULER: But is it class legislation?

Hon. Mr. KINLEY: I will come to that.

Hon. Mr. EULER: You have said that too often.

Hon. Mr. KINLEY: It costs this country at the present time nothing to give that aid to agriculture, because of the fact that there are no materials available to make oleomargarine at prices less than butter is costing under our present price ceiling.

My honourable friend spoke about monopolies.

Hon. Mr. EULER: I read that from the paper.

Hon. Mr. KINLEY: I have nothing against big business. I think big business is all right so long as it does not have too much of a monopoly; but if I have to choose I am going to choose the businesses that are decentralized and that serve the people from coast to coast. In almost every county in Canada there is an institution called the creamery. To that creamery the farmers bring their milk to make the butter which is distributed to the people. If I have to decide I shall do so in favour of the creamery, the dairy, and the farmer. I have no excuses to make. I simply believe that the farmer, as a primary producer, needs the stimulation given him by the statute.

When an employer and workmen get into conflict and a strike results, the supply of what they normally produce is cut off from the people. That cannot happen in a decentralized industry spread all over the

country and serving the people. Such an industry contributes to the success of the mercantile importance of the little places in Canada, and I think in these days of ugly bigness we can very well, without any apology, support the smaller industry.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. KINLEY: Now let me say a word about prohibition. The big industries of this country have enjoyed prohibitions, and no one knows that better than my honourable friend who was at one time the Minister of Trade and Commerce (Hon. Mr. Euler). I cannot import a second-hand automobile from the United States. Why? Because that would hurt our automobile industry. There is a prohibition that you cannot buy a second-hand automobile in the United States and bring it into Canada.

Hon. Mr. EULER: How about in Canada itself?

Hon. Mr. KINLEY: I will deal with that.

Hon. Mr. EULER: You will never get there.

Hon. Mr. DUFF: Go on. You are doing all right.

Hon. Mr. KINLEY: Then there is aspirin. You cannot import aspirin, nor can you import vaseline.

Hon. Mr. EULER: You can manufacture it, though.

Hon. Mr. KINLEY: The manufacturer of vaseline has a patent right and it is an offence to bring the product into this country. The manufacturer here can charge accordingly. That is what you call big business.

Hon. Mr. EULER: The manufacture of nothing except oleomargarine is prohibited in Canada.

Hon. Mr. KINLEY: Surely my honourable friend must be fair about this. You cannot purchase a second-hand automobile in the United States, because that would affect the automobile industry in this country. Is that not class legislation? You must buy what is made in Canada. You cannot import vaseline; you must buy what is made in Canada because the makers claim they have a patent right.

Is it big business that does not want class legislation in this country? Big business does not want us to support the farmer.

Hon. Mr. MURDOCK: Would the honourable senator say why Canada should be the only country in the world that prohibits the sale and manufacture of oleomargarine?

Hon. Mr. KINLEY: In this I am only concerned with Canada. Let the rest of the world go by. I shall argue my point on the conditions as they exist in this country. Perhaps we are the best country in the world.

Hon. Mr. EULER: An isolationist.

Hon. Mr. KINLEY: I am not through with this talk of prohibition. The honourable senator from Lunenburg (Hon. Mr. Duff) has heard of embargoes. He knows that they have been used in other countries. We also know that by order in council other countries are prohibiting importation. Great Britain herself prohibited the importation of Canadian apples. New Zealand, the country we hear so much about, got into such a bad financial condition that she had to stop the importation of many things.

Hon. Mr. ROEBUCK: Does the honourable gentleman like these things he has been reciting?

Hon. Mr. KINLEY: I am stating facts. Whether I like them or not it does not matter much. I am comparing facts, not judging them.

We hear a great deal about the United Nations and free trade. There is a lot of preaching which is not practised in the world today, and those who talk of free trade hardly know the situation as it exists. I believe in freer trade, reciprocal trade and trade with those who trade with us. It has been stated that twelve million pounds of New Zealand butter have been brought into this country. But I called up the Department of Agriculture this morning and was informed that they had brought in only two million pounds, about one day's supply.

Hon. Mr. EULER: More is to come in.

Hon. Mr. KINLEY: When we deal with New Zealand, we deal with a country that will pay her bills.

It seems to me that Canada should do everything it can to help the farmers and to see that they are sustained and kept on the farms, because the hardest thing in this world is to keep a man on the farm. The farmer is the backbone of our civilization, and while we are dealing out protection to almost everybody else we must remember that he is entitled to his just share.

My honourable friend said that 150,000 cows were sold to the United States last year.

Hon. Mr. EULER: In the interest of accuracy I point out that I said 118,000.

Hon. Mr. KINLEY: Well, that is trade with the United States, and we need American dollars. I do not know how many cows there are in Canada but I suppose most of them had a calf last year, and I imagine the cow population would not be seriously reduced by 118,000 cows being shipped to the United States for a high price. The United States puts a quota on importations of Canadian cattle. The difference between quotas and prohibitions is only relative. I do not think that Liberalism says that we cannot look after the economic rights of our people. We must do the things that will promote freedoms, with economic advantage to the masses themselves. Uncontrolled freedom and economic affairs cannot be left to an outmoded *laissez-faire*.

I say to you, honourable senators, that I believe the present legislation is fair. I am in favour of freer trade and reciprocity and I am in favour of doing what we can for other people, but I am for Canada first and the farmer, the backbone of the people of Canada.

Some Hon. SENATORS: Hear, hear.

Hon. JOHN P. HOWDEN: Honourable senators, I am a medical man, a milk shipper and, I hope, a free Canadian citizen.

Hon. Mr. DUFF: You are all right.

Hon. Mr. HOWDEN: When this bill was before the house a year ago I felt under a moral obligation to support it, and, in spite of everything, I feel precisely the same way today. Honourable senators will be indulgent with me, because I have neither notes nor statistics, but I shall try to give the position as I see it.

The demand today is for milk, and more milk. The demand is not as great for butter as it is for liquid milk. But liquid milk can only be sold from certified stables with granolithic floors, proper ventilation, sufficient sunlight, fresh water, drainage and all that sort of thing. The number of barns in our part of Canada conforming to these specifications is limited. The milk that comes from certified barns is sent to creameries, pasteurized and homogenized, bottled and sold; but the milk from the hundreds of little barns in which are housed half a dozen cows—and honourable members would shudder to look at some of these structures—is separated, the cream is sold and the skim milk is fed to the calves and pigs. The amount of cream that comes from these smaller barns all over the country is not sufficient to make enough butter to feed the people of Manitoba and thereabouts.

Only this morning I received a letter from my home to the effect that the family had been without butter for nearly a week. They have an abundance of coupons, but butter is not to be had. That condition also prevailed during the time I was home. We would put out butter coupons for the creamery man morning after morning, and he would leave no butter. The situation is a little better now than it was a year ago, but a fair supply of butter is not to be had in the country. The price is very much better for fluid milk than it is for cream, because of the by-product that has to be thrown out. To the farmer half a loaf is better than no loaf, and he gets what he can. It does not pay to keep cows from which to ship cream. Why are 118,000 cows sold out of Canada to the United States each year? Because it does not pay the farmer in Canada to milk those cows. If it paid them to produce milk they would keep the cows and sell the milk.

The statement that there is not sufficient butter produced in Canada to feed the people has been substantiated. Then if we cannot get butter to eat, why are we denied a substitute?

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HOWDEN: Why has the government the right to tell me that I cannot buy oleomargarine, if I am unable to get butter? That is one thing I should like to know.

The original basis of oleomargarine was oleo oil, beef fats and neutral lard, at the same melting point as butter, with stearin and palmitin taken out, and at odd times this was mixed with a certain amount of the oil from the peanut, coco-nut or cotton seed. That was the beginning of oleomargarine. I do not doubt that vegetable oils are used to a much larger extent now. But if we cannot get vegetable oils we can still go back to the animal fats and lard, which will taste the same as modern oleomargarine. We are not going to be stumped in this country today if we can be supplied with a product that is just as wholesome and palatable as butter and that can be sold at half the price. So long as we cannot get butter, neither this nor any other government has the right to deny our people the privilege of obtaining a substitute.

Hon. A. N. McLEAN: Just to keep the record straight I should like to refer to some points raised by the honourable senator from Queen's-Lunenburg (Hon. Mr. Kinley). He stated that we would only go further in debt to the United States if we bought oils and fats there to manufacture oleomargarine.

The trade balance between Canada and Newfoundland is very much one-sided in favour of Canada. Newfoundlanders buy our flour, wheat, hardware, lumber and many other commodities but find great difficulty in selling us any of their goods. They have a very fine oleomargarine factory, which I understand makes the product from whale oil, seal oil and milk and enjoys a very good name. During a recent visit to the island I found that I could not distinguish their margarine from butter.

The honourable gentleman from Queen's-Lunenburg stated that there was a great shortage of fats and oils throughout most of the world. It is true that we bleed this country almost white by shipping fats and oils to Europe. But it seems strange that Norway has a sufficient supply of edible oils to offer them to this country. During the German occupation of Norway a process was perfected whereby fish oil could be refined into fats for human consumption. The Germans got rid of the unwanted impurities, and refined the product down to its pure form. This process would be very valuable to Canada, especially as so much fish oil is produced on the Pacific coast. The fat from the fish can be refined into shortening or oil. The oil has been examined in this country and, I understand, found to be of fine quality.

If Europe is short of oil the question might well be asked: Why are they offering it to this country? Why do they not hand their process over to us, so that we may apply it to the west coast or any other part of Canada? If that were done we could supply our own fats and oils and have some to ship to Europe.

We were told by the White Paper that any processes developed during German occupation would be handed over to the United Nations free from any monopoly, cartel or toll-gate rights. Here is a case where we should have the benefit of a process developed by the Germans. I have discussed the question of this formula or monopoly with different departments.

Hon. Mr. HAIG: May I ask the honourable gentleman a question at this point? Is it not true that Norway holds the rights to this process?

Hon. Mr. McLEAN: Yes, Norway does. When the Germans evacuated that country they were said to have taken a copy of the formula with them.

Hon. Mr. HAIG: But they did not do it.

Hon. Mr. McLEAN: A search made in the United States and British zones has revealed nothing. Whether the formula went into the Russian zone we do not know.

Hon. R. B. HORNER: Honourable senators, I should like to say a few words to my honourable friend from Winnipeg. He is situated in a certain area known as the whole milk area, and farmers who live outside that area are not allowed to ship milk in.

Hon. Mr. HOWDEN: That is not the way it is with us.

Hon. Mr. HORNER: If I wished to go into the production of milk I could not secure a sales quota unless I purchased from somebody who already had a contract.

Hon. Mr. HOWDEN: That is true.

Hon. Mr. HORNER: I am glad my figures on the sale of cattle to the United States are confirmed; 118,000 was more than I had estimated. A large amount is being paid out to subsidize the milk producer, but in my opinion there is no cheaper food for children than milk. If the farmer had been assured of 55 or 60 cents, which is a reasonable price, in view of the cost of labour and feed, we would not be in the position that we are in today.

As to cattle going across the line, I have complained of the position in Western Canada. Beef is selling in Chicago at 28, 29 and 30 cents live weight; hogs, at 30 cents live weight. There is no exact weight; they may be 200 or 300 pounds, and are not kept down as in our West. Our price is 17 or 18 cents for choice dressed bacon hogs, as compared with 30 cents across the line. We in the West have been deprived of the market we once had in the United States for our surplus range cattle. I looked over several herds in Eastern Canada that were going to the United States. They would not be milking after two months; they were picked because they would only milk for a short time, and would be turned into beef.

The shortage of help on the farms has been a great difficulty. There are plenty of directions in which western producers are restricted. Machinery in Western Canada costs so much more than in the East. For instance, we have to pay \$460 for a binder; and a binder is a necessity if you are going to keep cattle. In view of the high price of these implements of production, I hold that a higher price for butter is justified. Give us 60 cents a pound and, I maintain butter will be produced in this country.

Hon. Mr. VAILLANCOURT moved the adjournment of the debate.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 13, 1947.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill I, an Act for the relief of Charles Gordon Nelson.

Bill J, an Act for the relief of Pamela Mackay Alderdice Johnstone.

Bill K, an Act for the relief of Lilly Evans Auty.

Bill L, an Act for the relief of Esther Lancit Weiss.

Bill M, an Act for the relief of Bruce Montgomery Cooper.

Bill N, an Act for the relief of Marion Naomi Gomery McGee.

Bill O, an Act for the relief of Margaret Hazel Reid Koppel.

Bill P, an Act for the relief of James Alexander King.

Bill Q, an Act for the relief of Proctor Clifford Neil.

Bill R, an Act for the relief of Elizabeth Anne Eden Lindsay.

Bill S, an Act for the relief of Ernest Edward Joslin.

Bill T, an Act for the relief of Jessie Alberta Allan Derby.

Bill U, an Act for the relief of Dorothy May Duff Hisey.

Bill V, an Act for the relief of Elizabeth McIntosh Barber.

Bill W, an Act for the relief of Muriel Lucy Brighten Burdon.

Bill X, an Act for the relief of Constance Mae Ponman Newman.

Bill Y, an Act for the relief of Florence Alice Mapston Calcutt Doak.

Bill Z, an Act for the relief of Rose Housefield Blumstein.

Bill A-1, an Act for the relief of Gertrude Loiseau Gaulin.

Bill B-1, an Act for the relief of Marie Rose Alba Bernadette Lapointe dit Robin Ricard.

Bill C-1, an Act for the relief of Thelma Genender Lefkowitz.

Bill D-1, an Act for the relief of Mary Joyce Joly Clark.

Bill E-1, an Act for the relief of Gertrude Helen Cayford Collins.

Bill F-1, an Act for the relief of Francis George Isaac Fellows.

Bill G-1, an Act for the relief of Elly Maria Charlotte Alden McBride.

Bill H-1, an Act for the relief of Gladys Elizabeth Thompson Dorrance.

Bill I-1, an Act for the relief of Una Kathleen Balmfirth Little.

Bill J-1, an Act for the relief of William Walter Woodall.

Bill K-1, an Act for the relief of Helen Lilian Jaques Bowen.

Bill L-1, an Act for the relief of Doreen Jeanette Sibley Tirbutt.

Bill M-1, an Act for the relief of Ida Norma Thompson Thornton.

The bills were read the first time.

The Hon. the SPEAKER: When shall these bills be read the second time.

Hon. Mr. ASELTINE: Next sitting.

THE SENATE CHAMBER

ATMOSPHERIC CONDITIONS

On the Orders of the Day:

Hon. Mr. COPP: Honourable senators, I wish to inform my honourable friend the leader opposite (Hon. Mr. Haig) that the complaint which he made yesterday of a drafty condition in this chamber was drawn to the attention of the Honourable the Minister of Public Works this morning. The minister told me that he would have the proper officials come here as soon as possible and do whatever can be done to eliminate the draft.

Hon. Mr. HAIG: I thank my honourable friend very much.

IMMIGRATION

MOTION AGREED TO

The Senate resumed from Tuesday, March 11, the adjourned debate on the motion of the Hon. Mr. Roebuck that the Standing Committee on Immigration and Labour be authorized and directed to examine into the Immigration Act (R.S.C. Chapter 93 and amendments) its operation and administration and the circumstances and conditions relating thereto.

Hon. CAIRINE R. WILSON: Honourable senators—

Some Hon. SENATORS: Hear, hear.

Hon. Mrs. WILSON: It is regrettable that the senator from Churchill (Hon. Mr. Crerar) is not present to second this motion, and in the circumstances I am grateful to the senator from Toronto-Trinity (Hon. Mr. Roebuck) for asking me to do so. Immigration is a subject about which I have been much concerned for more than the past eight years; and I might mention that ever since the Munich Agreement I have been Chairman of the Canadian National Committee on Refugees.

The Senate Committee on Immigration served a very useful purpose last session, and undoubtedly as a result the members of this house and the public are better informed than before about the extreme restrictions of our present system of immigration. If the committee is authorized to function this session we shall follow its programme with more understanding and even more interest than we did last year.

I expect that most of us listened to President Truman when he spoke over the radio last night. I was struck by his specific mention of the importance of strengthening the causes of democracy in Europe. Canada has, I fear, been very negligent, for at the present time, about two years after the close of the war, those people who showed their opposition to Nazism, Fascism and Communism are still languishing in displaced persons camps in Europe, or wandering from country to country, asking merely for an opportunity to rebuild their shattered lives. People of the type now in D.P. camps are not likely to be available for immigration later on. I think many Canadians fail to understand the quality of the people who are eating out their hearts and deteriorating morally and physically after two years of waiting. We gave them high hopes for the future, and now they wonder what to make of our promises.

I should like particularly to stress the fact that the problem of immigration—which has to do with a long-range policy—is distinct from that of refugees and displaced persons. This is a humanitarian problem. Undoubtedly we would build up a stronger opposition to those very "isms" against which we took up arms, if for the people who have suffered for years we showed sympathy by more than words.

Hon. Mr. HAIG: Hear, hear.

Hon. Mrs. WILSON: The senator from Toronto-Trinity alluded to the excuse that lack of shipping has made it impossible to

bring in many immigrants. That excuse is no longer valid. Now we talk of lack of houses to accommodate a large number of new-comers; but we fail to realize that these people with their own hands would be ready to assist in building houses.

A cabinet minister recently referred to the fact that we have too few doctors and nurses in Canada, but he omitted to state that among prospective immigrants in the D.P. camps are some of the most highly qualified physicians and surgeons in Europe. Our hospitals are suffering sadly from the shortage of properly trained nurses and ward aids, while in the camps to which I refer many women well qualified for this particular field eagerly await permission to come here.

The United Kingdom recently brought in 2,000 young Baltic women, who agreed to come without their families to look after cases in the sanatoria. They have proved such an asset that 5,000 more have been asked for. But, like the honourable senator from Toronto-Trinity, I wonder why we have been giving a preference to single men and women. This seems to me contrary to our hitherto pronounced policy. When I implored the Immigration Branch to allow certain people into Canada, the usual reply was that only families were wanted. At that time it was occasionally possible to get in a man or woman, or perhaps two if they were the last members of their families. But now we are asking men and women to come without their families. I feel very strongly that the men who would come to work in Canada at this time, and leave in Europe their relatives for whom they have undertaken responsibilities, are not quite the type that we want here.

Hon. Mr. HAIG: Hear, hear.

Hon. Mrs. WILSON: It sounds a little too much like importing indentured labour, and we have some reason to fear that. On the other hand, a man or a woman who comes with his or her family is likely to establish a permanent home and become a good Canadian citizen.

The honourable senator from Toronto-Trinity said that he wondered why women had not protested against the discriminatory practice of permitting the wives and fiancées of Canadian men to come here, whereas no such privilege is extended to the fiancés of our women. I know that in the papers there have been many protests by and on behalf of service women whose promised husbands have to date been refused entry into this country.

There was some reference also to the silence of the minister in charge of immigration. I am afraid I do not agree with what was

said about this, for I prefer the minister's silence to his pronouncements. In a speech at Winnipeg he stated:

We have already done more than any other country so far in assuming responsibility of taking refugees from Europe.

I was so struck by this pronouncement, which was highlighted in the *Toronto Globe and Mail*, that I wrote the Prime Minister about it. I should like to read what I said in that letter, because it may give some information on what Canada has done.

Ottawa, 27th January, 1947.

The Right Hon. W. L. Mackenzie King, P.C.,
M.P., LL.D., D.C.L.
Prime Minister,
Ottawa, Ontario.

My dear Prime Minister:

At a meeting of the Refugee Committee on January 20, reference was made to a front-page report in the *Globe and Mail* of January 14, of a speech by the Honourable J. A. Glen, in Winnipeg, on January 13. The minister was quoted as saying:—

"We have already done more than any country so far in assuming responsibility of taking refugees from Europe."

The members of the committee found it difficult to understand what the Honourable Mr. Glen meant. We all recognized and were pleased with the active part played by the Canadian delegation at the meetings of the Special Committee on Refugees, in London, and of those of the Economic and Social Council at Lake Success. We hope that, in pursuance of a policy implied there, Canada will accept a generous share of the displaced persons. We cannot, however, honestly claim that Canada has, as yet, done more than other countries.

During the war Canada received 3,500 refugees, as stated by the Honourable Paul Martin at meetings of the Economic and Social Council. We also commend the admission of 4,000 Poles, but understand that the number of displaced persons is not diminished thereby, since the Polish army is not classified as displaced persons by the United Nations.

We should, I think, realize that by admitting into Canada soldiers suffering from tuberculosis who have been the responsibility of the United Kingdom, we are relieving the British people of some of the heavy responsibilities that they have been bearing.

The Immigration Department does not issue statistics concerning the refugees *per se*, but the number can be approximately estimated by counting the admission to Canada between 1933 and 1945, of all nationalities subject to Nazi persecution. During these twelve years the total admissions of such nationalities numbered 17,869. Compared with this we understand that the United States accepted something over 200,000 and the United Kingdom offered haven to more than 150,000. Sweden and Switzerland also took large numbers during the war. Those admitted to Switzerland numbered 280,000 and, although many were there only temporarily, 100,000 stayed there over two years.

We are very glad that the Department of Immigration is arranging to send immigration officials into assembly centres in Germany. This,

however, is part of the usual procedure for inspectional purposes and the number of displaced persons who have relatives in Canada as yet only conditionally approved, is, we believe, 980.

Since this letter was written there has been a slight relaxation.

This is surely not doing more than the United States, whose consular offices were opened in Frankfort following President Truman's Directive issued in December, 1945, and whose admissions of displaced persons between May and October, 1946, numbered 4,787.

My only purpose in writing to you on this matter is to express the hope that the Minister's statement will be followed by generous action. Canada is in a position, and has both resources and facilities, to do more proportionately than other countries. We trust that the Government will announce immediately a definite policy to bring refugees and displaced persons to Canada just as soon as practical arrangements can be made.

I should like to place on *Hansard* a very fine letter written by the National Council of the Young Women's Christian Association:

571 Jarvis Street,
Toronto 5, Canada.

December 10, 1946.

The Rt. Hon. W. L. Mackenzie King,
Prime Minister of Canada,
Ottawa, Ontario.

Dear Mr. Prime Minister:

On May 10 last, the National Council of the Y.W.C.A. addressed to you a letter urging your government to take the lead among nations in offering to admit to Canada a substantial number of Europe's displaced persons. In the months since then, there has been an increasing public awareness of the need for an overall consideration of Canada's immigration policy, with which we hope your government is proceeding. However, we regard the problem of displaced persons as an acute and immediate problem, the settlement of which need not, and indeed cannot, wait for the revision of Canada's immigration laws, but which should be dealt with by special provisions.

Your government has recently taken two steps in that direction on which we desire to congratulate you. I refer, of course, to the offer to certain classes of relatives to this country, and to your recent announcement that immigration inspectors will be sent to various centres in Europe to expedite the movement of these persons. We are also proud of the part which the Canadian delegations have played in the various international gatherings at which the problem of refugees has been discussed.

These are certainly steps in the right direction but we wish to submit in all respect, Mr. Prime Minister, that they do not go far enough. Thousands of persons are still languishing in camps in Europe, some of whom have already endured years of horror in German concentration camps. They are rapidly losing all hope, all will to survive. If they could know that there was prospect for a future in Canada, or somewhere on earth outside a camp, even though because of transportation difficulties and other problems it could not commence immediately, it would provide a goal, a sustaining hope. If your government deems it impossible to make such a gesture of international goodwill and cooper-

ation as we suggested in our earlier letter, may we suggest that you give earnest consideration to the following alternatives:

1. Widen the categories of relatives admissible, or even go so far as to admit persons sponsored by groups and organizations.

2. Select groups of people for whom there is a real need in Canada, such as skilled workmen in the building trades, household workers, etc., and offer them an opportunity to emigrate.

In support of such moves, we advance the following arguments, over and above the most compelling one of common humanity:

1. Shortage of skilled labour being one of the factors contributing to the housing shortage, such newcomers would relieve rather than aggravate the present situation.

2. Eventually these displaced persons must be resettled somewhere and presumably the resettlement will be an international responsibility for which Canada will have a share. If this resettlement on an international basis is postponed for some time, the most desirable persons will have been selected by other nations and those who are left will have been so long in camps that it will be difficult for them to adjust to normal life. It seems, therefore, that it would be to Canada's advantage to take some initiative in selecting future immigrants from this group promptly.

3. Canada has contributed through UNRRA and the Intergovernmental Committee to the support of these displaced persons in camps, and presumably must continue to do so as part of her international responsibility. Would it not be better for Canada if a large percentage of her contribution could be used toward the resettlement of displaced persons in Canada, which would be a step toward the real solution of the problem, rather than simply toward their maintenance in their present circumstances, which is generally admitted to be no solution at all?

4. As we indicated in our previous letter, we would favour the admission to Canada of displaced persons of various racial and religious backgrounds, with no special preference for any one group. However, as the total number of refugees is reduced, the particular pressure on Palestine will be lessened and anything which could be done to alleviate the friction at that point would certainly be a major contribution toward the peace of the world.

The peace of the world is, we know, Mr. Prime Minister, your fondest desire as it is ours. To us the plight of Europe's displaced persons constitutes a menace for the future as well as a reproach to the present and we urge that your government take swift and positive action which will be an example to other nations as well as an actual contribution to the solution of the problem.

Most sincerely,

Mrs. Walter C. Rean,
President.

P.S. We are sending copies of this letter to the various members of your cabinet who are most concerned.

On February 7 last year a deputation representative of Canada presented to the Prime Minister and the minister in charge of immigration a brief which in part states:

The regulations in regard to admission of relatives of Canadians are still, in our opinion, too restrictive. One of the main reasons for this

attitude is that we fear that the strict application of them will, among other things, necessitate the breaking up of families if taken advantage of to any great extent.

For this reason we respectfully petition that orders in council P.C. 2071 and 371/47 be modified to include:

"All immediate relatives of any persons legally admitted to and resident in Canada who are in a position to receive and care for such relatives."

(By "immediate relative" we mean to include up to and including first cousins and their children.)

Our constituent members are monthly sending thousands of dollars for the meagre support of their relatives in Europe which might well be spent in establishing these relatives in Canada. This money is not only a severe drain on the individual families supporting their relatives, but the sum total, which is considerable, might better be used for the establishment of these people here as Canadian citizens, and for the development of Canada's natural resources, through the efforts of these relatives.

The plight of at least 800,000 refugees, displaced persons and orphans is so desperate that quick action is necessary if any considerable numbers are to obtain a haven of refuge in Canada. So we respectfully plead for immediate action on our request,

We are, however, convinced that our present petition for the immediate admission of "all immediate relatives" of persons legally admitted to and resident in Canada, requires merely a change in the order in council, and is in the national interest of Canada, and should not create any undue opposition, since the reasons for granting this request are justifiable in the best interests of Canada and on humanitarian grounds.

We would urge that adequate and ample inspection facilities be provided at readily accessible points in Europe.

We also respectfully ask that clauses 2, 3, and 4 of P.C. 371/47 receive a generous interpretation.

Respectfully submitted.

Walter Tucker, M.P.

John Yuzyk, Ukrainian Canadian Committee, and Ukrainian Canadian Veterans' Association.

Peter Taraska, Canadian Citizens of Polish Origin.

Rev. J. J. Thiessen, Mennonite Board of Colonization.

Dr. J. H. Reble, Lutheran World Relief.

Rev. H. H. Erdman, Lutheran World Relief.

Mr. Frank Rehwald, Committee for the Relief of Democratic Sudeten Refugees.

Monsignor Basil Markle, representing Most Rev. P. J. Monahan in the name of The Catholic Bishops of the Prairie Provinces and Catholic Immigration Aid Society.

I agree with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that the admission of relatives of people already in Canada offers the best opportunity for settling new-comers promptly and with as little complication as possible. But officials of the Immigration Branch have informed me that there will be serious delays in locating many of these relatives, for they are scattered all

over Europe and some are in countries where it is practically impossible to secure an emigration permit. People in the camps, though—people skilled in various occupations; people whose health and political opinions have been carefully examined and approved—could be brought here without any great difficulty.

I have consulted with a considerable number of welfare workers from the camps, including Miss Charity Grant, who had been working chiefly amongst the younger people. She spoke of young men who willingly worked long hours to learn a trade and then had to be told there were no openings for them. She described how discouraging it was to have to say to a young man who had qualified as say, a motor mechanic, "You had better learn to be a plumber." Months later, perhaps, he would have to be told, "There is no opening for plumbers, so you had better qualify as an electrician." The admission of even a small number of these people to Canada would be a ray of hope to the others.

We have in the West a vast irrigation project. Do we not need people to look after the lands that we are expected to make available for cultivation there? The huge sums of money expended on this project may be wasted unless we induce settlers to come in. Surely we should not pass up the opportunity to get a good class of people who have been accustomed to making a living out of land not nearly as fertile as that we could offer them.

Many of our ex-servicemen are deeply concerned over our rejection of European people who treated them with great kindness during the war. I imagine that a number of senators have received letters similar to one that I have before me. This comes from an ex-service man at Sarnia, and it is clear that he feels very keenly what he writes. He says:

Enclosed you will find a letter written to me by a man who saved my life in Holland. In May, 1944, when we were shot down in Holland, this chap sheltered me under the same roof with four Germans for two months. Needless to say, this was done at great risk to life. I would appreciate the return of the letter at your convenience.

Last fall I made application to immigrate this couple on the understanding that I would help them get started on a fruit farm. I arranged for land and ordered a tractor, as advised by the Hon. Robert McCubbin, for there was to be no difficulty. It now appears that Mr. Peterson, Immigration Officer at The Hague, representing our government, has not been in a decent enough mood to even be civil to this patriot.

I do not imagine the Immigration Officer was at fault in the way that the writer suspects.

This comes hard to chaps, like myself, who served by laying their life at stake for Canada.

The writer of that letter is only one of undoubtedly many former members of our forces who would like to be able to render some service in return for good deeds done to them while overseas.

We have a wonderful country and we all like to talk about its boundless natural resources. But I fear that unless we share these resources with others we shall be, as it were, tying them up in a napkin, where they will not bring much blessing upon ourselves.

Hon. GRAY TURGEON: Honourable senators, I was very glad to notice that in her excellent speech the honourable senator from Rockcliffe (Hon. Mrs. Wilson) made a distinction between the two broad features of the question of immigration. These two features are the vital necessity of bringing about a large increase in our population by means of immigration, and the problem of refugees and displaced persons. Though they are to some degree closely connected, I feel that the honourable senator was right in treating them separately, and I propose to do the same in my few remarks this afternoon.

Frankly, honourable senators, I suppose there is no one in all Canada more deeply anxious than I am that Canada's population should be very materially increased. I am thoroughly convinced that Canada, in her own interest, must immediately open her doors much wider for admission of immigrants. But I want to state right here that I am not in any way criticizing either the ministerial or administrative branches of government that have to do with immigration—and in this regard I am thinking particularly of the Immigration Branch of the Department of Mines and Resources and of the Department of Labour.

Under our system of government—and may that system long continue—important changes in governmental policy take place as a result of the expression of public opinion. There is no doubt that for many years public opinion in Canada has not been in favour of any policy of large immigration. That is one reason why I, who was only recently summoned to this august chamber, am very glad that the Senate is considering the appointment of a committee to facilitate, as was done last session an expression of public opinion on this great question.

With your permission, honourable senators, may I say a few words about the whole problem of refugees and displaced persons? The many thousands of Canadian families who

have close relatives confined in the refugee camps of Europe deserve our deepest sympathy. I wish to express to them, through the medium of this chamber, a word of hope and encouragement, and, to tell them something of the story of the refugee problem today.

A great honour was conferred upon me when I was made Canadian delegate to various international conferences on refugees. I represented Canada at the two-months meeting in London of the special committee for refugees of twenty nations; I was Canada's delegate at the Economic and Social Council when it dealt with immigration in New York. A special committee of ten nations was set up in London to deal with the finances of the proposed international refugee organization and I again represented Canada. From these facts those who listen to and read my remarks will know that I at least speak with some practical knowledge of what has taken place.

To our people who have close relatives in the camps overseas I say that had it not been for Canada, the United Kingdom and some others of the western powers, the refugee problem would have been solved long ago, but not in the manner in which we are attempting to deal with it today. At the beginning of these conferences the countries of origin stated definitely that there would be no refugee problem if the refugees were sent home. It was only on the insistence of the western powers that these committees were set up and finally met with at least some degree of success in protecting refugees through international auspices.

Speaking for Canada in London at the special committee for refugees, I stated that under no circumstances would this country participate in a policy for the compulsory repatriation of bona fide refugees and displaced persons. It was only following this definite assertion that the other countries agreed not to demand compulsory repatriation. Canada is, therefore, in duty bound to do everything in her power to help in the re-establishment of these refugees. I am thinking not merely in terms of what is commonly called the "benefit of asylum", for we are obligated to take these people among us and to assimilate them, to whatever degree is possible, into our economic and social life.

Many objections have been raised to certain suggested immigration policies. But have honourable senators, in their experiences throughout Canada, ever met with an objection to immigration that was not founded upon fear? For instance, we have objections from some members of labour unions. When

I refer to labour I do so in the most open manner possible. The attitude of labour is a reflection of the social, economic, productive and political conditions in Canada. With labour I naturally include business. Unless business continues to expand, our vital export trade and domestic enterprises will vanish. Associated with labour and business are of course the farmers, many of whom are strongly opposed to immigration. Agricultural products form a great part of Canada's export trade, and contribute largely to her domestic economy.

Opposition, whether from labour unions, industry or farmers, springs from fear. If these organizations and individuals would persist in a study of the problem they would discover that there is not the slightest foundation for this fear.

Honourable senators, may I take the extreme liberty of referring to a fear with respect to the cultural and religious life of Canada? I am a member of a minority, but I am proud to say that there is no one in Canada more strongly in favour of extensive immigration and a larger population.

The Roman Catholic bishops of the province of Quebec recently made the following statement:

The bishops of the province of Quebec, in union with the sentiments of His Holiness Pope Pius XII, rejoice that the Canadian government supports the cause of displaced and homeless peoples in several European countries by permitting them to come and establish themselves in Canada.

However, they would like to call to mind that, even in the exercise of this work of charity and in the establishment of an immigration policy, one should not lose sight of the higher necessity of safeguarding social peace in our constitutionally Christian country, and of building its future prosperity above all upon a healthy family policy.

There has been a great deal of discussion, and properly so, of many regulations that have been issued by the Government of Canada. I would point out that any action taken up to this time with respect to refugees and displaced persons has been very largely favourable to family life and family connections; and there is not the slightest cause for fear that the bringing into this country of large numbers of refugees and displaced persons will in any way disrupt either our family life or our cultural life.

There was some mention today—and I approve of it very strongly—of the humanitarian side of this problem of refugees and displaced persons. I must say that any reference to "humanitarianism" at the various refugee conferences angered delegates from the countries of origin. They claim that their

humanitarianism is just as deep as that of the people of the western countries. As one who has experienced the atmosphere of these conferences, I want to say that I do not agree with the general assumption that the eastern countries, the so-called countries of origin, want refugees returned home solely that they may wreak vengeance upon them.

I also had the honour of representing Canada at a twenty-nation conference dealing with the reconstruction of devastated areas. That whole question is closely connected with the problem of refugees and displaced persons. Take Poland, if you will, as an instance. While in Warsaw we were taken to the ruins of the ghetto. There, as all honourable members know, were committed the most atrocious crimes upon human beings since the dawn of history. We were told, as we walked through the ruins, that we were trampling upon what was largely human ashes. I do not have to recall to you the history of Poland, a nation that during 150 years has suffered from the aggression and domination of large neighbouring states. During the recent war she lost 6,000,000 people. It is very hard to replace 6,000,000 people. A very large percentage of refugees are Poles, and I am thoroughly convinced that Poland wants them repatriated because she needs them in her efforts at reconstruction. Poland is trying to build up secondary industry. A large part of her former territory, including her oil wells, was taken from her at the end of the war and given to Russia. There has been a migration of possibly another million people from the eastern part of Poland, which has been given to Russia, towards the western part of Poland, where her coal mines and iron and steel works are located. That of itself is a considerable migration; and Poland wants her people in the refugee camps back, chiefly so that she may avail herself of their labour and of whatever skill remains with them in spite of the atrocities of the war.

This brings me to the question of immigration into Canada, apart altogether from that other question of what Canada, in view of the stand she took in the working out of the refugee problem, should do with the refugees. The honourable senator from Rockliffe (Hon. Mrs. Wilson) mentioned irrigation. Irrigation has been financed, partly with Canadian money, in lands that are foreign to us. Yet when some of us advocate irrigation in parts of our own country where it is essential, we meet with objections to the expenditure of much money for this purpose. I would point out that Canada entered into the United Nations Conference on Food and Agriculture

at Hot Springs, Virginia, in 1943, where it was resolved, with our concurrence, that certain great works should be carried out. The conference proposed the adoption of policies of settlement and the development of a programme applicable to the economic, social, agricultural and geographical needs of the nations. Among the means of development of production recommended we find irrigation, flood prevention, water storage reservoirs, and proper drainage facilities.

I allude to this principally because a good deal of our current opposition to immigration is based upon a fear, in addition to others that I have mentioned, that we may be going into another economic recession. My own opinion is that we are not, and that if we permit ourselves to do so we might just as well give up, as individuals and Canadian citizens, any effort to continue in our way of life. One of the factors which could throw us into a so-called depression is a serious degree of inflation. But if we do what at the Hot Springs conference we soundly undertook to do—make a proper expenditure of money along the lines I have mentioned—this will of itself bring about such an expansion of industry and of production that inflation will be avoided.

Part of the opposition to resettlement of refugees in Canada and other western countries comes from the Soviet Union. What I said about the reasons why countries of origin desire the return of their nationals applies as much to the Soviet Union as to Poland. Russian refugees, particularly those from the Baltic states and the Ukraine, are anti-Communist and determinedly opposed to the policy of the Russian government, and that government fears that if they settled in Canada or the United States or any other American country they would create there a bitterness against Russia.

I have said at conference tables, and I repeat here that Canada from one ocean to the other is so definitely opposed to Communism that the inclusion in our population of a few of these refugees would not noticeably increase opposition to the Communistic system of government. I am unalterably opposed to Communism, but the settlement in Canada of refugees from the Baltic States, the Ukraine, and Byelorussia would not be intended as an unfriendly gesture toward Russia, and would not lessen in the slightest degree our friendly relations with her. The Russian economic and political system would not suit Canadians at all, but we want our friendly relations with the Soviet Union to continue.

We wish to bring these refugees to Canada partly because in Europe they constitute an international problem which Canada is trying to help to solve; but our main reason is that we badly need more population, and they would make good citizens. Whether or not other provinces are desirous of increasing their population I cannot say, but certainly my own province of British Columbia is. British Columbia, like the Maritime Provinces, protests against the concentration of industries in Ontario and Quebec. We are demanding that this concentration be broken up and that industries be distributed across the country. I have asked this question in British Columbia and I ask it here today: How can our province with its present population compete in industrial efforts with Ontario?

When I first came to Ottawa, as a member of another place, I talked with many industrialists, particularly those connected with the textile industry, to see if they could establish factories in northern and central British Columbia. I found that they would have been willing to do so if we had had more population. They said: "We can supply the domestic market from our present plant, so why should we make a capital expenditure to build another plant?" We can only get more industries in Western Canada and the Maritime Provinces by increasing our markets for industrial production, and that cannot be accomplished except through immigration and the natural increase in population.

I am certain, honourable senators, that if a committee is appointed and works as last year's committee did, it will arouse public opinion in Canada to such a point that the official policy of Canada on immigration will be materially changed. If this is done we shall be started on the way towards what I think is the greatest role that this august chamber could play, namely, that of making certain that Canada shall not again go into a serious economic recession. For the danger is that if such a recession should occur, Canada as we know it might be destroyed. On that thought, honourable senators, I close; and I thank you for your courtesy.

The motion was agreed to.

PRIVATE BILL

MOTION FOR SECOND READING

Hon. A. K. HUGESSEN moved the second reading of Bill H, an Act to incorporate Quebec North Shore and Labrador Railway Company.

He said: Honourable senators, although this is a private bill I think it is of more than usual interest, particularly to the members of this chamber whose Committee on Natural Resources conducted last session an investigation into the mining industries of the country and presented a most valuable report. For that reason I propose to give a somewhat longer explanation of this measure than is commonly given upon the second reading of private bills.

This bill is presented by what are normally called the Hollinger interests; that is, those interests associated with the Hollinger Consolidated Gold Mines Limited, which, as is well known, is one of the largest producers of gold in Canada. Their mine is situated at Timmins, Ontario. The name "Timmins" itself inevitably brings to mind the story of great mining developments in this country in the past, and honourable senators will observe with some interest that the names of two members of the Timmins family are included among the applicants for the incorporation of this company.

These incorporators seek the power to construct and operate a railway, the location of which will be found by reference to section 7 of the bill. That section reads:

The company may lay out, construct and operate a railway starting at a point on the St. Lawrence River, somewhere between the Riviere Marguerite and Riviere Moisie, in the province of Quebec; thence in a northerly direction following the valley of the Riviere Moisie or the valleys of the Riviere Moisie and Wacouno River to the southern boundary of Labrador; thence in a northerly direction to a point on the northern boundary of Labrador in the vicinity of Ruth Lake, provided that authority be obtained from Newfoundland for the construction and operation of this section of the railway; thence northwesterly to a suitable port on Ungava Bay.

The incorporators seek also very wide ancillary powers. They request the power to own and operate vessels, wharves and docks; to generate and distribute electric power; to operate a service of traction motors or cars; to construct and maintain oil pipe lines; and to own and operate commercial aircraft of all types.

This railway, as will be seen from the section that I read, is to be situated partly in the province of Quebec and partly in Labrador, the latter being a part of the colony of Newfoundland. I am informed its length will be approximately 350 miles, which is slightly longer than the distance between the cities of Montreal and Toronto. The total cost is estimated to be in the neighbourhood of 50 million dollars. From my remarks honourable senators

will appreciate that this bill has a wide ambit, and is of much greater national interest than the usual private bill which comes before this chamber. I propose to classify what I have to say under three headings: first, region affected; second, the interest of the promoters in that region; and third, what the promoters hope to accomplish with the help of this bill.

The region affected is in the extreme north-easterly part of the province of Quebec, commonly known now as New Quebec, and is bounded on the south by the Lower St. Lawrence river and the Gulf of St. Lawrence, and on the north by Ungava Bay and Hudson Strait. To the east is the western boundary of the Newfoundland section of Labrador. This vast area of 300,000 square miles is unsurveyed and little known; it is bleak, forbidding and practically uninhabited. Up to the present time no conditions have existed which would permit of human habitation there. Some honourable members may be acquainted with the district. I had a slight glimpse of it a little over a year ago when returning by air from the Preparatory Commission of the United Nations in London. Our airplane followed the northern route and flew without stopping over that great Labrador airport at Goose Bay; for the next two or three hundred miles it passed over the territory which is the subject of this bill. So far as I could observe from the air on that sunny winter afternoon, it is a barren and desolate land of mountains, lakes, rock and muskeg, almost completely devoid of any top soil suitable for agriculture. It lacks that covering of forest which beautifies so much of our northern country.

My second heading is the interest of the promoters in this region. The promoters are in the mining business in a big way, and always on the watch, as they should be, for new areas of development. In 1942 they obtained from the government of the Province of Quebec the right to explore and prospect for, though not to mine, mineral in an area of 3,900 square miles. They concurrently obtained similar rights from the government of Newfoundland in an area of 20,000 square miles in the contiguous territory of Labrador. During the past three years they have spent approximately \$340,000 in exploration work. I mention this fact to show that they are serious in their undertaking. It is a rather large amount to spend in view of the fact that the country is far from ordinary communications, and subject to such severe weather conditions that it can be explored

during a period of only three months in the year—from the middle of June to the middle of September.

In 1946 the promoters obtained from the Quebec legislature a special act under which the duration of their right to prospect for minerals was extended. They were granted the right, to select, after exploration, an area of 300 square miles and to mine for minerals in that area for a period of twenty years, renewable for three further twenty-year periods. The act provides that they must commence their mining operations before January 1, 1958, and makes them subject to payment of certain annual rentals and other conditions which are not germane to the bill now before the house. Under that act they spent in 1946 a further \$225,000 on exploration. Thus, their total expenditure on exploration in this territory since 1942 has been \$565,000. I should add that they obtained from the Newfoundland government a similar right to select and then to mine a thousand square miles of territory in the contiguous area of Labrador for a period of ninety years.

Now may I deal with the third phase of my remarks, as to what the promoters expect to accomplish and why the bill is introduced at this time? Honourable senators will understand that this project does not involve precious metals—gold or silver. One does not spend \$50,000,000 to build 350 miles of railway for the sake of a gold mine. Precious metals can be brought out by airplane in the summer and by dog team in the winter. No. What is involved here is iron ore. The exploratory work done so far gives important indications of iron ore. I am informed that with the continuation of work there is hope of establishing an iron ore deposit of a satisfactory grade and of such quantities as to warrant production.

The primary reason for the introduction of this bill is that a railway is necessary to transport iron ore from the mine to the seaboard; docks are required for loading purposes, and ships are needed to carry the ore to its ultimate destination in the markets of the world. In addition to the estimated cost of \$50,000,000 for the construction of the railroad, it is said that a further \$10,000,000 will be necessary for equipment such as special ore cars, docks, loading facilities and ships. One must bear in mind that iron ore is a commodity of great bulk and low price. To justify these enormous expenditures, I am advised, there must be a known quantity of at least 300,000,000 tons of commercial ore, with a daily production and rail movement of 40,000 tons—the equivalent of ten 60-car trains per day.

These large estimated expenditures for the railway and equipment are by no means all. Substantial amounts will be required for further exploration work, the establishment of mines and construction of mills and plants. In addition the company will of course have to lay out town sites and establish complete and self-contained communities with all their usual amenities and facilities, none of which now exist in that area. Thus, I am advised, if this venture should go ahead the total investment is likely to be not far short of \$100,000,000, and may even exceed that figure.

That, honourable senators, is the over-all picture, the general plan. Whether this plan will crystallize into an actual fact, only the future can tell. If it does materialize, this will not be the first time nor, I venture to think, the last time that the initiative and enterprise of our people has reached out into the northern wilderness and created new sources of national wealth and national prosperity. In view of the attitude of honourable members towards the development of our natural resources, and having in mind the valuable work which the Standing Committee on Natural Resources did in that respect last year, I feel quite sure that the Senate will view a project of this kind with sympathy and will do all that it properly can to help.

Having given the general background, I should like to submit for your consideration a few of the salient features of the bill itself. Broadly speaking, it conforms to the model form adopted as a standard for all railway bills some twenty or more years ago. But it contains one or two special features to which I think the attention of honourable members should be drawn. May I refer again to section 7, dealing with the location of the railway? Honourable members will see that it asks for permission to build a railway starting at a point on the St. Lawrence river, somewhere between the Riviere Marguerite and the Riviere Moisie. That wording is a little more vague than one finds in the usual bill to authorize the construction of a railway. The reason is that it has not yet been possible to determine the most economical location for the port from which the railway should start, and further surveys will have to be made of the ice flow, tide and other conditions.

Hon. Mr. QUINN: Where are those points? Are they at the eastern end of Quebec, on the upper shore?

Hon. Mr. HUGESSEN: On the north shore, yes.

Hon. Mr. QUINN: Far east?

Hon. Mr. HUGESSEN: Far east, yes.

Hon. Mr. ASELTINE: In what direction would the line run?

Hon. Mr. HUGESSEN: Practically straight northeast from the lower St. Lawrence right up to Ungava Bay.

Hon. Mr. ASELTINE: There would be no port in Labrador?

Hon. Mr. HUGESSEN: Not as at present contemplated.

Section 9 allows the company to make agreements with other companies and to hold the stock of other railways. That section might at first raise questions in the minds of honourable senators, in view of the fact that this railway will be hundreds of miles away from any other existing line. The reason for the section is that it may be necessary to incorporate a separate railway company to construct that part of the line which is to be in Labrador, and a special act may have to be obtained from the Newfoundland legislature for that purpose. If that should be so, then of course this railway would have to provide all the funds for the construction of that other line, and would have to enter into an operating agreement with it.

Hon. Mr. ASELTINE: That is a usual provision: it is to be found in nearly all the other acts.

Hon. Mr. HUGESSEN: Yes; but it seems a rather unusual provision to put in this bill, when the railway will have no physical connection with any other line.

Hon. Mr. ASELTINE: It should be in there.

Hon. Mr. HUGESSEN: The only other section which honourable members may consider as being slightly unusual is section 19, which allows the promoters five years in which to commence the construction of the railway and ten years within which to complete it. The periods generally specified in acts of this kind are two years for the commencement of construction, and five years for completion; but I think that in the rather unusual circumstances of this case honourable members will appreciate why it is suggested that the periods should be somewhat extended.

If the bill should receive second reading I shall move that it be referred to the Standing Committee on Transport and Communications, where, I understand, the promoters will appear with maps and be in a position to explain their project in detail. Witnesses will be available to deal with not only the railway project, but the geological formation of the country, and to give honourable mem-

bers some idea of what may be expected from the development of iron ore deposits in that area.

Hon. VINCENT DUPUIS: Honourable senators, in view of the extraordinary powers which are sought for this company, I should like personally to study in detail the speech of my honourable friend from Inkerman (Hon. Mr. Hugessen) and many other matters pertinent to the bill. For that reason I would request that the vote on the motion for second reading be postponed until Wednesday next.

Hon. Mr. HUGESSEN: I have no reason whatsoever to object to my honourable friend's suggestion.

Hon. Mr. DUPUIS moved the adjournment of the debate.

The motion was agreed to.

INSPECTION AND SALE BILL

CONCURRENCE IN AMENDMENTS

The Senate proceeded to the consideration of the amendments made by the Standing Committee on Banking and Commerce to Bill 8, an Act to amend the Inspection and Sale Act, 1938.

Hon. Mr. SINCLAIR: In the absence of the chairman of the committee (Hon. Mr. Beauregard), I would move, for him, that the amendments be now concurred in.

Hon. Mr. MURDOCK: Honourable senators, I am probably the last person in the house to question the meaning of legal language, but I find in this bill something which, to me, is altogether peculiar. Listen to this:

12A: In this part, unless the context otherwise requires,

(a) "export" means send out of Canada or out of one province to another province.

In other words, we have nine provinces in this Dominion of ours, and we are now going to talk about exporting potatoes from Prince Edward Island to Ontario or Quebec, or exporting apples from British Columbia to Ontario or Quebec. It seems to me that it is altogether wrong for us in this Senate to undertake to define the word "export" as a matter of transport or shipping from one province of this great Dominion to another. If we can deal with the amendments in the absence of the chairman of the committee, I presume I can present a motion in the absence of its seconder, who asked me to present it. I therefore move, seconded by the honourable senator from Sorel (Hon. Mr. David), that this question of amendments to Bill 8 be not

now dealt with but that the bill be referred back to the Standing Committee on Banking and Commerce with instructions to amend section 12A (a) by substituting for the word "export" in relation to trade between provinces, the words "transport, ship or transfer" and thus preserve the well-known meaning of the word "export". I am sure we are all agreed that the word "export" means shipment from one country to another country, not from one province to another province. I had expected this question would be dealt with when the bill was before the committee, at whose meeting sorry to say I was not present, and I think it should be referred back so that we may not lose our definite understanding of what the word "export" means. It does not mean the shipping of potatoes from Prince Edward Island to Ontario or Quebec, or of apples from British Columbia to eastern provinces.

Hon. Mr. HAIG: Honourable senators, I would suggest to the honourable member for Queen's (Hon. Mr. Sinclair) that he let the matter stand until the chairman of the committee is here. I do not wish to raise the question but the honourable senator for Parkdale (Hon. Mr. Murdock) cannot second a motion for a senator who is not here. One can move on behalf of an absent senator, but a seconder must be present. I am simply stating the rule. I suggest it would be better to let the whole matter stand until Tuesday, when the chairman of the committee will be here.

I am told that the processors who were represented before the committee want "export" defined as in the bill for the protection of the industry itself. I am one of those persons very anxious to see the flax industry established in Canada and, rather than risk a vote, I urge that we had better wait until Tuesday, when the chairman of the committee will be here and the bill can be fully explained.

Hon. Mr. MURDOCK: Do you agree that "export" means shipment between the provinces? If that definition can be applied in this bill, it can also be applied in a peach bill or to a potato bill.

Hon. Mr. HAIG: But I am not desirous of hurting an industry by arguing over words. From representations made by men in the industry I realize that it is necessary for the protection and development of the industry to have this clause included in the bill. I accept their opinion on the matter. I have great confidence in the departmental officials—not so much in the minister—and I have heard that they recommend this definition.

In my opinion, they know best. Honourable senators, I say again that I think we should let this matter stand until Tuesday.

Hon. Mr. SINCLAIR: Honourable senators, we might as well understand this matter. I was asked by the acting leader (Hon. Mr. Copp) to take charge of the bill. When it came before the committee I was present, and I may say to my honourable friend from Parkdale (Hon. Mr. Murdock) that the industry was represented by the president of the National Flax Council. The question before us is merely one of words. For the purposes of the Inspection and Sale Act "export" means what the bill says. For any other purpose the word retains its ordinary meaning. I do not see any reason to delay this bill; it has been twice before the committee, which adopted it as it is now. I submit to the house that the amendments should be concurred in at this time.

Hon. Mr. FOSTER: May I suggest that there is nothing to prevent my honourable friend from Parkdale from moving an amendment, if he wishes on the motion for third reading.

The Hon. the SPEAKER: It has been moved by Honourable Senator Sinclair, on behalf of the Chairman of the Standing Committee on Banking and Commerce, that the amendments made to Bill 8, an Act to amend the Inspection and Sale Act, be now concurred in.

In amendment thereto, it has been moved by Honourable Senator Murdock, seconded by Honourable Senator David, that the amendments made by the committee be not now concurred in, but that the bill be referred back to the Standing Committee on Banking and Commerce to amend section 12A (a) so as to define what is described as export between the provinces as "transport, shipment, or transfer," and thus protect for us the well-known meaning of the word "export."

Is it your pleasure, honourable senators, to concur in this amendment?

The amendment was negatived.

The Hon. the SPEAKER: The question is now on the motion of Honourable Senator Sinclair, that the amendments made by the committee be concurred in.

The motion was agreed to.

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: Next sitting.

DEPARTMENT OF NATIONAL DEFENCE BILL

CONCURRENCE IN AMENDMENT

The Senate proceeded to the consideration of the amendment made by the Standing Committee on Banking and Commerce to Bill 19, intituled an act to amend the Department of National Defence Act.

Hon. Mr. COPP: Honourable senators, I move that the amendment be concurred in.

The motion was agreed to.

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: With leave of the Senate, I would move third reading of the bill now.

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

The Senate adjourned until Tuesday, March 18, at 8 p.m.

THE SENATE

Tuesday, March 18, 1947.

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

Prayers and routine proceedings.

DEPARTMENT OF NATIONAL DEFENCE BILL

CONCURRENCE BY COMMONS IN SENATE AMENDMENT

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 19, an Act to amend the Department of National Defence Act, and to acquaint the Senate that they have agreed to the amendment made by the Senate to this bill, without any amendment.

CANADIAN WHEAT BOARD BILL

FIRST READING

A message was received from the House of Commons with Bill 23, an Act to amend the Canadian Wheat Board Act, 1935.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

MAIL CONTRACTS SUPPLEMENTAL PAYMENTS BILL

FIRST READING

A message was received from the House of Commons with Bill 17, an Act respecting Supplemental Payments on Mail Contracts.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

PRIVATE BILL

FIRST READING

Hon. Mr. SINCLAIR (for Hon. Mr. Paterson) presented Bill Z-1, an Act to incorporate Canadian Nurses' Association.

The bill was read the first time.

NATIONAL RAILWAYS AUDITORS BILL

FIRST READING

Hon. Mr. COPP presented Bill A2, an Act respecting the appointment of auditors for National Railways.

The bill was read the first time.

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

Hon. Mr. COPP: With leave of the Senate, next sitting.

CANADA EVIDENCE BILL

FIRST READING

Hon. Mr. COPP presented Bill B2, an Act to amend the Canada Evidence 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. COPP: With leave of the Senate, next sitting.

CANADIAN COMMERCIAL CORPORATION BILL

FIRST READING

Hon. Mr. COPP presented Bill C2, an Act to amend the Canadian Commercial Corporation Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave, at the next sitting.

NATIONAL EMERGENCY TRANSITIONAL POWERS

RESOLUTION TO CONTINUE ACT IN FORCE

Hon. Mr. COPP moved:

That, whereas subsection one of section six of the National Emergency Transitional Powers Act, 1945, chapter twenty-five of the statutes of 1945, as enacted by chapter sixty of the statutes of 1946, provides that subject as hereinafter provided, that act shall expire on the thirty-first day of December, one thousand nine hundred and forty-six, if parliament meets during November or December, one thousand nine hundred and forty-six, but if parliament does not so meet it shall expire on the sixtieth day after parliament first meets during the year one thousand nine hundred and forty-seven or on the thirty-first day of March, one thousand nine hundred and forty-seven, whichever date is the earlier: Provided that, if at any time while that act is in force, addresses are presented to the Governor General by the Senate and House of Commons respectively, praying that that act should be continued in force for a further period, not in any case exceeding one year, from the time at which it would otherwise expire and the Governor in Council so orders, that act shall continue in force for that further period;

And whereas it is considered desirable to continue the said act in force until the fifteenth day of May, one thousand nine hundred and forty-seven;

The following address be presented to His Excellency the Governor General of Canada:

To His Excellency Field Marshal The Right Honourable Viscount Alexander of Tunis, Knight of the Most Noble Order of the Garter, Knight Grand Cross of the Most Distinguished order of Saint Michael and Saint George, Companion of the Most Exalted Order of the Star of India, Companion of the Distinguished Service Order, upon whom has been conferred the Decoration of the Military Cross, one of His Majesty's Aides-de-Camp, General, Governor General, and Commander-in-Chief of the Dominion of Canada.

May it Please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the Senate of Canada, in parliament assembled, respectfully approach Your Excellency praying that the National Emergency Transitional Powers Act, 1945, be continued in force until the fifteenth day of May, one thousand nine hundred and forty-seven.

He said: Honourable senators are familiar with what is taking place in another branch of parliament, and know of the passing of a resolution there to extend the National Emergency Transitional Powers Act of 1945, as amended in 1946.

The government proposes to put into statute form the provisions which during the latter years of the war were carried on under orders in council. The powers remain in force until sixty days after the opening of this session of parliament, which will be the 29th day of March. It would seem improbable that the necessary bills for the new legislation

could be passed by that time, and the purpose of this resolution is to continue the act in force until May 15.

Hon. Mr. HAIG: This resolution comes as a surprise to me, as I did not know what the other house had done with the matter. It had not been dealt with when I left there this afternoon. There should be some further explanation.

Hon. Mr. COPP: The resolution may stand until tomorrow.

Hon. Mr. HAIG: I am not objecting to the resolution, but I would suggest that it be allowed to stand until tomorrow.

The resolution stands.

DIVORCE BILLS

On the Orders of the Day:

Hon. JOHN T. HAIG: Honourable senators, before the Orders of the Day are called I wish to make a suggestion to the house. The Divorce Committee is confronted with a tremendous volume of work—more than 400 cases. I would ask that when divorce bills appear on the Order Paper they be cleaned up as we go along. The members of the committee feel that when the evidence has been heard and reported upon they have no further responsibility.

Hon. Mr. MORAUD: What do you mean by having them "cleaned up"?

Hon. Mr. HAIG: For instance, items 4 and 5 on the Order Paper tonight have to do with divorce, and it would take only a few minutes to deal with them before we take up the other items. Unless we follow some such plan there will be no possibility of getting all the divorce bills to the other place before the session ends, and in that event the members of the Divorce Committee will feel like giving up the ghost and letting somebody else take the responsibility for all these cases.

I am not asking that honourable senators who are opposed to divorce vote for the bills. You may vote against them if you wish. Nor am I asking for any special consideration. I am simply pointing out that if we are going to do the job at all we must have assistance in getting the bills through the house.

Hon. Mr. MURDOCH: Will the honourable senator tell us how we can boost them through any faster than we have been doing?

Hon. Mr. HAIG: I would point out to the honourable member from Parkdale (Hon. Mr. Murdock) that ahead of these divorce items on the Order Paper are three or four important matters which will probably take the

whole night to debate. In the Manitoba house we used to have a procedure whereby on one or two days a week certain matters would be given precedence and pushed through right away. I wonder whether we could not adopt such a procedure for dealing with divorce orders.

Hon. Mr. COPP: If there is no objection, we can proceed first with order No. 4, for the second reading of divorce bills.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. ASELTINE moved the second reading of the following bills:

Bill I, an Act for the relief of Charles Gordon Nelson.

Bill J, an Act for the relief of Pamela Mackay Alderdice Johnstone.

Bill K, an Act for the relief of Lilly Evans Auty.

Bill L, an Act for the relief of Esther Lancit Weiss.

Bill M, an Act for the relief of Bruce Montgomery Cooper.

Bill N, an Act for the relief of Marion Naomi Gomery McGee.

Bill O, an Act for the relief of Margaret Hazel Reid Koppel.

Bill P, an Act for the relief of James Alexander King.

Bill Q, an Act for the relief of Proctor Clifford Neil.

Bill R, an Act for the relief of Elizabeth Anne Eden Lindsay.

Bill S, an Act for the relief of Ernest Edward Joslin.

Bill T, an Act for the relief of Jessie Alberta Allan Derby.

Bill U, an Act for the relief of Dorothy May Duff Hisey.

Bill V, an Act for the relief of Elizabeth McIntosh Barber.

Bill W, an Act for the relief of Muriel Lucy Brighten Burdon.

Bill X, an Act for the relief of Constance Mae Ponman Newman.

Bill Y, an Act for the relief of Florence Alice Mapston Calcutt Doak.

Bill Z, an Act for the relief of Rose Housefield Blumstein.

Bill A1, an Act for the relief of Gertrude Loiseau Gaulin.

Bill B1, an Act for the relief of Marie Rose Alba Bernadette Lapointe dit Robin Ricard.

Bill C1, an Act for the relief of Thelma Genender Lefkowitz.

Bill D1, an Act for the relief of Mary Joyce Joly Clark.

Bill E1, an Act for the relief of Gertrude Helen Cayford Collins.

Bill F1, an Act for the relief of Francis George Isaac Fellows.

Bill G1, an Act for the relief of Elly Maria Charlotte Alden McBride.

Bill H1, an Act for the relief of Gladys Elizabeth Thompson Dorrance.

Bill I1, an Act for the relief of Una Kathleen Balmfirth Little.

Bill J1, an Act for the relief of William Walter Woodall.

Bill K1, an Act for the relief of Helen Lilian Jaques Bowen.

Bill L1, an Act for the relief of Doreen Jeanette Sibley Tirbutt.

Bill M1, an Act for the relief of Ida Norma Thompson Thornton.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READING

The Hon. the SPEAKER: When shall the bills be read the third time?

Hon. Mr. ASELTINE: With consent of the Senate, I would move that the bills be now read a third time.

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

FIRST READINGS

Hon. Mr. ASELTINE presented the following bills:

Bill N1, an Act for the relief of Evangeline May Connelly Stervinou.

Bill O1, an Act for the relief of Olive Viola Olsson Ferguson.

Bill P1, an Act for the relief of Evelyn Ethel May Reich Macdonell.

Bill Q1, an Act for the relief of Ernest Edward Lippiatt.

Bill R1, an Act for the relief of Elizabeth Butler Roberts Lambton.

Bill S1, an Act for the relief of Libby Margolese Smith.

Bill T1, an Act for the relief of Jean Elizabeth Hancock Thompson.

Bill U1, an Act for the relief of Isabella Hodgson McRae Edwards.

Bill V1, an Act for the relief of Marjorie Aileen Copping Ladouceur.

Bill W1, an Act for the relief of Annie Mildred Parnell Smellie.

Bill X1, an Act for the relief of Veronica Donnelly Hope Johnstone Shelley.

Bill Y1, an Act for the relief of Irja Alina Agnes Vaisanen Shanahan.

The Bills were read the first time.

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. ASELTINE: With leave, next sitting.

INTERNAL ECONOMY COMMITTEE

CHANGE IN TIME OF MEETING

Hon. G. V. WHITE: Before the Orders of the Day are proceeded with, I should like to draw the attention of honourable members of the Internal Economy Committee to the notice of the meeting of this committee at 12 o'clock noon tomorrow. I have been informed that there are one or two matters which interfere with a meeting at that hour; and, if it is agreeable to the Senate, I would suggest that the meeting be deferred until after the Senate rises tomorrow afternoon.

Some Hon. SENATORS: Agreed.

DAIRY INDUSTRY BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, March 12, the adjourned debate on the motion of Hon. Mr. Euler for the second reading of Bill B, an Act to amend the Dairy Industry Act.

Hon. CYRILLE VAILLANCOURT (Translation): Honourable senators: I do not intend to expound at length the food value of oleomargine as compared to that of butter. I only wish to state my views concerning the main argument which seems to supersede all others in this debate: That the freedom of the people should not be restricted.

By prohibiting the manufacture or importation of oleomargarine, why do we deny to any citizen of Canada the right to eat oleomargarine if he feels like eating some?

Everybody will admit that no human law, that is no law created by man, is absolutely perfect. The object of every law is to accommodate the greatest possible number of people, and to give justice to the greatest majority of the population. It is inevitable that the rights of some people will be encroached upon. But what can be done about it? Nobody can deny that during the war, the immense majority of our population benefited from the controls imposed upon our economy. Some citizens, however, suffered injury; but this was unavoidable.

Let us examine the very principle of freedom. We will admit that my own freedom ends where that of my neighbour begins. By abusing my freedom, I can kill my neighbour; but my neighbour is entitled to live.

Therefore, if I misapply this principle of freedom, I may injure the essential part of the population of a country, that portion which feeds the whole nation, and in short allows it to live; I would thus abuse my freedom, and I believe these are the present circumstances.

The period we are presently going through can be termed abnormal; and we would like to redress certain defects by enacting extraordinary measures and adopting certain means which, in my opinion, seem very dangerous and could bring about evils which will be more serious than those we presently wish to redress. Towards the end of the last war, we authorized the importation and manufacture of margarine because we were then going through the same abnormal times as today. What were the results? When conditions again became normal farmers sold their butter for ridiculously low prices, and that was one of the reasons why our farmers and our youth abandoned farming and are still abandoning it. After realizing that margarine was detrimental to agriculture, we prohibited the sale of margarine.

It is useless to attempt keeping farmers and farmers' sons on their farms if their revenues cannot afford them as comfortable a mode of living as is enjoyed by city people. By authorizing the importation and manufacture of margarine, if I protect four, five or ten manufacturers at the expense of hundreds of thousands and even millions of my compatriots, then I am entitled to say that this principle of freedom which we invoke is not freedom, but dictatorship, subservience, in a word, the very opposite of freedom.

A few days ago, I enquired from large Montreal and Quebec dairies about a possible shortage of milk. Everywhere, I was told: "There is a superabundance of milk, and we do not know what to do with it." Then why are there not greater quantities of butter on the market? We must acknowledge facts and admit that the prices paid producers for raw milk and for butter are not at all adequate. The price of milk sold for consumption as such is much higher than the price of milk used for butter-making.

We are told that the price of butter will be much higher than that of oleomargarine. It is quite easy to lower the price of butter. If we wish to bring back freedom, if we wish everyone to obtain freely everything he wants, then let us lower tariffs on agricultural implements, on automobiles, etc. We all know that in the United States farm implements are far cheaper than in this country; and the same applies to autos and many other manufactured products.

I heard another argument: Is the importation of oranges prohibited? I do not think many people grow oranges in Canada. Then this situation cannot hurt anybody. And I was also told that the oils and fats used in oleomargarine are also used in the manufacture of soap. Then you would rather use these oils to make soap instead of food for the poorer part of our population? Let us proceed slowly. We know that often priority is granted to hygiene over food; if we wish to prevent epidemics and even infection, we must first of all use soap. From a certain angle, it is just as important, as far as hygiene is concerned, to have soap as to have supplies of oleomargarine. It is useless to dwell longer on this point.

Here is another way of reasoning: Canada is the only country in the world where importation and manufacture of oleomargarine is prohibited. Why is this? Because we went through this experience, and we saw for ourselves the harm which it effected in our national agriculture, which is one of the most vital industries of our country. Furthermore, comparisons are always lopsided, and it is futile to make them.

We were told that Denmark authorizes the importation and manufacture of oleomargarine. This is true, but only in limited quantities. There is no free market in that country, and oleomargarine cannot be packaged and offered as if it were butter.

According to my information, oleomargarine cannot be coloured in Denmark, and thus people are not deceived when they eat it, they are not led to believe that it is simply rotten butter.

In our country, the dairy industry is closely related to cattle raising, and, to be profitable, cattle raising, especially hog raising, is done with grain and skimmed milk. If, as it happened in the past—and we have gone through this experiment—the farmer is placed in a difficult position, then he will not produce milk, and furthermore he will not raise cattle; if he does not raise cattle, meat will be scarce, and Western farmers will have greater difficulties in selling their grain, because in a few years, when pre-war labour conditions prevail in Europe, that continent will be in a position to raise its own crops. Then will we pay farmers to refrain from producing? This is an absurdity.

Those who invoke the argument of freedom also tell us: "Why impose restrictions upon the sale of oleomargarine if we wish to eat some?"

To that I could answer: "Why not authorize the free importation of Argentine wheat?" It is less expensive than ours, apparently and even if I cannot admit that it is as good

as ours, some people might say that they prefer it and would rather eat it than our wheat. Would that be beneficial to our Western farmers?

We are also told that the manufacture of Crisco is permitted. But we all know that Crisco does not compete with butter. People who buy Crisco know very well that they will not eat it with their bread.

It was also pointed out that we import butter from New Zealand. I believe that my honourable colleague from Queen's Lunenburg (Hon. Mr. Kinley) gave a clear and successful reply to that point.

(Text):

Honourable senators, according to available statistics, fats are very scarce throughout the whole world, and in order to produce oleomargarine we should have to import cotton-seed oil, soya bean oil, coco-nut oil, etc. When the whole world is complaining about the scarcity of fats, why should we deprive the unfortunate inhabitants of Europe of the few supplies they possess?

In the *Montreal Gazette* of March 14 I read:

The serious shortage of soap and shortening resulting directly from a world scarcity of fats and oils was laid to six main causes by F. H. Lehberg, administrator of oils and fats of the Wartime Prices and Trade Board, in an address before the weekly luncheon of the Montreal Kiwanis Club at the Windsor Hotel yesterday.

Canada is now in a very vulnerable position, he said, since every branch of industry uses fats and oils directly or indirectly. He blamed shortages on: 1—Complete chaos in the southeast Pacific; 2—China and Manchuria which were large exporters before the war are now completely out of the picture due to internal strife; 3—A decrease in production and increase in consumption in Australia, due to drought and other reasons; 4—A decrease of 35 per cent in whale oil production, due to the loss of whalers and experienced operators during the war; 5—Higher consumption and lower exports by South American countries; and, lastly, the decrease in output in Africa due to the fact that natives want consumer goods instead of currency.

Fats and oils are the shortest commodities in the world today, he declared. Since Canada must import 50 per cent of all her needs, he added, the quota allowed this country is far below the demand.

Mr. Lehberg said that it will take at least another three years before 1935-1939 levels are reached, and that methods should be studied in Canada to raise production. He further suggested that soybean and flaxseed production should be improved, and pointed out that the latter, from which linseed oil is obtained, could be used for export in order to receive higher quantities of other oils.

Stressing the higher prices on oil and fats, he said that soybean oil, which could be freely obtained before the war at six cents a pound, was now 33 cents a pound and hard to get. The increase in the price of palm oil was even more drastic.

He deplored the lack of a Canadian whaling fleet, which was unfortunate for a country bounded by three oceans, and stated that seal and whale oil was highly desirable and would bring high remuneration.

Honourable senators, would it be wise and consistent to enact an invalid law? Would it be wise and human to pass this bill, in spite of the scarcity of fats and vegetable oils, and thus take them away from those who are starving, while we virtually have everything we wish? This would be anything but a charitable and Christian action.

Finally, we are told that if the bill is passed and there are short supplies of fats, farmers need not fear anything on this account, that they will not be affected in any way. But this point must be considered: if we agree to the principle of the bill, competition between butter and margarine, between farmer and manufacturer, will be more acute and more disastrous as soon as fats become more plentiful. A few years ago certain monopolies were investigated in France, and it was discovered that 80 per cent of all the vegetable oils produced in the world were controlled by two powerful companies which sold their products throughout the whole world. It is unnecessary to elaborate on this.

If the principle of freedom is to be invoked for the manufacture, importation and sale of oleomargarine, it should be applied honestly to everything and everybody, and not only to some things and a few privileged people. For instance, our freedom is restricted by traffic lights for the general advantage. They hold us back at the very moment when we may wish to move on. We did without them formerly, so why should we not abolish them? You will answer that would be impossible and indeed, because without them many people would get run over.

This illustrates the principle I stated at the beginning: my freedom ends where that of my neighbour begins. If, by abusing my freedom, I injure my neighbour, then I am not entitled to have it. If, by abusing the principle of freedom which has been referred to so often in this debate, I injure hundreds of thousands of my compatriots, then I ought not to have it; and I have not the right to concede this freedom to a few individuals who would use it against the welfare of the general population.

The honourable senator from Waterloo (Hon. Mr. Euler) read a letter from the President of the National Dairymen Association, whose head office is in New York. The situation in the United States is not the same as in Canada. In reply to this letter,

let me read a few communications which were sent to me by various dairy industry organizations throughout the province of Quebec. Here are some telegrams:

Montreal, Que., Feb. 10, 1947.

Hon. Cyrille Vaillancourt,
57 Ave. Begin, Lévis.

Co-opérative Fédérée de Québec, on behalf of butter producers it represents, strongly objects to any legislation in favour of putting oleomargarine on Canadian market. We endorse the attitude of the Canadian Federation of Agriculture, and hope you will defend the interests of butter producers.

Co-opérative Fédérée de Québec.

H. C. Bois, Executive President and General Manager.

Montreal, Feb. 10, 1947.

Senator C. Vaillancourt,
Ottawa.

We note with alarm proposed bill being presented by Senator Euler which would legalize importation and manufacture of oleomargarine in Canada. Canadian dairymen now suffering from low prices and restrictions imposed by W.P.T.B. and have protested to government asking these prices be raised in order that production be encouraged. Should this bill become law it would further discourage production of butter. Under normal conditions Canadian dairymen can produce more butter than can be consumed in Canada. We therefore protest very strongly against passage of such bill.

John K. Dickson,

President, Montreal Milk Producers Association.

Ste. Anne de Bellevue, Que., Feb. 11, 1947.

Senator Cyrille Vaillancourt,
Parliament Buildings, Ottawa.

The Quebec Council of Farm Forums on behalf of the butter producers of Quebec wish to go on record as supporting the Canadian Federation of Agriculture in its objection to the introduction of oleomargarine on the Canadian market we believe that if the sale of margarine is legalized it will reflect severe hardship on our butter producers who during the war years accepted a comparatively low and unsatisfactory price for their product in order that Canada might fulfil her commitments for other dairy products.

R. Alex. Sim, Secretary-Treasurer.

The following is a letter from the Sherbrooke Group of the United Milk Producers of the Province of Quebec.

R.M.D. No. 1,
Sherbrooke, Que., February 12, 1947.

Hon. Cyrille Vaillancourt, Senator,
Parliament Buildings,
Ottawa, Ont.

Dear Sir:

We, the Sherbrooke Milk Producers, strongly protest against the project introducing margarine on Canadian market.

Yours very truly,

(Sgd.) W. H. A. Smith,
Secretary-Treasurer.

Hon. Mr. EULER: Will my honourable friend permit me to ask a question? Has he had any representations on behalf of the consumers of Canada?

Hon. Mr. VAILLANCOURT: No. The people of the province of Quebec prefer good butter to high-priced imported substitutes.

Hon. Mr. EULER: Everybody prefers to eat good butter, if he can get it.

Hon. Mr. VAILLANCOURT: People can get it, but it is very scarce now, but it will be plentiful next summer.

The oleomargarine question is a matter of personal opinion, and we could argue at length over it.

In conclusion let me emphasize that I am not discussing the food value of oleomargarine. Nor am I saying that I shall always be against the principle of the bill we are examining today; but, in the present circumstances, I do not believe it is expedient to pass such a bill. In a few years hence, when conditions have become normal once more, if we decide that oleomargarine can be placed on the market without any detriment to the dairy industry and without working any disadvantage to the majority of the citizens of Canada, I shall be ready to support a bill like this. Meanwhile, I hold fast to this principle of freedom, that we must first of all endeavour to bring about the prosperity of those who are mainly responsible for the prosperity of our country. In a country like ours, if the farmer is not prosperous, our whole economy will soon be injuriously affected. Let us protect the farmer, and thus promote the prosperity of our country.

We should not abuse an argument based on freedom. I am in favour of freedom which allows the majority to lead a better life and protects their rights; but I am against the kind of freedom which prevents many of our compatriots from prospering and attaining a higher standard of living, because that form of liberty is but travesty and camouflage.

Hon. JAMES MURDOCK: Honourable senators, this bill was introduced in the Senate on February 6, and has been hanging fire more or less ever since. I think we should now put on the record some of the objections that, I presume, were telegraphed to all senators.

On February 9 the following telegram came to me:

Senator Jas. Murdock,
Ottawa, Ontario.

We vigorously protest proposal to legalize oleomargarine in Canada, as a blow at the farmers of Ontario. During the war we accepted with good grace diversion of milk from butter to

other commodities as in the dominion's interest. We have accepted with good grace importation of New Zealand butter to make up the current artificial shortage. Imposition of oleomargarine would be a serious blow to 71,000 cream producers of the province of Ontario and a poor reward for sacrifices still being exacted by the federal government. We solicit your support for agriculture, and would urgently request you to vote against the proposed oleomargarine bill.

A. S. Thurston, Secretary-Manager, Ontario Creamery Association.

Two days later, on February 11, I received this telegram:

Hon. Jas. Murdock, Senate of Canada,
Parliament Bldgs., Ottawa.

Ontario cream producers for butter purposes protest vigorously importation and manufacture of oleomargarine. Producers suspicious potential manufacturers and marketers raising this issue for private gain. Cream production at less than cost as part of war effort resulted in decrease in production. Importation vegetable oils which are in short supply may prove definite threat to dairy industry. Producers object to importation without protection when other industries are protected by tariff such protection adding to cost of farmers needs. Ontario's 75,000 cream producers look to you for fair and just treatment.

V. S. Milburn, Secretary, Ontario Federation of Agriculture.

I replied by letter to these telegrams, and in each of my replies I said, "Perhaps you might advise me why Canada should be the only country in the world to prohibit the manufacture and sale of oleomargarine." I did not get a reply from either of these gentlemen whose telegrams I have read. I am still waiting for one.

Many honest, well-meaning and enthusiastic senators and others argue that the existing law is intended to protect and conserve the rights of the farmers. No member of this house has greater respect for the farmers, or a greater desire to do justice to them, than I have. I spent some of the younger years of my life on a farm, and I know something about what farmers have to do. But it is nonsense even to suggest that this prohibition of oleomargarine is for the benefit of the farmers. If we believe it is, we ought to undertake to prove it.

Do not forget that this particular matter is almost a perennial in Canada. The first time it was raised on Parliament Hill was on June 1, 1886. We have sometimes talked about "rushing" things through the Senate and doing business hurriedly. Why, we are merely "pikers" in comparison with those who, in 1886, first dealt with this particular matter. Here is the record of what was done:

Mr. McLelan introduced Bill (No. 149) to prohibit the manufacture and sale of substitutes for butter.

Bill read the first time.

Mr. McLelan moved the second reading of the bill.

Mr. Blake: I do not know what is in the bill, but I hope it does not prohibit the importation of all substitutes for butter. The title is rather wide. There are a good many very wholesome substitutes for butter.

Mr. Mitchell: I wonder if it would cover molasses, because in my part of the country the people use a good deal of it as a substitute for butter.

Title changed by adding after "sale of" the word "certain."

Motion agreed to, bill read the second time, considered in committee, reported, read the third time, and passed.

On many and various occasions since June 1, 1886, this question has been before parliament.

I said a few moments ago that the existing legislation is not for the benefit of the farmers. To suggest that it is seems to me just a four-flush, a bluff, a piece of nonsense. True, under it they may get a little more, a morsel of what they are entitled to, in the shape of compensation for what they provide in the way of milk. For the last few months we have been hearing quite a bit about the cost of butter and the scarcity of butter. At a public place in this city of Ottawa a few weeks ago I attended a party of distinguished people, brought together by my wife, and we did not have any butter, for we could not get it.

Let us see what is happening. On December 5 I wrote to one of our capable and distinguished Ottawa newspapers, as follows:

MAN AND HORSE WORTHY OF THEIR HIRE

So much has been said and written recently respecting the price of milk that a slight illustration might be in order.

This morning I happened to look out of my window at 7.43 a.m. and noticed an Ottawa dairy horse and rig delivering milk the first door west; at 7.45 a.m. an Ottawa dairy horse and rig delivering milk at our door; at 8.04 a.m. an Ottawa dairy horse and rig delivering milk at our next door neighbour east, and I noticed also a couple of hours later an automobile labelled an Ottawa dairy delivering milk a few doors east.

As a matter of fact I give the names of those dairies—they are all different—but I am not putting them on the record.

Perhaps this illustrates the increased cost of milk which, by the way, appears to be still about seven to fifteen cents per quart less here than in the United States.

Needless to add, this letter was not published in the paper to which I sent it. Why? It is not the farmers who are responsible for this increased cost. If any honourable senators need the explanation, tomorrow I will load you into an automobile and show you where that increase cost comes from, right here, in the city of Ottawa; and I assume the same conditions operate in other

parts of Canada. Hundreds of thousands of dollars are expended on the provision of plant for the delivery of milk by dairies. Yet we are told that the object of the ban on oleomargarine is to help some farmers out in the West to get a better price for their milk. It is nonsense.

I said a moment ago that I was sympathetic to the farmers. May I be permitted to put on the record the views of one man who states that he is a farmer? In the correspondence column on the editorial page of the *Toronto Daily Star* of February 17 last we find this item:

OLEOMARGARINE BILL

To the Editor of *The Star*.

Sir: Both as a farmer and consumer, I protest the attack of H. H. Hannam, president of the Canadian Federation of Agriculture, against Senator Euler's bill calling for the removal of Canada's ban on the manufacture and sale of oleomargarine. I and thousand of other long-suffering, butter-rationed consumers can tell Mr. Hannam and the senators what interests stand to profit from margarine manufacture in Canada. Here is a partial list:

1. The dairy farmers themselves, because 23½ per cent of oleomargarine ingredients is fresh milk. The margarine industry thus would open a new and profitable domestic market to dairy farmers—a market over and above their present one which is so beset by high distribution costs.

2. The soybean and sunflower farmers of both the West and East, whose crops would provide most of the vegetable oil content of margarine.

3. Canada's 70,000 diabetes sufferers, who must have up to two ounces a day of butter, the backbone of an insulin patient's diet, in order to live. Under the shortages maintained by Mr. Hannam's butter monopolists, there isn't enough butter to fill the extra ration allowed for diabetics.

4. Labour would profit from margarine by having an entirely new industry in which to work and build a future.

5. Business at large, from finance through to machinery and carton-makers, all of whom would have a new industry to serve.

6. The general public (including the dairy farmers), who would profit as taxpayers because (a) the new margarine industry would pay income, property and sales taxes which are now non-existent from this source, (b) because the new industry could export margarine to nations needing it, thus adding to our foreign trade, which benefits every person in Canada to the tune of \$3 out of every \$10 he earns.

Canada does not now and never has produced enough butter to supply her full needs. Therefore, the cry of margarine peril to the butter-makers is a fake.

R. Magee

Milliken, Ont.

That is signed by a farmer.

I suggest that before any honourable senator votes against this bill he should ask himself: Why in this Dominion of Canada, which we think is the best country in the

world and which we feel has come through the war with credit and honour, should we continue this farce of denying our people the right to have oleomargarine? And why should Canada be the only country in the world in that position?

Hon. Mr. SINCLAIR: Honourable senators, I move the adjournment of the debate.

Hon. NORMAN P. LAMBERT: May I ask the honourable senator if he would kindly postpone his motion until after I have finished a few remarks that I should like to make?

Hon. Mr. SINCLAIR: I am quite agreeable to that. I withdraw my motion.

Hon. Mr. LAMBERT: Honourable senators, in differing from the argument which has so ably been presented by my colleague, the senator from Kennebec (Hon. Mr. Vaillancourt), I do so with considerable diffidence in view of the eminent position which he occupies in his province as the representative of organized agriculture.

May I say to him that I am ready at any time to give credit to the farmers of Quebec for having done more perhaps, and in a very striking way, to improve the standards of dairying, both in the quality of their herds and their facilities for inspecting products, than the farmers in any other part of this country. I might also say to him that I am the last person who would do anything to injure the status of that industry. However, in approaching this subject I do so with the conviction that the only fair measuring rod to apply to the proposal contained in this bill, which presents to us an economic problem, is consumer demand. Everybody is a consumer of food, clothing and shelter. The farmer himself is an outstanding consumer in our community, and I have noticed that over the years he has been very definitely accustomed to stress his right as a consumer to buy machinery and other supplies in markets where he can secure the lowest possible price. I have always agreed with and supported him in that position. For some time, however, I have also observed that the dairy industry, through some of its organizations, has adopted a rather arrogant and unreasonable attitude towards the mass of consumers in Canada. For example, I think its opposition to the right of every individual to have access through purchase to wholesome articles of food, is not only unsound economically but savours rather of the dog-in-the-manger attitude.

My honourable friend from Parkdale (Hon. Mr. Murdock) has just quoted a couple of messages which he received and which I think

most of us received. I had intended referring to one of them. I wish to take very strong exception to the suggestion in the telegram sent to me by Mr. Milburn, Secretary of the Ontario Federation of Agriculture, that the potential manufacturers and marketers of oleomargarine are raising this issue for private gain. The implication is that those of us who do not happen to agree with the point of view of opponents of the bill, are being actuated by some consideration of interest in potential manufacturers and distributors of oleomargarine.

Honourable senators, it has become a too frequent pastime, if I may say so, on the part of bureaucratic officials of the Federation of Agriculture, to impute ulterior motives to those in parliament and elsewhere who do not happen to agree with the things they are opposing. I submit that every time such suggestions are made they should be resented, if for no other purpose than to draw attention to the need of some measure of respect for public institutions which represent the people of this country as a whole.

Hon. Mr. MacLENNAN: There is nothing wrong with private gain.

Hon. Mr. LAMBERT: There is nothing wrong with it, but there is something wrong with the implication that the motive of the supporters of this bill is consideration for those who are making private gain.

Hon. Mr. MacLENNAN: That is the motive which the sender of the telegram has.

Hon. Mr. LAMBERT: Exactly. I think it is the weakest recourse to take, but of late I have observed, as I think all of us have—in relation not only to this bill, but to some other matters which will become before this Senate—a tendency to impute to us ulterior motives rather than the motive of trying to do our best to serve the public of Canada. I for one, honourable senators, intend to resent that sort of thing every time I see it and every time I meet it.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. LAMBERT: I also wish to devote part of my main remarks to the economic aspects of this question. The telegrams that we have received from the spokesmen of the dairy industry complain of a potential decline in the industry because of the discipline, if you like, that was placed upon it during the war; and it is contended that any importation of margarine would prove a definite threat to the industry as a whole.

Hon. Mr. HAIG: Will the honourable gentleman permit me a question? I believe those telegrams were sent only to the senators from Ontario.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. BENCH: We specialize in pressure.

Hon. Mr. HAIG: You need it; we do not.

Hon. Mr. LAMBERT: That situation does not change the point of my remarks.

Hon. Mr. HAIG: I do not say that it does.

Hon. Mr. LAMBERT: The repeated complaints about the decline of the dairy industry, and the reasons given, do not correspond with the published facts. I have before me a statement on the production of milk and dairy products for the period 1920 to 1946, which I am going to take the liberty of placing on *Hansard*.

(See appendix at end of today's report.)

This statement shows an increase of 70 per cent in our total milk production, out of which all dairy products take form. The messages and representations criticizing the purport of this bill have been made on the basis of cream production, almost as if the production of cream could be distinguished from the entire milk producing industry.

In 1920 roughly 11 billion pounds of milk were produced; in 1945, a peak year, the total reached 17,627,000,000 pounds; and in 1946, almost 17 billion pounds.

In every item of dairy products from whole milk, with the exception of dairy butter—which is made on the farm—and condensed milk, there has been an increase. In evaporated whole milk, whole-milk powder, casein, ice cream and creamery butter there has been a tremendous increase. I would commend to honourable senators a perusal of the figures contained in this statement.

The fact is well known that during the past year millions of pounds of New Zealand butter have been diverted from Great Britain to this country, because of the inability of the dairy industry, even with increased production, to supply the demand for butter in Canada.

Hon. Mr. DUFFUS: Has the honourable senator the figures with respect to importations into this country?

Hon. Mr. LAMBERT: I have no figures on the importation of butter. My information is that the main item last year was approximately 13 to 14 million pounds of New Zealand butter destined for Great Britain, which through arrangement was diverted here and is now either in storage or being consumed. Some of it, I understand, has not landed yet.

Every year since 1941 this country has contributed millions of dollars in the form of subsidies to support the dairy industry.

Hon. Mr. HAIG: No.

Hon. Mr. LAMBERT: I shall refer to only three outstanding years—1943, 1944 and 1945. The subsidies for butter fat, milk and cheese totalled more than \$112,000,000 for that period. This amount came out of the consumers in the form of taxation to subsidize the dairy industry.

Hon. Mr. HAIG: Does the honourable gentleman mean to say that that money went into the pockets of the milk producers? Was not that amount paid by the government to reduce the price of milk to the consumer? I may be wrong, but that is my understanding, and I should like to be clear on it.

Hon. Mr. LAMBERT: I am quoting some figures published by the Dominion Department of Agriculture.

Hon. Mr. HAIG: Will the honourable gentleman permit me to interrupt him again? I am not questioning the amount, but I am inquiring about the purpose for which the money was paid.

Hon. Mr. MURDOCK: The producers got the largest part of it.

Hon. Mr. HAIG: No; the consumers got it. The minute the subsidies were taken off, milk jumped two or three cents a pound.

Hon. Mr. MURDOCK: It was not the farmer producers that benefited, but the dairies.

Hon. Mr. LAMBERT: I wish to refer to the amount of subsidies paid by the Dominion government to the industry on the basis of fluid milk, butter fat, concentrated milk, cheddar cheese, cheese bonus on quality and cheese factory improvement. In addition to the subsidies mentioned—my honourable friend will understand and appreciate this—on freight assistance on feed grains sent from the prairie provinces to the eastern provinces, a great percentage of which went to support dairy herds, there was a subsidy of more than \$44,000,000 in the three years mentioned. That was an allowance for the benefit of the feeders of dairy and beef cattle.

Hon. Mr. HAIG: May I ask another question? Did the government of this country not put a ceiling price on milk sold to consumers? The producers said they could not supply milk unless a subsidy was given to hold down the price. That subsidy has been taken off and in consequence the price has gone up.

Hon. Mr. LAMBERT: I agree with what my friend says, but it has no bearing on my argument. I am pleading the cause of the consumers in this country, regardless of class or occupation.

Hon. Mr. QUINN: And emphasizing the burden on the taxpayer.

Hon. Mr. LAMBERT: And emphasizing the burden on the taxpayer as well. That is part of the contribution made to the dairy industry.

Hon. Mr. HAIG: Will my honourable friend say he is in favour of taking the controls off dairy products now? I will vote for the bill if my friend will guarantee that the government will remove the controls. That is all you have to do to get my vote.

Hon. Mr. EULER: My honourable friend knows that is a foolish question to ask.

Hon. Mr. HAIG: It is not foolish. Controls are the cause of all the trouble.

Some Hon. SENATORS: Order, order!

Hon. Mr. LAMBERT: If my honourable friend will permit me to continue my remarks I shall be brief; then if anyone wishes to comment on the figures given I shall be glad to hear what he has to say.

Hon. A. L. BEAUBIEN: My friend is arguing the point on behalf of the consumers. But did the consumers not get the greater benefit from the subsidies by reason of the lower price of milk products?

Hon. Mr. DUFFUS: Certainly.

Hon. Mr. LAMBERT: Will my honourable friend let me finish my remarks? Then he may adjourn the debate, if he wishes.

I favour this bill with the conviction that the importation of oleomargarine would not injure the dairy business in any way, but would rather tend to help it. It would provide a cheaper substitute for butter especially in the closely populated industrial centres, and enable the average family to obtain a larger portion of fluid milk and ice cream for the children.

Just as trade begets trade between nations, so it does between different classes of people in the same community. Because I believe firmly in that principle, which is the principle upon which this bill is based, I heartily endorse every line of the bill.

Hon. Mrs. FALLIS: Would the honourable senator answer a question? I did not like to interrupt him when he was speaking. He took exception, and I think rightly so, to the fact that ulterior motives were attributed to those who are supporting this legislation. Would he

not think it is just as bad for the honourable senator who introduced this bill (Hon. Mr. Euler) to say, in effect, that the motives of those who opposed it were purely selfish interests or political considerations?

Hon. Mr. LAMBERT: I have an easy reply to that. The honourable senator from Waterloo (Hon. Mr. Euler) will, I believe, have the privilege of winding up this debate, and I leave the question for him to answer.

Hon. Mr. HUGESSEN: Does the honourable senator from Peterborough (Hon. Mrs. Fallis) recognize the difference between political motives and improper monetary motives?

Hon. Mrs. FALLIS: He said, political considerations, or purely selfish interests, which would suggest thinking about one's own pocket-book.

Hon. Mr. EULER: I should like to correct my honourable friend from Peterborough (Hon. Mrs. Fallis). I spoke, of course, of political motives; and I think they are present in the debate on this bill or will influence the action that is taken when the vote comes. My other point was that there were class interests being served, namely, the interests of those opposing the bill, not the selfish interests of any individual senator. I never intended, of course, to impute that.

Hon. Mrs. FALLIS: On page 127 of *Hansard*, of March 12, I read:

I say to honourable gentlemen—

It should be "honourable senators".

Hon. Mr. EULER: I stand corrected.

Hon. Mrs. FALLIS:

—here today that there are only two reasons why people should be against oleomargarine. One is the purely selfish reason—

Hon. Mr. EULER: Yes; a class interest.

Hon. Mrs. FALLIS: He said that one is a purely selfish reason and the other is political considerations. I still ask, is not that attributing ulterior motives to those who are opposed to this bill?

Hon. Mr. EULER: In this country of capitalism, as long as you have it, everybody is selfish, trying to make money; every class is trying to do the best for itself; and that applies to the farmers and dairy people as well as to anybody else.

An Hon. SENATOR: You close the debate.

Hon. Mr. EULER: Well, the honourable senator from Peterborough (Hon. Mrs. Fallis) is asking a question.

Hon. A. W. ROEBUCK: Honourable senators, I have just a word or so to say in connection with this matter. I made my position clear when it was before the house last session, and I should like to do so again. For my own satisfaction, because of the position which I hold, I wish to let the people interested know where I stand.

I do not propose to go into this question in detail, for two or three reasons. One is that it is unnecessary. The arguments in detail pro and con have been expressed with great force and with considerable elaboration on both sides; it is unnecessary to repeat them. But there are one or two phases that I want to make clear.

We have just listened to an illuminating discussion as to whether there are financial and political considerations involved in this debate. I do not know why we should camouflage this sort of thing. Of course there are. There are private interests which are bringing pressure to bear for their own selfish purposes. There are those who, no doubt not in this chamber but elsewhere, are catering to political motives; and I submit there are other considerations which actuate people in this chamber and elsewhere. One of these considerations is a matter of high principle. That is the one thing in which I am interested at this moment.

I do not propose to follow the sinuous arguments of the protectionist minds that we have in this chamber; but when I hear them I am reminded that financial interests can find a multiplicity of arguments. I have always admired the protectionist mind along these lines. For instance, I cannot follow the argument which is advanced about the lack of fats in Europe, that it is too bad that we should take away some of their fats and feed them to our people. The obvious reply—and there is usually an obvious reply to financial arguments of that kind—is that if we are taking their fats we might ship them some of our butter, and then we would be all square with the world. Or possibly we need not import quite so much butter from New Zealand, and some of it could go to the poor people of Europe whom we might deprive of some oil. Arguments of this sort go in a circle.

The one consideration which impels my mind is the principle involved in this bill. No doubt those who have argued in this chamber in favour of butter to the exclusion of margarine are just as high minded as I am. They are, as a matter of fact, very fine gentlemen; they are all honourable men; and I would be very glad indeed to welcome any of them to my household, in the full assurance that once they were inside my front door

they would observe the amenities of life and be perfect gentlemen inside my house. Yet these very gentlemen, whom I admire and approve, propose to come into my house and take off my table one of my valued dishes; or, worse than that, say to me that I shall or shall not serve a certain dish upon my private table. To my mind that is a piece of impudence, an invasion of my rights, and a most ungentlemanly position to take. It is my private right to buy oleomargarine and serve it on my table if I please. These gentlemen propose to interfere with my rights in my own house,—my common-law rights, my natural rights as a man to buy where I please, to serve what I like on my own table, so long as it is a healthful, wholesome article of food. That is wrong in principle, and I am opposed to legislation which embodies that principle.

Somebody has said that this measure is of old standing; and it is. The honourable senator from Parkdale (Hon. Mr. Murdock) has informed us that it was discussed on the floor of the house for the first time in 1886. I would point out that those whose liberties have been curtailed in this unjustifiable way have never once ceased their protests. I happen to hold in my hand a clipping that is about twenty-five years old. It says this:

A delegation of the National Council of Women, headed by Mrs. Adam Shortt, waited on Agriculture Minister Motherwell urging the continuance of the distribution and sale of margarine in Canada.

That was published in the *Ottawa Journal*, in 1922. Never have those whose rights have been curtailed consented to that curtailment: always they have protested; and on their part I protest tonight against this invasion of our natural rights to buy oleomargarine or anything else of a wholesome character which we see fit to buy.

A number of newspaper articles have been quoted, but so far nobody seems to have observed the article by J. V. McAree in the *Toronto Globe and Mail* of January 13, 1947. Mr. McAree devoted an entire column to this subject and referred as follows to an article by Sam Shulsky, in an American magazine called *This Month*.

He says that at present the dairy industry in the United States is unable to provide more than two-thirds the prewar level of consumer butter, and less than half the optimum requirements, even with butter at the highest price in history.

That applies to Canada as well as to the United States.

Yet it is so strong politically that it is able to keep in force laws and regulations which hinder or make impossible the sale and distribution of margarine, which can provide the same amount

of fat and vitamins at from one-half to one-third the cost of butter. He says the situation is exactly the same as if the manufacturer of Cadillac cars were to say, "We cannot manufacture our cars at a price low enough for every American. In fact, we cannot turn out enough of them for those who can afford to buy them. Therefore, we insist that you levy a special tax of \$500 on every Chevrolet, and that every dealer in Chevrolets be compelled to pay a special fee of \$50,000 a year, just to make it clear to the public that he is selling something which may be a good automobile, but is not a Cadillac."

In some of the states of the Union they have taxed oleomargarine, but in none of them have they gone so far as actually to prohibit its manufacture and importation, as we have in Canada. Therefore the illustration is one of taxation rather than of prohibition, and we have the ridiculous parallel of the manufacturers of motor cars asking the government to give them special privileges which put a noose around the neck of the consumer by compelling him to buy their car and no other. It is the old, old clash between free-trade thought and the protectionist thought that wishes to shackle and gag and tie up the consumer in order that he may be made fair game for financial interests. I say that without any disrespect for the dairy industry. We are a protectionist country, I am sorry to say, and anyone who can, gets his proboscis into the public, his snout in the trough and feeds to his heart's content. Therefore I do not blame the dairy industry for trying to get in with all the rest. However, as one of the consumers of this country who has the right to protest I do so.

Today I was talking to a parliamentary representative of a mining constituency, who told me that for five years the hard-rock miners in his constituency have been short of butter. He said that if the people down in the city of Toronto—I am speaking of the poor people whom I have always been proud and happy to represent—were allowed to buy oleomargarine, there would be more butter left for the hard-rock miners of the north who need it. I thought that that was a pretty good argument so far as the utility question is concerned. Honourable senators, I rose to say that, because I stand for freedom, I propose to vote for this liberating measure and against the restrictive act which is now upon the statute books.

Some hon. SENATORS: Hear, hear.

Hon. Mr. SINCLAIR moved the adjournment of the debate.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX
PRODUCTION OF MILK AND DAIRY PRODUCTS, 1920-1946

Year	Total milk production (mil. lb.)	Fluid sales (mil. lb.)	Consumed on farms (mil. lb.)	Dairy butter ('000 lb.)	Creamery butter ('000 lb.)	Factory cheese ('000 lb.)	Evaporated whole milk ('000 lb.)	Condensed whole milk ('000 lb.)	Whole milk powder ('000 lb.)	Skim milk powder ('000 lb.)	Casein ('000 lb.)	Ice cream (gal.)
1920	10,976	1,565	1,539	103,488	111,692	149,202	30,470	53,663	7,575	(1)	110	2,996,514(2)
1921	11,898	1,700	1,662	107,379	128,745	162,117	31,203	38,998	1,703	5,749	98	3,007,337
1922	12,108	1,728	1,697	107,222	152,502	185,821	32,398	21,241	1,430	9,922	83	2,771,925
1923	12,808	1,826	1,797	110,610	162,835	151,624	45,825	27,119	1,325	9,797	558	2,789,524
1924	13,184	1,860	1,855	108,535	178,894	149,708	42,433	30,875	1,675	10,868	467	3,526,001
1925	13,421	1,889	2,034	106,167	169,495	177,139	44,550	29,833	2,844	10,635	359	3,911,305
1926	13,476	1,896	2,045	103,818	177,209	171,732	44,183	27,703	2,657	11,454	573	4,709,641
1927	12,915	1,839	1,946	101,846	176,979	138,057	51,855	30,910	2,214	12,752	862	5,303,531
1928	12,708	1,814	1,911	99,400	168,027	144,585	51,634	27,729	2,314	12,509	563	6,353,077
1929	12,410	1,761	1,894	97,058	170,810	118,746	53,995	25,482	2,167	12,788	1,211	7,149,947
1930	13,071	2,524	1,445	97,529	185,751	119,105	57,631	23,360	2,354	14,307	1,096	9,708,163
1931	14,340	2,759	1,594	98,590	225,955	113,957	45,954	15,486	2,413	12,978	1,777	8,234,272
1932	13,997	2,699	1,569	98,825	214,002	120,524	47,916	14,825	789	11,485	367	6,174,931
1933	14,084	2,688	1,594	99,147	219,233	111,146	53,421	9,899	1,179	13,307	738	5,723,499
1934	14,452	2,786	1,646	98,925	234,853	99,347	56,465	9,127	2,003	16,868	1,904	5,987,727
1935	14,562	2,773	1,656	97,447	240,919	100,427	66,218	9,149	2,237	18,890	1,204	6,587,663
1936	15,122	2,829	1,698	95,405	250,932	119,123	71,075	7,987	2,736	18,530	1,336	7,517,830
1937	15,125	2,774	1,676	93,724	247,057	130,626	91,331	11,396	5,455	18,492	1,572	8,409,765
1938	15,820	3,013	1,790	91,010	267,347	123,971	105,720	9,232	6,587	25,545	1,469	8,104,979
1939	15,781	3,012	1,791	87,459	267,613	123,475	116,885	7,571	6,584	25,339	1,671	8,184,626
1940	15,999	3,018	1,810	84,256	264,724	145,339	135,878	14,429	6,450	26,392	1,339	10,084,000
1941	16,550	3,119	1,641	82,796	285,548	151,866	165,964	24,605	8,314	26,524	1,182	11,446,000
1942	17,489	3,388	1,674	78,525	284,591	150,935	185,762	30,076	11,134	26,670	3,198	15,225,703
1943	17,519	3,707	1,714	55,407	311,709	165,527	178,288	26,851	15,053	22,352	3,112	17,242,889
1944	17,624	3,912	1,717	54,580	298,777	180,648	180,648	31,777	15,032	28,525	3,736	17,666,615
1945	17,627	4,008	1,716	53,283	293,811	184,452	201,601	29,090	14,664	35,736	3,794	16,431,448
1946	16,937	4,254	1,740	54,225	271,366	147,320	191,431	31,135	15,656	40,900	4,168	15,835,668

(1) Included with milk powder.

(2) From 1920 to 1930 production by dairy factories only.

SOURCE: Reports of Agricultural Branch of Dominion Bureau of Statistics and Reports of Fisheries and Animal Products Branch of Dominion Bureau of Statistics.

THE SENATE

Wednesday, March 19, 1947.

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

Prayers and routine proceedings.

FEEDING STUFFS BILL

REPORT OF COMMITTEE

Hon. J. J. DONNELLY presented the report of the Standing Committee on Natural Resources on Bill 7, an Act to amend the Feeding Stuffs Act, 1937.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 13, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. COPP moved the third reading of the bill.

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

FERTILIZERS BILL

REPORT OF COMMITTEE

Hon. J. J. DONNELLY presented the report of the Standing Committee on Natural Resources on Bill 9, an Act to amend the Fertilizers Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 6, 1947, examined this bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. COPP moved the third reading of the bill.

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

CANADA GRAIN BILL

REPORT OF COMMITTEE

Hon. J. J. DONNELLY presented the report of the Standing Committee on Natural Resources on Bill 4, an Act to amend the Canada Grain Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 11, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. COPP moved the third reading of the bill.

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

PRIVATE BILL

FIRST READING

Hon. Mr. HAYDEN presented Bill D2, an Act respecting certain patents owned by the Toronto Type Foundry Company Limited.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. BENCH presented Bill E2, an Act respecting Guaranty Trust Company of Canada.

The bill was read the first time.

NATIONAL EMERGENCY TRANSITIONAL POWERS

RESOLUTION TO CONTINUE ACT IN FORCE

Hon. Mr. COPP: Honourable senators, yesterday, in moving the resolution to extend the National Emergency Transitional Powers Act of 1945, as amended in 1946, I gave a brief explanation of it, and my honourable friend the leader of the opposition asked to have it stand over until today in order that he might have an opportunity of examining it. If he is satisfied I will now again move the resolution.

The Hon. the SPEAKER: Shall I read the motion?

Some Hon. SENATORS: Dispense.

Hon. JOHN T. HAIG: I am willing to vote for this motion, which extends to May 15 controls under legislation which would ordinarily expire on March 29. But let me say—and here I speak for myself, because I have not consulted any of my colleagues—if I had my way I would put out of business all controls but the control of rents, which I except because of the situation which has developed and which was bound to develop under the control system. Had we abolished controls we would have had a little trouble for perhaps six months, but we would have been in better shape to meet the situation which confronts us. Controls keep going off from time to time, and every time they go off they cause a run. The best way to deal with the matter, is to face the trouble and have it over with. That does not mean that I am in favour of the system proposed.

I am quite willing to facilitate the government's action. I realize their position, and I would be the last man in the world to want to take any advantage of it. But I repeat—and I think I speak for every member of our party—I am opposed to controls in general. The only reason I except rent control—and I object even to it—is that the very nature of the control makes it impossible to remove it. The minute you put on rent control you stopped all building for rental purposes or anything of that character, and conditions have grown progressively worse over several years. The backwash of the policy of rental controls is certain to be such that we cannot take them off all at once. But I suggest, with all respect, that at some time—and I think the time is now—the government should announce that rent controls, so far as they affect soldiers or their dependents who own property, shall cease in say six months from now and, as they affect other people, a year from now. I do not suggest a blanket cut-off; but something is necessary in order to overtake existing requirements.

I may be unfair to the house in discussing this matter at the moment, but I do not want the record to show that I have agreed without protest to the continuation of the act until May 15. My protest is not against this particular act, but against all controls. I think they are a mistake, and I have thought so all along. You may point to the example of the United States, and say that this is an offshoot of that policy; but by and large we have got to face the situation some day, and the sooner we face it the better for this country.

I consent to the passing of the resolution; indeed I heartily approve it. It is better to deal with this matter in this way than to try to rush through a lot of measures in the next ten days. It gives us an opportunity for better consideration; and I think we have a duty to advise the other place of our unbiased opinion regarding some of the controls. True, it is proposed that the act shall be continued in force until the 15th of May, and then for one year. I fear that when the year is up the government will again want to continue controls, because people are in favour of controls on the things they buy. You will find all across Canada that men and women who sell their labour want controls maintained on everything except labour. People want the controls kept on what they buy, but not on what they sell. Honourable senators, that makes for a lop-sided economy which will ultimately lead to more trouble in this country. I may be saying it improperly, but I think we are drifting into a

position which makes it important for us to realize that last year our purchases from the United States were more than \$600,000,000 in excess of our sales to them, and that our sales to other countries were made because we lent them the money to buy the goods. The time is coming when that has got to stop.

My honourable friend from Central Saskatchewan (Hon. Mr. Johnston) asked me the other day if I was in favour of making more loans to Great Britain. In answer to this it might be said that the leader of the Progressive Conservative party in the Senate is against loans; but I want to say to him that I am not against making loans to Britain, if that is the only way by which we can save her and if in our own judgment we are prepared to do that. However, I say quite candidly that boasting about the goods we are selling abroad when we are lending the money to buy them is absolutely a mistake.

We are coming to the position where the United States is going to have to lend us money; and, that is what I think will be done, provided we in turn lend it to European countries. I do not think Mr. Truman hopes to get through another loan from the United States to Britain; but he does desire, as do his friends, that the United States lend money to us and that we lend it to Britain. But remember, we shall be the ones left holding the bag. Make no mistake about that.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: True, I recognize what the British people have suffered throughout the war; I am keenly aware of it. However, I also realize what we face in this country: a tremendous debt by reason of our part in the war. Yet, in the making of the peace treaties with Germany, the country that started the last two wars in one generation, we are not allowed to have a part. We are told, "No". We are told that the blood that flowed in Russia is of greater volume than the waters that flow in Canadian rivers. By and large we were in the war before Russia and we did our share all through along with Russia. In proportion to our population we contributed as much to the allied war effort as any other country in the world. These are matters that disturb me as a Canadian. I am willing to vote for the controls but I think that first we shall have to consider where we stand in those other matters.

It is all right to talk about wheat being worth three dollars today, but remember that it is our money which makes it worth that price. We are lending money to all the purchasing countries, and they are using up that

money. When we come to consideration of these controls I hope every member of the house will be prepared to offer advice on what ought to be done to meet the situation facing Canada today.

I will support the resolution.

The motion was agreed to.

INSPECTION AND SALE BILL

MOTION FOR THIRD READING—REFERRED BACK TO COMMITTEE

Hon. Mr. COPP moved the third reading of Bill 8, an Act to amend the Inspection and Sale Act, 1938.

Hon. JAMES MURDOCK: Honourable senators, is there nothing to the suggestion I made the other day with regard to this bill? Section 12A (a) reads:

"export" means send out of Canada or out of one province to another province.

The other day I moved:

That the said amendments be not now concurred in, but that the bill be again referred back to the Standing Committee on Banking and Commerce to amend clause 12A so as to define what is described as export between the provinces as "transport", "shipment" or "transfer", and thus protect for us the well-known meaning of the word "export".

Perhaps to some people it does not mean much to suggest, as this bill does, that flax products may be "exported" from one province to another—from Saskatchewan for instance, to Quebec. My information is that the product is sent to Quebec for manufacturing purposes, and that inspection is required before shipment is made.

For a number of years I have heard it predicted that the three most easterly provinces of Canada would tie up with the United States; that the fourth easterly province would become an independent nation; that Ontario would be a separate British colony—

Hon. Mr. DUFF: Hear, hear.

Hon. Mr. MURDOCK: —that the three Prairie provinces would become a great member state of the United States; and finally, that British Columbia would adhere to the British Empire as a separate colony. Personally, I do not believe the prediction, though I have heard it many times. If this house passes Bill 8 as it stands we shall be giving an indication of readiness to recognize a material separation between the nine provinces of Canada. This bill provides that "export"—long recognized as relating to trade between countries—shall mean shipments and transfers from one province to another. It seems to me that this meaning can be

avoided by the insertion of one short paragraph to amend section 12A (a) so as to define what is described as export between the provinces as "transport", "shipment" or "transfer", and thus protect for us the well-known meaning of the word "export" as applied between different countries of the world. I suggested this the other day, but nobody paid any attention to it, and possibly honourable members think it is not worth while to pay any attention to it today. Well, that is entirely up to the Senate, but it seems to me that we ought to undertake to maintain the ordinary meaning of the word "export" and not make a farce of the word by using it where we mean only transport, shipment or transfer between one province and another. My honourable friend from Sorel (Hon. Mr. David), who wanted the matter dealt with the other day, and was the seconder of my motion on that occasion, is not in the house at present, so I do not know whether he would be in favour of having that motion moved again. However, if I am in order, I should like to repeat my motion, namely, that the bill be again referred back to the Standing Committee on Banking and Commerce to amend section 12A so as to define what is described as export between the provinces as "transport," "shipment" or "transfer", and thus protect for us the well-known meaning of the word "export." I do not know whether there is a seconder for that motion.

Hon. T. D. BOUCHARD: I will second the motion.

Hon. Mr. FOSTER: Mr. Speaker, I think the motion should be: That the bill be not now read the third time, but that it be referred back to the Standing Committee on Banking and Commerce for further consideration.

Hon. Mr. MURDOCK: That is right.

The Hon. the SPEAKER: It is moved by the Honourable Senator Murdock, seconded by the Honourable Senator Bouchard, that the bill be not now read the third time, but that it be referred back to the Standing Committee on Banking and Commerce for further consideration.

Hon. Mr. BOUCHARD: Honourable senators, I wish to say just a few words. I think that the word "export" should not be used in the bill to mean shipment from one province to another, because to use it in this way would imply that our provinces are sovereign states. In my opinion we should dispense with the word altogether in relation to shipments between provinces and replace it by

another word, such as "transport" or "shipment" or "transfer". Honourable members may have read lately, as I have, that there are a group of citizens who would like to see this country revert to the stage of a colony, or adopt the American governmental system, under which each province would be a separate state. It has even been suggested that the Lieutenant-Governor of the province of Quebec and of each of the other provinces should be called the Governor of the state of Quebec, and so on. That suggestion was made, not by a Conservative, but by a Liberal, and it is evident that there are people trying to divide Canada into different political sections.

As for myself, I stand for our constitution as it is. I like Confederation, believing that it is the only system by which this country of ours can pave the road to unity. I am opposed to the sectionalizing of Canada, and think it would be a mistake to give official approval to a word that would stand for disunity of the provinces. As I say, the word "export" in this bill would imply that our provinces are sovereign states, and I therefore believe we should delete that word and replace it by another.

Hon. Mr. MORAUD: May I ask the honourable senator who moved concurrence in the committee's amendments (Hon. Mr. Sinclair) what reason was given in the committee for the use of the word "export"?

Hon. J. E. SINCLAIR: Honourable senators, the bill as it now stands for third reading is in the form in which it came to us from another place. When it was first considered in our committee on Banking and Commerce clause (a) of section 12A, which defines "export", was deleted, but the Senate referred the bill back to the committee for further consideration. When the bill was before the committee the second time the honourable senator from Sorel (Hon. Mr. David) objected to clause (a), claiming that the definition of the word "export" conveyed an impression that was not intended. That is what I gathered from the objection that he stated in the committee. After that objection was made a motion was put by the Chairman of the committee (Hon. Mr. Beaugregard) for reinstatement of the clause, and that motion was carried without further objection. The bill in its present form was then reported back to the Senate.

After the discussion that we had here on the committee's second report I took the precaution of consulting our Parliamentary Counsel and getting his views, which I then submitted to the Department of Agriculture, the department responsible for the introduction of the

bill and for the general administration of the Act. Just before I came into the House this afternoon I received from the Minister's office a note saying:

Under the present wording we would not expect any difficulties, since we do not believe there will be any short hauls of flax fibre across the provincial boundaries. On the other hand, we can agree to this wording without losing any of the desired control.

The wording which it is intimated would be acceptable is an amendment suggested by our Parliamentary Counsel in the event that the department desired to make a change after the discussion that we had here last week. Having received this notification that the department is satisfied with the bill as it is, and having consulted the honourable the acting leader of the house (Hon. Mr. Copp), I thought it wise not to move any amendment.

Hon. Mr. MORAUD: What wording was suggested by the Parliamentary Counsel?

Hon. Mr. MURDOCK: Let us have that.

Hon. Mr. SINCLAIR: It is this:

I don't think that the alteration of the definition of "export" in the bill to amend the abovementioned act would improve the operation of the prohibition clause. In its present state, the definition covers one phase of moving flax from one province to another. To defeat the purpose of the statute all that is necessary is for a producer to carry his product from one province to another, and he is not then "sending" it out of the province, and is, therefore, not committing any offence.

That is to say, if he carried it out under his arm he would not be committing an offence under the act; but I do not think there is any danger of the act being evaded in that way, as this is a product which you ship in carloads. The memorandum continues:

If I were drafting this act to cover the various means by which flax may be moved from one province to another, properly graded and marked, I would delete the definition contained in paragraph (a) of section 12A entirely, and I would re-draft the proposed section 12B to read as follows:

12(b): No person shall (a) export from Canada or (b) send, ship, take, bring, or carry, cause to be sent, shipped, taken, brought or carried to or into any province from or out of any other province, any—

Hon. Mr. QUINN: He does not use the word "export" there so far as the provinces are concerned.

Hon. Mr. SINCLAIR: No.
—any flax fibre, unless it is inspected, graded, marked or designated, and labelled in accordance with the regulations made under this part.

Hon. Mr. MURDOCK: Fine. That is far better than I suggested.

Hon. Mr. QUINN: But that is not in the bill. That is only the recommendation of counsel.

Hon. Mr. SINCLAIR: That is the recommendation of the parliamentary counsel, and that was submitted to the Department, whose view I have already read. I have no particular views to express personally. Any of them will suit me. Satisfaction having been expressed with the bill as it was drawn by the Department of Justice and concurred in by the Department of Agriculture, I felt that it would be best to let it stand in that form. I repeat that I have no particular views about it: I am putting the matter squarely before the Senate. If on the motion for third reading it is desired to use the amendment suggested by parliamentary counsel, there is no objection. But I may say that I could not accept the amendment offered by my honourable friend from Parkdale (Hon. Mr. Murdock), because it does not cover the matter properly.

Hon. Mr. MORAUD: I would be in favour of the amendment moved by the honourable senator from Parkdale. I think we would save time by sending the bill back to the Banking and Commerce Committee and there discussing it further.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DONNELLY: When the bill was first before the Banking and Commerce Committee, objection to the word "export" was raised by the honourable senator from Churchill (Hon. Mr. Crerar). Others joined with him in the objection. Might I suggest to the committee that, if the bill is referred back, consideration of the matter be deferred until the senator from Churchill is here? He expressed himself very strongly, and it was because of his argument, I believe, that the change was first made.

The Hon. the SPEAKER: That would be a direction to the Banking and Commerce Committee?

Hon. Mr. DONNELLY: Just a suggestion.

The Hon. the SPEAKER: That the honourable senator from Churchill have an opportunity to appear before the committee.

Hon. Mr. SINCLAIR: May I point out to the honourable senator from South Bruce (Hon. Mr. Donnelly) that the second time the matter came before the committee the opinion of the honourable senator from Churchill (Hon. Mr. Crerar), expressed at his request by another senator, was that clause (a) was necessary.

The motion of Hon. Mr. Murdock was agreed to.

DAIRY INDUSTRY BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Euler for the second reading of Bill B, an Act to amend the Dairy Industry Act.

Hon. J. E. SINCLAIR: Honourable senators, when I adjourned the debate yesterday it was not with the intention of making any extended remarks on this bill. I have listened to the very interesting discussion which has taken place so far, and I feel that it has been confined too much—to use a common expression—to our own back yard. Those who expressed themselves were thinking more particularly of the tables of themselves and of the people of Canada than of world conditions.

I think it wise just to call attention of honourable senators to the present situation at the World Trade Conference. I have in my hand the suggested charter, which was drawn up by the United States and is to be considered at the conference which meets at Geneva early in April. Our delegates, with their assistants, left here on February 28: there were twenty-five in the party. They are attending a conference on trade matters which is proceeding at the present moment in London, and early in April they will be in attendance at the Geneva conference. The suggested charter which will be up for consideration at that conference, was referred to here earlier this session by the leader of the Senate, who unfortunately is absent at this time. It was also referred to and in part quoted in another place by the Right Honourable Secretary of State for External Affairs. I think it is worthy of notice at this time when we are considering a bill to permit in Canada the manufacture, sale and importation of oleomargarine. That is the purpose of the Dairy Industry Bill: to permit the manufacture, importation, exportation and sale of that product, which for many years has been prohibited in this country. It was to point out to honourable senators what our position is that I moved the adjournment of the debate and am now making these few remarks.

In order to bring the matter as clearly as I can before the Senate, I will quote from the suggested charter submitted by the United States, but not concurred in by any of the United Nations, even the one that drafted it.

Hon. Mr. EULER: When was that charter submitted?

Hon. Mr. SINCLAIR: The submission was signed by W. L. Clayton, the American Under Secretary of State for Economic Affairs. I

do not see a date on the document. It is marked "London, 1946", but I should think that refers to the first conference.

Hon. Mr. EULER: Perhaps this will clear up my question: Was it submitted by the United States Government before there was a change in Congressional representation to a republican majority?

Hon. Mr. SINCLAIR: I am not in a position to answer any questions regarding United States politics.

Hon. Mr. EULER: It is not a question of politics; it is a question of date.

Hon. Mr. SINCLAIR: What I wanted to cite is the paragraph with reference to prohibitions and restrictions of trade. It is to be found under the heading of "Quantitative Restrictions, Section C, Article 19."

GENERAL ELIMINATION OF QUANTITATIVE RESTRICTIONS

Except as otherwise provided elsewhere in this chapter, no prohibition or restriction other than duties, taxes or other charges, whether made effective through quotas, licences or other measures, shall be imposed or maintained by any member country on the importation of any product of any other member country, or on the exportation, or sale for export, of any product destined for any other member country.

There are some exceptions to that.

Hon. Mr. MURDOCK: Does that not prove that we should not be the only country in the world to prohibit the manufacture and sale of oleomargarine?

Hon. Mr. SINCLAIR: The honourable gentleman from Parkdale (Hon. Mr. Murdock) is getting a little too anxious. If he will contain himself and obey the rules of the house for a few minutes, I shall state my position. I suggest that it is not according to the rules to interrupt like that.

Hon. Mr. MURDOCK: I was asking a question.

Hon. Mr. SINCLAIR: It is not in order.

Hon. Mr. MURDOCK: Let us find out if it is not in order.

Hon. Mr. SINCLAIR: Honourable senators, the point I was going to raise was that the exceptions referred to here are made for other purposes, and may be continued for six months or until the first of July, 1949. That is the problem our delegates have to face in April at the Geneva conference. As I see it, honourable senators, there is no doubt that our delegates will have to consent to do away with our country's prohibition of oleomargarine.

Hon. Mr. MURDOCK: Hear, hear.

Hon. Mr. SINCLAIR: I do not think there is any doubt about it if at that conference they can come to an agreement with the other nations under this suggested charter.

What would be our position in taking a stand at this time on a single article of trade? We have sent our delegates to Geneva to consider this matter, and if we take action such as is suggested here we shall deprive our delegates of the best bargaining position they have.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. SINCLAIR: If we take no action and leave the matter as it is today it will come up at that conference and I believe—this is my opinion only; others can have their own opinions—that the ban on margarine is one of the prohibitions that will have to go by the board. However, if that should happen there would be other benefits for the butter producers and dairy farmers. This is the situation: if we do nothing today we leave our delegates in a good position, but if we go ahead and begin to make changes with respect to a single article, we take away from them the best bargaining power they can get.

What was our position in trade in past years? I have had some experience as a grower of potatoes, and I know that we have suffered considerably because of quotas and high duties imposed by the United States on our potatoes when we have had an exportable surplus. We have had a large exportable surplus running from eight to nine thousand carloads every year, and when the quota imposed against that product is filled the duty is doubled. It so happens we fill the quota every year, and there is always a race to get in before it is filled, for as soon as that happens trade is reduced almost to a state of stagnation. Some potatoes may get in after that time, but comparatively few. That is a matter which will come up for consideration at the World Trade Conference.

Honourable senators, I might now refer to the situation in regard to the exportation of beef cattle. During the war we prevented the export of our cattle across the border. That prohibition was understandable as a war measure, but in the course of time it will disappear along with other war measures. We know that in the past the experience of our Western Canada beef breeders in trying to sell their products in the United States has been both disheartening and disappointing to them, because the quotas and double duties have forced them to accept a much smaller price than they otherwise would have taken. This will be one of the problems coming before the World Trade Conference at Geneva. I submit

that the present is not an opportune time for the Senate to interfere through this bill with our existing position, which our delegates will be able to use in bargaining for equal advantage with other countries on a trade basis. Today we are faced with the old troublesome bogey of economic nationalism that has injured our producers in the past.

Honourable senators, that is about all I desire to say in regard to this bill. It is a matter of importance. I again submit that in the present situation it would be unwise for us to take the action proposed in this bill. If the conference is successful, as we hope it will be, the proposal will come back to us in the course of a few months or a year, backed by an international agreement, and I think we shall accept it almost unanimously. To pass this bill now would be to weaken the position of our delegates and at the same time do ourselves no good.

When I spoke on this bill last year, and looking at it in a more direct way, I said that the ingredients used in the manufacture of oleomargarine were in short supply. They are in an equally short supply today. I am not going to take the time of the Senate to quote what international publications say about edible oils and fats. I said last year that I thought the oleomargarine question could be discussed when normal conditions returned. At that time indications were that it would require three years for times to become normal. If that is right, we have two years to go. By that time, if the international conference is not successful, we shall still be in a position to face this matter and deal with it on its merits in Canada. Any action at present that would weaken the bargaining position of our delegates to the conference would be very unwise.

This subject has been before the house for the past few weeks, and I see no gain in prolonging the debate.

Some hon. SENATORS: Hear, hear.

Hon. G. P. CAMPBELL: Honourable senators, I am sure that those who listened to the debate for and against a similar bill last session did not at that time anticipate that an international conference would be required to permit the manufacture and sale of oleomargarine in Canada. I gather that the honourable senator from Queen's (Hon. Mr. Sinclair) believes that after the proposed international conference is held it will be necessary for us to permit the importation of oleomargarine; and that whether or not we shall be forced to permit its manufacture within the country will be a matter for later discussion. But I submit that as oleomargarine is being

manufactured and sold in every other country and is a wholesome food product, it should be admitted into Canada also, subject only to any tariff restriction placed upon it. We should face the situation today and permit the use of this butter substitute.

I have the greatest respect for those who have voiced objection to this bill. I know they do so in the sincere belief that they are protecting the farmer. No one feels that oleomargarine would be harmful to the health of the people. Medical authorities throughout the world have expressed opinions on butter substitutes, and today it is recognized that oleomargarine is a wholesome food product. If that were not so its sale would be prohibited by our pure food laws.

It would appear that in opposing the bill some people feel—without being able to point to any sound arguments to support their views—that the farmer would be seriously affected by it. Many years ago, when there was a great surplus of butter on the market, that may have been true. But surely we must realize that today there is a tremendous shortage of butter, not only in this country, but throughout the world. Everything has been done to encourage the dairy farmer to produce more butter. Great assistance has been given in the form of subsidies and other encouragement. In spite of all this the farmer—who we appreciate has done everything possible to help the food situation during the war years—has been unable to produce sufficient butter to meet the demand.

I do not see how the manufacture of a butter substitute could possibly hurt the agricultural industry of this country. A large percentage of the ingredients used in such a substitute is produced on the farm or composed of agricultural products. There can be no question about the demand for more butter in Canada today. Surely the farmers and the industry generally should put forth every effort to meet that demand by the production of more butter, and if they are unable to do so they ought not to oppose the manufacture of a substitute.

This bill would permit the setting up of a new industry which would use agricultural products and thus be beneficial to the farmer. If I sincerely believed that such legislation would be detrimental to the farmer, and that he would lose as a result of the manufacture and use of a butter substitute, I would of course oppose it. I suggest that honourable senators ask themselves this question: Would oleomargarine do any actual harm to the agricultural industry of this country? If one comes to the conclusion that it would not be detrimental then there would appear to be no

good reason for not supporting the bill and bringing Canada in line with other countries.

May I recapitulate the grounds upon which I support the bill? First, oleomargarine is a good food product, approved for human consumption by the best medical authorities in the world. Second, as the product is manufactured and sold in every other country, its manufacture and sale should be permitted in Canada. Third, oleomargarine is a good substitute for butter and has general public acceptance wherever it has been manufactured. Fourth, most of the ingredients used in its manufacture are agricultural products. Then, the short supply of butter throughout the world, and particularly in Canada, makes it necessary that we have a substitute to supplement the ration.

I emphasize that the farmers and the dairy industry have been given every support to enable them to increase the production of butter, yet they have been unable to do so. The honourable senator from Ottawa (Hon. Mr. Lambert), speaking in favour of the bill last evening, referred to subsidies amounting to \$112,000,000 paid through the years 1943, 1944, 1945. Some questions were asked as to whether that amount did not benefit the consumer more than the producer and offset the increase in the production of butter. I think the answer is that the Wartime Prices and Trade Board has controlled other prices which would tend to increase the farmer's cost of producing dairy products. We find control—rigid control—in the form of ceiling prices on clothing, including overalls and all working clothes; and on machinery of all kinds, including butter churns, cream separators, milking machinery, dairy pails, can strainers, milk stirrers, gasoline pumps, butter containers, packages, and all other such things used in the dairy industry. So by the freezing of the ceiling prices the producer in the dairy industry has been protected in having these commodities made available to him at pre-war costs. And in addition, subsidies have been paid to the extent of \$112,000,000 direct to the dairy industry.

Hon. Mr. SINCLAIR: And the price of butter was kept at the price it was before the war.

Hon. Mr. CAMPBELL: And, as the honourable senator has said, along with the freezing of the prices of other articles, the price of butter was kept more or less stable: there were slight, but not substantial, increases. So we find, considering the profit that the farmer made in the pre-war period, his cost of production has not increased substantially.

Hon. Mr. MORAUD: My honourable friend forgets the most important element. It is feed. It is all very well to put a ceiling on overalls; but what about feed?

Hon. Mr. CAMPBELL: I was going to deal with feed. As part of this subsidy, \$44,000,000 was paid in the form of freight to bring feed from Western Canada to the East. That was largely beneficial to the dairy industry, and it benefited also the cattle industry generally.

An Hon. SENATOR: Is that part of the \$112,000,000?

Hon. Mr. CAMPBELL: That is part of the \$112,000,000.

Hon. Mr. LAMBERT: Will the honourable gentleman permit me to point out, by way of correction, that it is in addition to the \$112,000,000.

Hon. Mr. CAMPBELL: That is in addition to the \$112,000,000 of subsidies that were paid. Besides these subsidies the farmer is given further protection in the form of a duty. On butter there is a duty of 14 cents per pound general, and a preferential duty of 5 cents. In other words, butter brought from New Zealand and other territories subject to the preferential tariffs pays a duty of five cents per pound; butter imported from other countries not entitled to the preferential duty is subject to a duty of 14 cents. There can be no objection to a duty in that form to protect the farmer against importations; but I submit that the complete prohibition of the manufacture of an essential food product, when there is such a tremendous demand for the product, is unfair to the consuming public of this country. I suggest that it would be a similar situation if we found that during a certain season there was a shortage of the potato crop and we were prohibited from using rice or some other substitute for potatoes.

Let us look at the circumstances of the prohibition which was introduced many years ago, during the last century, when some butter substitute was prohibited. Possibly at that time it was not considered to be a good food product, and possibly also at that time the dairy industry needed some protection. But, apart altogether from the consumption of butter in this country, we find that the dairy industry has had a steady growth, and other uses are gradually being found for the products they manufacture, particularly milk. There has been a much greater consumption of fluid milk, and the use of milk in the manufacture of synthetics and other products has greatly increased. I am sure honourable sena-

tors will agree that there is likely to be a further increase both in the consumption of fluid milk, with proper distribution at fair prices, and—as science develops—in the use of milk for plastics and other synthetic materials. That being so, our dairy industry is assured of various outlets for their product, and there should not be the slightest objection either by the dairy industry or the farmers of this country to permitting the consuming public to have a substitute for butter, as we find they have in all other countries. And, with all respect to the argument advanced by the honourable senator from Queen's (Hon. Mr. Sinclair), I submit that our delegates to the international conference will not gain very much if they have to base their arguments for any concessions they may wish to get on the fact that we are going to permit the importation of oleomargarine. I think we should face the situation now, face it courageously, say that the present legislation should have been taken off the statute books some time ago, and pass this bill to permit the manufacture of oleomargarine.

Hon. J. P. McINTYRE: Honourable senators, in rising to say a few words in connection with this bill, I realize that it was before this honourable body just a year ago and was then voted down by a small majority. The honourable senator from Waterloo (Hon. Mr. Euler) has seen fit to reintroduce it this year, and rightly so. He has the right to put forward all the arguments and muster all the strength he possibly can in order to carry his bill through this house. I appreciate the sincerity and the ability of the honourable senator in the case that he has made out in favour of oleomargarine. But it must be realized that there are differing views in this chamber, and anybody who takes a different view has an equal right to muster all the strength and put forward all the arguments he possibly can in order to express the views of the people whom he represents in the Parliament of Canada.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. McINTYRE: It was, I believe, in 1918 that legislation was passed to prohibit the importation and manufacture or sale of oleomargarine in Canada. In 1922 parliament legalized the sale of oleomargarine; and in 1923 it reversed that decision, rescinding or repealing the act of the previous year. So the legislation was in force for one year. There must have been something wrong with legislation that was left on the statute books for only one year. I do not know the circumstances, but I have been told in the Department of Agriculture that there was so much

indignation throughout Canada that year that the government of the day was forced to repeal the act at the following session. That may or may not be the case. The honourable member from Waterloo (Hon. Mr. Euler) may be better informed than I am.

Hon. Mr. EULER: That is not quite correct.

Hon. Mr. McINTYRE: That is not quite correct. However that may be, representing as I do an agricultural province, I am here to voice in this honourable chamber the views of the people of that province. Last year I received a resolution on the subject from the Dairymen's Association of Prince Edward Island; and this year, again, I have had a letter from them confirming the opposition they voiced a year ago to the manufacture and use of oleomargarine. If honourable members will bear with me for just a few moments I shall read the resolution. I was not here last year when the discussion took place and I do not know whether or not this resolution was read in this chamber at that time. It puts forth the views of both the dairy industry and those who are associated with it in the province which I represent. The resolution reads:

Whereas, the maintenance of soil fertility should at all times be the main object of the farmers,

And whereas, it has long been recognized by agricultural authorities that dairying is the one branch of farming that tends the best to maintain this fertility and anything that might be done to weaken the dairy industry would reflect unfavourably upon agriculture in general by lessening its purchasing power which in turn might disturb the whole economy set-up,

And whereas, the present shortage of butter is only temporary, caused in part by an unwillingness of labour to engage in agricultural work, a scarcity of dairy equipment, and partly by a greater quantity of milk being diverted into the fluid milk trade rather than into churning cream caused by the low price paid for butter fat in comparison to that paid for fluid milk,

And whereas, during the war years the dairy farmers of Canada, under great difficulties and at a financial sacrifice, valiantly maintained the production line, a feat only made possible by overtime work and family labour,

And whereas, anything that might cause the farmers of Canada to turn their attention from dairying to other lines of agriculture such as the production of poultry, hogs, beef, grain or potatoes, lines that would be more attractive to labour and allowance of shorter hours, but would at the same time rob other people, especially the children, of a food which cannot be replaced for its nutritional value by any other commodity,

Therefore, be it resolved, that we, the Prince Edward Island Dairymen's Association oppose most strongly the passage of the bill now before the Canadian Senate having for its object the manufacture and sale within Canada of oleomargarine, a substance produced by the products of

cheap labour in other lands where a lower standard of living prevails than that which we would like to see for our own Canadian people.

You may see from that resolution that its sponsors are afraid that if this bill becomes law the farmers of Prince Edward Island will give their attention to the production of other lines besides those of the dairy industry. Prince Edward Island is a potato-growing province and if the farmers turn their attention to growing potatoes in larger quantities than they are now doing and thus forget the production of cream and butter, I am afraid that would prove disastrous. At the present time we have in storage more than three million bushels of seed potatoes and a million and a half bushels of table stock potatoes. Had it not been for the contract that we were able to make with the British Government for the sale of three million bushels, I do not know what would have happened.

Transportation has been a problem in Prince Edward Island for many years, and anything that tends to hamper transportation is detrimental to the population. At this time a year ago we had a little over a million and a half bushels of seed potatoes and 700,000 bushels of table potatoes. This year we have 200 million bushels more than last year—it would take 5,980 cars to transport them—and when I tell you that we have only one boat operating across the straits you will have some idea of our difficulties. We are hoping by June 15 to have a new boat in operation which will help to solve the problem. The railroad in Prince Edward Island is planning to replace steam engines by electric or diesel engines so as not to have to transport coal to supply the steam engines. If this bill is passed in the Senate and in the other house, which I very much doubt, oleomargarine would be another nuisance to be transported across the ferry.

To give you an idea of the agricultural activities in the Maritime Provinces, I may say that at the present time we have over nine million bushels of potatoes in storage, that is, 5,092,000 bushels more than there were at this time a year ago; and in the whole of Canada there are a little less than 12 million bushels of potatoes in storage, or 6,588,687 bushels more than last year. That is, the Maritime Provinces have nine of the twelve million bushels in the whole Dominion of Canada. We do not want anything that would be harmful to our agricultural activities.

Opposition to this bill is not confined to Prince Edward Island and the other Maritime Provinces. I received from the secretary of

the Ontario Creamery Association a telegram protesting against the bill. No doubt other honourable senators received the same telegram, and with permission of the house I should like to place it on *Hansard*:

We vigorously protest proposal to legalize oleomargarine in Canada, as a blow at the farmers of Ontario. During the war we accepted with good grace diversion of milk from butter to other commodities as in the dominion's interest. We have accepted with good grace importation of New Zealand butter to make up the current artificial shortage. Imposition of oleomargarine would be a serious blow to 71,000 cream producers of the province of Ontario,...

Averaging five persons to a family, that would represent between three and four hundred thousand people in Ontario.

... and a poor reward for sacrifices still being exacted by the federal government. We solicit your support for agriculture, and would urgently request you to vote against the proposed oleomargarine bill.

A. S. Thurston, Secretary-Manager, Ontario Creamery Association.

That alone, coming as it does from his own province, should influence my honourable friend from Waterloo (Hon. Mr. Euler) not to proceed further with this bill. I think it would be in the interest both of Ontario farmers and the honourable senator from Waterloo if he would consent to withdraw the bill.

Hon. Mr. EULER: I am thinking of the consumers of this country as a whole.

Hon. Mr. McINTYRE: The consumers?

Hon. Mr. EULER: Yes.

Hon. Mr. McINTYRE: My honourable friend said in his speech, if I remember rightly, something about 118,000 dairy cattle which were sold in Canada and shipped to the United States last year.

That is good business, and it has always been going on.

Hon. Mr. EULER: We are not objecting to it.

Hon. Mr. McINTYRE: That does not deplete the dairy herds of Canada, because cows freshen every year and young cattle are coming along. The sale of cows to the United States is a sideline from which the farmer gets some extra money to carry on his operations.

Hon. Mr. HOWDEN: May I be permitted to ask a question?

Hon. Mr. McINTYRE: Certainly.

Hon. Mr. HOWDEN: Is it more profitable for a farmer to sell dairy cattle than to make butter?

Hon. Mr. McINTYRE: I would say it is good business for the farmer to sell his surplus of old cows to the United States. If he can get a good price he should take it; he has young stock coming on. May I say in answer to my honourable friend from St. Boniface (Hon. Mr. Howden), who is a medical doctor—he may also be a farmer—that the farmer wishes to clear out his old cattle and get as good a price as possible.

Hon. Mr. EULER: Can you get \$175 each for old cows?

Hon. Mr. McINTYRE: If the other fellow is willing to pay it, I think it is quite proper to take it.

Some Hon. SENATORS: Oh, oh!

Hon. Mr. McINTYRE: A six-months old calf from Prince Edward Island once sold for \$10,000.

Hon. Mr. DUFFUS: Good business.

Hon. Mr. McINTYRE: And an honourable member of this chamber received \$106,000 at the Milwaukee sale for a calf six months old.

Hon. Mr. QUINN: Why sell butter?

Hon. Mr. McINTYRE: Yes, why sell butter? But I do not blame any man for accepting whatever amount the other fellow is willing to pay.

Hon. Mr. EULER: Neither do I, but I doubt whether he would pay as much for old cows as the honourable gentleman suggests.

Hon. Mr. McINTYRE: The other day my honourable friend from Waterloo (Hon. Mr. Euler) mentioned a firm in Toronto that was exporting oils and fats to Newfoundland, where oleomargarine is being manufactured. I wish to quote a recent newspaper article headed "Fats to Newfoundland".

In urging the legalization of margarine in Canada, Senator Euler last week told of a concern operating in Toronto which he said collects fats—vegetable, animal and fish types—and exports them to Newfoundland where they are made into margarine.

Why, asked Senator Euler, should not these fats be utilized inside Canada at a time of "great butter hardship"?

If the senator really wants it, the answer is easily supplied. Because of the world-wide shortage of fats and oils, these commodities are allocated to the various countries by the International Food Emergency Council. Canada's import quota for this year is 78,000 metric tons.

Part of the deal is that Canada shall supply Newfoundland with 4,700 metric tons of fats and oils. In return Canada receives from Newfoundland 4,000 tons of whale and fish oils. This arrangement is based on historical record and

is typical of the way in which the international scheme has been worked out on a regional basis wherever feasible.

The Toronto firm referred to by Senator Euler is simply exporting fats and oils to Newfoundland in conformity with the overall agreement.

Hon. Mr. EULER: It is a bad agreement.

Hon. Mr. McINTYRE: Mr. S. H. Lehberg, speaking before a meeting in Montreal recently, said that he anticipated the shortage of fats and oils would continue for another three years. A British authority predicted that it would last ten years.

Hon. Mr. HOWARD: That is right.

Hon. Mr. McINTYRE: Why then should we place on our statute books legislation that will act as a red light to the farmers of this country, and prevent them from going ahead and performing dairy farming operations as they have done in the past? I am speaking on behalf of the farmer who makes his living from a small herd of cattle. This country has innumerable farmers who have only six or seven head of cattle. That type of farmer gets up at five o'clock in the morning, milks his cows, separates the cream and takes it to the milk stand, where it is picked up by a truck and taken to the factory. That is his only means of livelihood until his crops are harvested. He gets his cream cheque once or twice a month, and that pays for his groceries and helps to maintain his family during the summer months. If we permitted the manufacture of oleomargarine in Canada, and it was placed in every grocery store from the Atlantic to the Pacific at a few cents a pound cheaper than butter, would anyone expect the housewife not to choose oleomargarine? Butter would be left on our shelves, and the reaction would put the small dairy farmer out of business. That is the history of those things.

When the Japanese crab was imported from Japan to the United States and Canada the people chose crab instead of lobster, because crab was cheaper. Lobster was selling at a very low price and the fishermen on the east coast were so seriously and detrimentally affected that the Canadian government had to come to their assistance. The same situation would apply to the dairy industry if the manufacture of oleomargarine was permitted. Butter would be side-tracked and oleomargarine would take its place.

I should like honourable senators to see oleomargarine under circumstances that I have seen it. Look at a small amount of oleomargarine that has been exposed to the sun

for an hour, and you will not like the substitute so well. It will be so greasy that you will never again have an appetite for it.

What builds up a great city? Is it not the background of agricultural products? What was Toronto a hundred years ago, with her population of less than 70,000 people?

Hon. Mr. JOHNSTON: Muddy York.

Hon. Mr. McINTYRE: What but a rich agricultural country-side produced such a city as Toronto? Suppose the farmer said—and I doubt very much if he would—"I will produce only enough pork, beef, eggs and poultry to maintain my family and myself, and I will pay no attention to the industrial worker."

Hon. Mr. HUGESSEN: How would he buy his clothing?

Hon. Mr. McINTYRE: If that situation prevailed for a year what would happen to the industrial workers in the city of Toronto? What would be the condition in Vancouver or Winnipeg if the farmer produced only enough for himself? What would happen to the doctors, the lawyers, the manufacturers, the clerks in the stores, and the industrial workers? They would have nothing to eat. That may never happen, but I say it could happen. The farmers are the backbone and the life blood of any country.

Hon. Mr. EULER: We agree with that.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. McINTYRE: Anything that we do in this chamber that will reduce the revenue derived from agricultural products is wrong.

I have expressed my views as I see them, as every honourable senator has the right to do. I shall find no fault with anyone who expresses his opinions whatever they may be, for that is in accord with our democratic way of government.

Hon. J. J. BENCH: Honourable senators, I shall not detain the house very long with the remarks I have to make on this subject. Like so many who have preceded me in the debate, I find myself still on the side of the consumer. Perhaps it is fair to state that it is good Liberalism to try to do the greatest good for the greatest number; and I suppose it is good Progressive Conservatism also.

There is an admitted shortage of butter. That fact cannot be disputed. The other day our esteemed colleague from Blaine Lake (Hon. Mr. Horner) told us that if the price were 60 cents the shortage would be alleviated. I assume he was comparing 60 cents with the present price of 43 to 45 cents, which reflects the existing subsidy. If the subsidy were

taken off, which one would anticipate to be likely, our honourable friend's 60-cent butter would be nearly 70-cent butter.

I find great difficulty in supporting the continuation on our statute books of a measure which denies to our people the right to buy a wholesome substitute when they cannot buy butter—when they cannot get it at all, or when they cannot buy it at a reasonable price. I believe the principle of such prohibition becomes much more vicious when it impinges upon what should be the inalienable right of people, particularly poor people, to buy any wholesome food product. That sentiment, of course, has been voiced over and over again in this debate, and I desire to associate myself with it, because I think it is sound as well as simple. If there is any justification for preventing the manufacture and sale, as well as the importation, of oleomargarine on the ground that to do otherwise would work some injury to the farm interests, I suggest we should also prohibit the manufacture, sale or importation of prolon, or some of these other synthetic substitution for pig bristles.

Hon. Mr. QUINN: What about the importation of whisky? To be consistent, carry out the whole prohibition.

Hon. Mr. BENCH: I do not know for what whisky is a substitute.

Hon. Mr. QUINN: Water.

Hon. Mr. BENCH: I might add that I do not know any good substitute for whisky.

Last session, honourable senators, when a similar measure was before the house, I ventured the opinion that the existing enactment prohibiting the manufacture and sale of oleomargarine is unconstitutional. I remain very strongly of that opinion. I believe it to be completely a matter of property and civil rights, and therefore for the provinces. Someone may say to me, "Well, if it is unconstitutional, why all this argument?" In a sense I can agree with that comment. The only reason why I should like to see the existing legislation knocked off the statute books at the present time is that it is actually a red light against people who might otherwise be interested in manufacturing oleomargarine. People are not interested in getting into lawsuits, going to the courts and trying out some question of this kind against the chance, no matter how small it may be, that they will lose. I think it is for the parliament of Canada to take the responsibility of keeping on its statute books only legislation which is clearly within its constitutional authority to enact.

The honourable gentleman from Parkdale (Hon. Mr. Murdock) mentioned yesterday that this legislation was first enacted in 1886.

He might have stated also, as I think I stated last session, that at the time that bill passed oleomargarine had a very unsavoury reputation; and, according to the research I have made, it deserved at that time its unsavoury reputation. It was not a wholesome article of food. The bill which was brought down at that time and subsequently enacted into law, to prohibit the manufacture, sale and importation of oleomargarine, contained in its preamble a recital that oleomargarine and certain butter substitutes were injurious to public health, and it was on that ground, I submit, that the Parliament of Canada assumed jurisdiction to enact the legislation in the first place. But it is very significant that in the same year, 1886, when the statutes were revised, the recital as to the alleged impurity of the substance disappeared. I submit that the recital in the original bill was the only ground upon which the Parliament of Canada had any authority to pass that legislation. Nobody can argue today that oleomargarine is not a wholesome article of food. Did not our own Parliament in 1919 lift the ban against it? And, contrary to what was stated by the honourable senator from Mount Stewart (Hon. Mr. McIntyre) that lifting of the ban, if I may so term it, was continued in force from 1919 down to 1923 or 1924.

Hon. Mr. HAIG: May I ask the honourable gentleman a question? What happened then? Why has not an effort been made since 1924 to revive this legislation? The honourable senator from Waterloo (Hon. Mr. Euler) was not only a member of the other place, during that period until summoned to the Senate, but he was also for most of the time a member of the Government.

Hon. Mr. EULER: I fought for the bill in 1922 and 1923.

Hon. Mr. BENCH: Somebody has suggested that the question which has just been put to me by the honourable leader of the opposition is a difficult one to answer. It does not seem to me to be so.

Hon. Mr. HAIG: There must be an answer to it, but I do not know what it is.

Hon. Mr. BENCH: It does not seem to be difficult at all.

Hon. Mr. MURDOCK: The answer is, the farmers' vote. That is all.

Hon. Mr. BENCH: The honourable gentleman from Parkdale (Hon. Mr. Murdock) has taken the words out of my mouth. There were pressure groups in 1923 and 1924, just as there are pressure groups today.

Hon. Mr. HAIG: That is why the bill was not brought in.

Hon. Mr. BENCH: I do not know why the measure now before the house has not been introduced before.

Hon. Mr. HAIG: Pardon me. I do not want to interrupt you unless you permit me.

Hon. Mr. BENCH: I agree.

Hon. Mr. HAIG: The honourable member for Waterloo was a member of the House of Commons from 1923 to about 1940 or 1941, and was a member of the government for a good deal of that time. Apparently no attempt was made by him to bring down a bill in that house which would have been the proper place for it. Why was a bill not brought down?

Hon. Mr. EULER: Why do you ask me the question?

Hon. Mr. BENCH: You will have to ask the honourable gentleman from Waterloo to answer that.

Hon. Mr. MURDOCK: Butter was fairly plentiful then.

Hon. Mr. HAIG: And there were many votes among the farmers.

Hon. Mr. EULER: May I answer the question?

Hon. Mr. BENCH: I venture to repeat the suggestion that I made last session, that the enactment as it now exists on our statute books is unconstitutional. I would like to suggest that the Senate in some way or other, if it had the power to do so, arrange to refer the suggestion to a court for its opinion. I am pretty confident of what the result would be.

Hon. Mr. LEGER: Would the honourable senator permit me to ask a question? If the act was constitutional when enacted, would it not always remain constitutional?

Hon. Mr. BENCH: The honourable gentleman from L'Acadie (Hon. Mr. Leger) is a very capable lawyer, but I say to him that his suggestion is not at all correct. I have just pointed out that the original enactment acquired its constitutionality as the result of what I regard as being the quasi criminal nature of the enactment at that time. I suggest that it has lost that status, and I further suggest that that status cannot now be maintained.

Hon. Mr. LEGER: Has it lost it by an enactment that oleomargarine is not detrimental to health? I have not seen any such enactment.

Hon. Mr. BENCH: I should be very surprised if the parliament of this country in 1919, 1921 and 1922 authorized for sale to the people of this country a product that was injurious to public health. I think that is the answer to my honourable friend.

Hon. Mr. EULER: Oleomargarine was fed to the soldiers in the first world war and in the recent one.

Hon. Mr. BENCH: I have been told that it was fed to our troops during this war. As I say, honourable senators, if it were possible for us in some way or other to refer the matter to a court for its opinion, I should be a very strong supporter of such a move because, among other reasons, I should be pretty sure of the answer. However, I realize that that is impossible. Nevertheless, if we pass the measure and send it to the House of Commons, the government can make such a reference; and if the answer of the court is as I think it would be, then nobody need be embarrassed about the prohibition or attempt to remove it. If this present prohibition can be defended at all, I suggest it can only be done on the grounds that it is required for the protection of the dairy interests. I am not endeavouring to say that the dairy interests are not entitled to protection. As I understand the situation, I do not think they are entitled to it, in view of the benefits that would accrue to the consuming public of this country if the protection were removed. In the dairy industry itself there is not complete agreement that protection is necessary. For example, last year the honourable gentleman from South Bruce (Hon. Mr. Donnelly) was one of those who supported the second reading of this bill, and just a day or two ago the honourable senator from St. Boniface (Hon. Mr. Howden) spoke in favour of the measure now before the house. Both those gentlemen have either direct or indirect interests in the cattle and dairy farming business.

It has always seemed to me that committee work is one of the very useful functions of this branch of the parliament of Canada. It is mainly in senate committees that an opportunity is provided for interested sections of the public to give expression to their views. Through these committees we get the opportunity of obtaining professional, technical advice on matters which otherwise are mere conjecture on our part. I should like to see this bill discussed by a representative committee of this house. I should like to have that committee hear evidence as to whether or not fats and oils are available for the manufacture and sale of oleomargarine in Canada; and evidence from representatives

of the dairy industry in this country as to whether or not the removal of this ban would do the industry any harm. The committee could also hear representations by people who can speak for labour and for consumer organizations. I am sure that the sponsor of this bill would be very happy to give Mr. Hannam, President of the Federation of Agriculture, an opportunity of appearing before the committee and saying whatever might then be on his mind.

Hon. Mr. HOWDEN: How about getting somebody to speak for the parliamentary restaurant?

Hon. Mr. BENCH: I should also be in favour of that. If the bill was referred to such a committee we could then come back here with the committee's report, knowing better at least than we do now what is the actual state of affairs as to the shortage of fats and oils, and as to other matters that are in dispute in this debate.

Hon. Mr. COPP: Do you think that the committee would change your opinion?

Hon. Mr. BENCH: The honourable acting leader of this side has asked me a question which I am very happy to answer. I say to him that it might very well change my opinion. I might have some doubts as to whether or not it would change the opinion of the acting leader.

Hon. Mr. COPP: I can assure my honourable friend that it would not.

Hon. Mr. BENCH: If the bill were given second reading, on the understanding it will be referred to a standing committee, honourable senators would be committed in no way at all. When it came back to this house for a third reading, any honourable senator would be free to vote against it. I suggest that that might be the best and most realistic way for this house to deal with the matter.

May I make a few observations regarding the speech of the honourable senator from Queen's (Hon. Mr. Sinclair)? I have very great respect for everything he has to say, which is only natural in the light of his long and varied experience in the parliament of Canada. I find it difficult to accept his suggestion that a removal of the ban on the importation of oleomargarine would in any way embarrass the representatives of Canada at the World Trade Conference. In any event, that is another feature which could be considered by a committee of this house. If the committee should conclude that the removal of the ban would affect, or in any way embarrass, the position of our representatives at Geneva, then this house might

properly consider an amendment to the bill so as to provide only for permission to manufacture and sell within Canada. Under those circumstances I am quite sure the honourable member from Queen's would agree that Canada's representatives at Geneva would not in any way be embarrassed in their deliberations.

Hon. Mr. SINCLAIR: May I say that if I used the word "embarrass" I did not have that precise meaning in mind. What I intended to say, and what I thought I did say, was that the action provided by this bill would weaken the bargaining powers of our representatives in getting a *quid pro quo* arrangement with other nations for a balance of trade.

Hon. Mr. BENCH: I accept what the honourable gentleman has said. I was using the word "embarrass" in the sense in which he now expresses himself.

Hon. IVA CAMPBELL FALLIS: Honourable senators, at this late stage in the debate I do not intend to take more than a few minutes of the time of the house. My only reason for rising at this time is that before coming into the chamber today I noticed in a Toronto paper the headline "Ontario Senators Favour Oleomargarine". Just to keep the record straight, I rise in my place to say I am one senator from Ontario who is not supporting the bill.

When the bill was before the house last session I expressed my views at some length, and I do not intend to repeat what I said at that time. My opposition to the bill can be summed up in two brief sentences. First, I have not been convinced by any speech that has been made in this house that the fats and oils necessary to manufacture oleomargarine on this continent can be made available to Canada without depriving people in other parts of the world who need them worse than we do.

Some Hon. SENATORS: Hear, hear.

Hon. Mrs. FALLIS: Canada today is an oasis of plenty in a world of scarcity. Every day we hear pleas to help the starving children of Europe and the people of China. Are we with one hand to give them money and food, while with the other reach out to take from them that food product of which they are in such urgent need?

I had the privilege last night of having dinner with a young woman who has just returned from England. She said before leaving that country the butter ration was two ounces per person per week; the ration of bacon was the same; and each person was

allowed 20 cents worth of meat per week. We live in the midst of plenty; there is nothing necessary to our daily wellbeing that we lack, unless it is a little bit more of butter. In a world of scarcity we can scarcely consider depriving people of a commodity they need so badly. This young woman said to me that the people of Britain are cold all the time. If they had more fats in their food they could stand the cold better. We in Canada, with everything upon our tables, must reach out and seek to take from them some of that fat which we can get in no other way. World supplies are pooled; there is a world shortage. If we consume more than we are using today; somebody else will have less.

I come to my second reason for opposing the bill. Every person who has spoken in support of the bill has said: "We are short of butter in this country. Why should we not have a substitute?" On the surface that sounds very reasonable.

Hon. Mr. BENCH: It was good sense last year.

Hon. Mrs. FALLIS: If that condition had always existed in the past and was likely to continue in the future, I would support the bill. The honourable members who are supporting it are asking us to place upon the statute books of Canada permanent legislation based upon temporary conditions. I can think back a good many years—too many—to the days when one could scarcely give butter away.

Hon. Mr. HAIG: Hear, hear.

Hon. Mrs. FALLIS: No one knows what is ahead of us in the next few years. An economic recession with unemployment in the cities would soon drive help back to the farms. The shortage of help on the farm, more than anything else, has caused the shortage of butter. If that condition comes there will be plenty of help and the picture will be entirely changed. I refuse by my vote to bind myself to permanent legislation when I do not know what the conditions the dairy industry may be in a few years hence.

For these two reasons I am not supporting the bill.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. EULER: May I ask my honourable friend a question? I shall try to be quite fair. The honourable lady spoke of a shortage of butter and fats in England, and said that the ration was only two ounces per week. Is she not aware that 12,000,000 pounds of New Zealand butter coming to Canada are being taken from Britain's stores?

Hon. Mrs. FALLIS: Yes, and to the everlasting shame of Canada.

Hon. Mr. HUGESSEN moved adjournment of the debate.

Some Hon. SENATORS: Question, question!

The motion for adjournment of the debate was agreed to.

PRIVATE BILL

SECOND READING

On the Order:

Resuming the adjourned debate on the motion for the second reading of Bill H, an Act to incorporate Quebec North Shore and Labrador Railway Company.—Hon. Mr. Dupuis.

Hon. Mr. HUGESSEN: Honourable senators, the honourable gentleman from Rigaud (Hon. Mr. Dupuis) asked that the motion for second reading of this bill stand over until this afternoon. I do not wish to take the honourable gentleman by surprise, but since he has not communicated with me I would suggest that the bill be now given second reading, in order that it may be referred to committee.

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

REFERRED TO COMMITTEE

Hon. Mr. HUGESSEN moved that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

NATIONAL RAILWAYS AUDITORS BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill A2, an act respecting the appointment of Auditors for National Railways.

Hon. Mr. LEGER: Is that the bill respecting auditors?

Hon. Mr. COPP: Yes, the perennial bill.

Hon. Mr. LEGER: May I be permitted to say a word on a matter of no great importance? The bill is practically the same as we have had in previous years, except in one respect. In the others there was a comma after the word "audit" in the twelfth line. I think it was properly there, but it is omitted from this bill. It would be a very easy matter to refer the bill to the Committee of the Whole House to have the comma inserted.

Hon. Mr. COPP: Could we not put the comma in here?

Hon. Mr. LEGER: I do not know whether that would be quite constitutional.

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

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Copp, the Senate went into committee on the bill.

Hon. Mr. Sinclair in the Chair.

On section 1—appointment of auditors:

Hon. Mr. LEGER: Honourable senators, I move that after the word "audit" in the twelfth line a comma be added.

The amendment and the section as amended were agreed to.

The bill was reported, as amended.

THIRD READING

Hon. Mr. COPP moved the third reading of the bill.

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

CANADA EVIDENCE BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill B2, an Act to amend the Canada Evidence Act.

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

THIRD READING

Hon. Mr. COPP: Honourable senators, with leave of the Senate I would move the third reading of the bill.

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr. ASELTINE moved the second reading of the following bills:

Bill N1, an Act for the relief of Evangeline May Connelly Stervinou.

Bill O1, an Act for the relief of Olive Viola Olsson Ferguson.

Bill P1, an Act for the relief of Evelyn Ethel May Reich Macdonell.

Bill Q1, an Act for the relief of Ernest Edward Lippiatt.

Bill R1, an Act for the relief of Elizabeth Butler Roberts Lambton.

Bill S1, an Act for the relief of Libby Margolese Smith

Bill T1, an Act for the relief of Jean Elizabeth Hancock Thompson.

Bill U1, an Act for the relief of Isabella Hodgson McRae Edwards.

Bill V1, an Act for the relief of Marjorie Aileen Copping Ladouceur.

Bill W1, an Act for the relief of Annie Mildred Parnell Smellie.

Bill XI, an Act for the relief of Veronica Donnelly Hope Johnstone Shelley.

Bill Y1, an Act for the relief of Irja Alina Agnes Vaisanen Shanahan.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the SPEAKER: When shall the bills be read the third time?

Hon. Mr. ASELTINE: With the consent of the Senate, I would move that the bills be now read a third time.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 20, 1947.

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. COPP presented the report of the Standing Committee on Transport and Communications on Bill D, an Act respecting the Toronto, Hamilton and Buffalo Railway Company.

He said: Honourable senators, the committee have in obedience to the order of reference of February 13, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. BENCH moved the third reading of the bill.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. COPP presented the report of the Standing Committee on Transport and Communications on Bill G, an Act respecting British Columbia Telephone Company.

He said: Honourable senators, the committee have in obedience to the order of reference of March 11, 1947, examined this bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. McKEEN moved the third reading of the bill.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. HUGESSEN presented the report of the Standing Committee on Miscellaneous Private Bills on Bill C, an Act to incorporate Conference of Mennonites in Canada.

He said: Honourable senators, the committee have in obedience to the order of reference of February 12, 1947, examined this bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. HUGESSEN moved the third reading of the bill.

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill F2, an Act for the relief of Isabel Lindsay Mackay Dietz.

Bill G2, an Act for the relief of Edith Dean Michaels.

Bill H2, an Act for the relief of Maurice Michael.

Bill I2, an Act for the relief of Otto Hemlein.

Bill J2, an Act for the relief of Mary Josephine Jessop Croker.

Bill K2, an Act for the relief of Rose Lazar Nadigel.

Bill L2, an Act for the relief of Frances Clare Lynch Layton.

Bill M2, an Act for the relief of Robert Alfred Nall.

Bill N2, an Act for the relief of Juliette Adrienne Labrosse Renaud.

Bill O2, an Act for the relief of Jean Isabel Dalton Ryan.

Bill P2, an Act for the relief of Rose Elkin Steinman.

Bill Q2, an Act for the relief of Clinton Escott Vipond.

Bill R2, an Act for the relief of Alison McKinnon Palmer.

Bill S2, an Act for the relief of Ralph Wighton.

Bill T2, an Act for the relief of Claude Garcin Coffin.

Bill U2, an Act for the relief of Bea Helen Taffert Levin.

Bill V2, an Act for the relief of Elsie King Moorhouse.

Bill W2, an Act for the relief of William John Edgar McVetty.

Bill X2, an Act for the relief of Alfred John Holton.

Bill Y2, an Act for the relief of William Howell MacDonald Brown.

Bill Z2, an Act for the relief of Henrietta Elizabeth Forde Norrie.

Bill A3, an Act for the relief of Gaston Cartier.

Bill B3, an Act for the relief of Margaret Lillian McCorkell Baldwin.

Bill C3, an Act for the relief of Hilda Wylie Bannister.

Bill D3, an Act for the relief of Sarah Goldberg Cohen.

Bill E3, an Act for the relief of Esther Mary Harding Breeze.

Bill F3, an Act for the relief of Jessie MacFarlane Boyle Smith.

Bill G3, an Act for the relief of Paul Jaegglin.

Bill H3, an Act for the relief of Muriel Agnes Martin Adams.

Bill I3, an Act for the relief of Edwin Theophilus Phillips.

The bills were read the first time.

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. ASELTINE: Next sitting.

MR. DONALD GORDON

TRIBUTES TO FORMER CHAIRMAN OF WARTIME PRICES AND TRADE BOARD

On the Orders of the Day:

Hon. A. B. COPP: Honourable senators, before we proceed with the regular business of the house I wish to say a few words in tribute to Mr. Donald Gordon. We have all noticed the announcement made by the Prime Minister in another branch of Parliament, as well as in the public press, that Mr. Donald Gordon has resigned as Chairman of the War-time Prices and Trade Board.

Hon. Mr. DUFF: Thank God for that.

Hon. Mr. COPP: As this matter has been mentioned in another place, I feel that it would not be inappropriate to make reference to it here. We are all familiar with the record of Mr. Gordon in the high positions which he has held. He is Deputy Governor of the Bank of Canada; and five or six years ago, at the request of the government, he assumed the position of Chairman of the Wartime Prices and Trade Board. Since then he has carried on in that position—a position that everyone must realize has been a very difficult one because of the many orders and decisions he has found it necessary to make. All of us have had to observe his orders. He has been severely criticized on some occasions, but he has also received many plaudits from the people of Canada for the splendid way in which he has conducted his very trying and responsible tasks. Now that he has relinquished his duties as chairman of the board, I feel it is only fair and right that we should recognize the work he has done and thank him for a splendid job. We all agree that he did what he believed to be an honest and straightforward job, and in my opinion did it in a way that was highly creditable to himself and greatly to the advantage of the Dominion. The thanks of the people of Canada are due to him.

Some Hon. SENATORS: Hear, hear.

Hon. CYRILLE VAILLANCOURT (Translation): Honourable Senators, I was Mr. Gordon's assistant for two and a half years at the Wartime Prices and Trade Board, as representative of the French-speaking element, and it gives me great pleasure to add my compliments to those of the honourable leader of this house. Mr. Gordon and I sometimes disagreed because I held certain views regarding the needs of my province which were not always those Mr. Gordon held in connection with the needs of other provinces. But he was primarily responsible for the protection of our whole economic organization. In spite of our differences of opinion, I can say that Mr. Gordon always dealt with our economic problems with his characteristic fair-mindedness and without prejudice. Some may not have been satisfied, while others may even say "God bless you". I am happy to say "God bless us", because we were fortunate in having a man of his intelligence and character at the head of that organization which saved Canada in a period of extraordinary emergency.

Hon. JOHN T. HAIG: Honourable senators, during the five and a half years of war the people of Canada were wholeheartedly behind any controls or other policies which

would be useful or helpful in winning the war. I am one of those who hold that when the war was over controls should have been abolished, and I do not hesitate to say now, nearly two years after the conclusion of the war, that they should have been abandoned long ago. However, assuming a controller to be necessary, I do not know how one could do better than choose a Scotsman for the job; and I believe that Mr. Gordon, in the exercise of his jurisdiction, has done as well as, or better than, anybody else could have done. I say again that I do not believe in the policy of controls, but also I do not blame Mr. Gordon for that policy; it is one for which the Government must take full responsibility, especially since the war ended. It is fortunate for Canada that in our public life we can command the services of men with the singleness of purpose that Mr. Gordon has shown in serving the interests of our country.

Hon. NORMAN P. LAMBERT: Honourable senators, I cannot let this opportunity pass without expressing, on behalf of a large group of their friends in this community of Ottawa, a word of appreciation to Donald Gordon and his wife. I am sure that it will be with feelings of sincere pleasure and pride that they note the formal recognition of his services as voiced yesterday by the Prime Minister in another place, and today, in the Senate, by the acting leader of the Government (Hon. Mr. Copp), the leader opposite (Hon. Mr. Haig), and my honourable friend from Kennebec (Hon. Mr. Vaillancourt), speaking in his own language and that of the majority in the province of Quebec.

For nearly six years now Donald Gordon has been Canada's official point-duty man, directing the daily routine of every man, woman and child in this country. His job has not been an easy one; it has been a very trying job, which has subjected the public as well as himself to many irritations. He has been able to survive all these and to overcome numerous obstacles largely because he possesses a fundamental understanding of human nature and a rich sense of humour.

When I think of the role that Donald Gordon has had to play in this country during the past six years, I am reminded of those stalwart figures who are established at the important crossroads in all our communities, doing their duty day by day, directing traffic so that confusion is reduced to a minimum. We gradually come to look upon these figures with a friendly eye. At times, especially during traffic jams, we are irritated by their restrictions; but we realize that, after all, they are officers of the law and represent the interests

of the community. In nearly every instance they manifest the courtesy born of contact with people in the mass.

In these days of waning and disappearing price ceilings, I rejoice to think—in company with a good many other people in this community who know Donald Gordon well—that there has been no ceiling on the rich store of Scottish lore and songs in which he has been accustomed to indulge himself during moments of relaxation. Now that he is retiring as head of the Wartime Prices and Trade Board and is resuming the duties of his former post of usefulness, it is to be hoped that he will have time for these delights, for I know that in this city there still are many roofs able to withstand the reverberations of his lusty baritone voice when he chooses to raise it in praise of the Scottish land and story.

CANADIAN WHEAT BOARD BILL

MOTION FOR SECOND READING

Hon. A. B. COPP moved the second reading of Bill 23, an Act to amend the Canadian Wheat Board Act, 1935.

He said: Honourable senators, my honourable friend from Central Saskatchewan (Hon. Mr. Johnston) has kindly consented to explain this bill.

Hon. J. FREDERICK JOHNSTON: Honourable senators, the purpose of this bill is to give to the Canadian Wheat Board by statute certain of the powers which it has exercised previously by virtue of orders in council under the National Emergency Transitional Powers Act.

The chief purposes of the proposed amendments to the Canadian Wheat Board Act, 1935, are as follows:

1. To authorize the regulation by the Canadian Wheat Board of the interprovincial and export trade in wheat for the purpose of fulfilling the wheat contract with the United Kingdom.
2. To provide, in connection with this contract, for a five-year pool period from August 1, 1945, until July 31, 1950, during which time producers of wheat are guaranteed a fixed initial price of \$1.35 per bushel. It will be noticed that the pool period is five years, whereas the contract entered into in July last is for a period of four years.
3. To make necessary changes in the provisions fixing the price to be paid to producers of wheat by the board.
4. To permit the board with the special approval of the Governor in Council to deal in grains other than wheat.

The wheat of the western provinces is sold mainly for export to world markets at prices which have been chronically unstable. The following table gives the yearly average cash price per bushel for No. 1 Canadian Northern wheat, basis in store Fort William. The source of these figures is the *Canada Year Book*.

1930	\$1.24
1931 .....	.64
1932 .....	.60
1933 .....	.54
1934 .....	.68
1935 .....	.82
1936 .....	.85
1937	1.22
1938	1.31

Probably part of the reason for the increase in price in 1937 and 1938 was that in 1937 Western Canada had the smallest crop for many years. After 1938 the price again dropped, as follows:

1939 .....	.62
1940 .....	.76
1941 .....	.74
1942 .....	.76
1943 .....	.94
1944	1.23
1945	1.25
1946	1.35

It should be noted that these prices are for top grade wheat and do not take into account freight and other charges, so that the amount per bushel paid to the farmer is considerably less than the figure given. At the height of the depression, in fact, many farmers were getting as little as nineteen cents a bushel in actual cash for their crop. The violent changes in the world wheat price are due to rapid changes in world wheat crops, the onset of world-wide depressions, the abnormal demand for wheat during and following the war, and policies of self-sufficiency followed by wheat-importing countries. It will be remembered that after the first Great War the European countries, which had been short of foodstuffs while the war was on, tried to fortify themselves against a recurrence of that condition, and they broke up their pasture lands and produced wheat, rye and other grains.

In 1935 the Canadian Wheat Board was set up under the Bennett government in response to the demand by western wheat growers for a government agency to establish a floor price for wheat. The board operated side by side—this is worth noting, honourable senators—the board operated side by side with the private grain trade on the futures market. Each year the board set a price at which it was willing to buy wheat. Thus, when the Board set a price above the market price, it bought wheat at a loss, but when it set a price below the market price, the private trade bought all the wheat and made what profit

there was to be made. Prior to 1940 the board lost about 60 million dollars over the successive crop years; after 1940, however, it began to make substantial profits.

On September 27, 1943, the Grain Exchange was closed and all marketing in wheat and stocks of wheat was put under the wheat board. A fixed initial price of \$1.25 a bushel was established for top grade wheat, and more than 61 million dollars was paid out in participation payments for the crops of 1940-41 to 1942-43.

On July 30, 1946, a new wheat price policy was announced, based on the contract with the United Kingdom that was signed on July 24. Participation payments of about 12 cents per bushel were to be paid on the 1943 crop, about 16 cents per bushel on the 1944 crop, and 10 cents per bushel on the 1945 crop. The guaranteed initial price of \$1.35 per bushel was to be paid for wheat over the five-year period 1945-1949 inclusive. At the end of this five-year period, any profits made by the wheat board on the sale of this wheat would be pooled and distributed to the producers in the form of participation payments. In the other house there was considerable discussion on the pooling of these profits after a five-year period, and it was held by many that participation payments should be paid at the end of each crop year. I am one who believes that the distribution of profits after a period of five years is a good idea. I will go further and say I feel that, if it was made possible to do so under this agreement, any surpluses which accrue should be held as an insurance against repetition of what we had in the West from 1932 to 1935-36.

On February 17, 1947, the price of wheat for domestic consumption was raised from \$1.25 to \$1.55 per bushel. Millers of flour were still able to get wheat for 77½ cents per bushel by reason of a drawback paid by the government.

The wheat contract with the United Kingdom runs for four years from July 31, 1946. During the first two crop years the United Kingdom will buy at least 160 million bushels per year at \$1.55 per bushel. During the latter two crop years, she will buy at least 140 million bushels per year at a price of at least \$1.25 per bushel in 1948-49 and at least \$1 in 1949-50. In setting the actual price for these latter two contract years, the United Kingdom will take into account the amount by which the price of \$1.55 per bushel was below world prices during the first two years of the contract.

Hon. Mr. HAIG: Would my honourable friend permit me to ask a question on that statement? What is the world price of wheat today?

Hon. Mr. JOHNSTON: I think the honourable senator knows the answer as well as I do.

Hon. Mr. HAIG: Will the honourable gentleman please say what it is? Others may not know.

Hon. Mr. JOHNSTON: I believe that it is over \$2.90 a bushel.

Hon. Mr. HAIG: That is my impression.

Hon. Mr. JOHNSTON: The contract is subject to modification, should it later be found to conflict with any other international agreements to which either country becomes a party. That provision is put in because an international meeting of wheat producers is in progress in London at the present time, and it is hoped that a world agreement will be effected. If that should happen, the international agreement would supersede this one. Before the war Britain's total wheat requirements were some 200 million bushels, of which 90 million bushels came from Canada. Thus Canada is now getting a much larger slice of the British market. Part of the wheat contracted for is to be taken in the form of flour.

Some criticism was directed at the bill in another place. It was said that the export price of \$1.55 to Britain is too low. It may be true that we could force Britain to pay more. But we must remember that Canada has an enormous stake in the rapid recovery of Britain from the effects of the war. She has been one of our best customers, and I think it is good business for Canada to assist her in getting back to her financial feet so that she can again take her place in the economic life of the world. Her recovery will result in benefits to this country. Higher wheat prices would mean that Britain would use up the loan from Canada more rapidly, at a time when she needs every dollar she can get to build up her trade.

One clause in the wheat agreement states that when the price for the latter two years of the contract is negotiated Britain will take into account what the farmer loses in the first two years. True, this is not an absolutely firm commitment, but it is a moral obligation as between friends. We know that when Britain has recovered to some extent from her grave difficulties she will do the best she can by the Canadian wheat grower.

We must remember that in return for accepting a lower price we are getting a guaranteed market for the bulk of our wheat surplus until 1950, at prices that will give the farmer a minimum of \$1.35 per bushel for top grades. Should the world wheat price fall drastically, as it has in the past, the farmer will be protected from a serious drop in income by reason of the generous treatment he is now according to Canada's best wheat customer.

Hon. Mr. HAYDEN: Will the honourable senator permit a question? He spoke about a guaranteed price and a guaranteed market until 1950?

Hon. Mr. JOHNSTON: Yes.

Hon. Mr. HAYDEN: Did I understand the honourable gentleman to say there was only a moral obligation on England to take our wheat during the last two years of this contract?

Hon. Mr. JOHNSTON: Not to take our wheat, but with respect to the price for the last two years of the contract. The agreement fixes the price of wheat for the 1948-49 and 1949-50 crops. Representatives of the British Government will meet our representatives, and the world price—it is \$2.90 today—will be taken into consideration before the price to be applied to the last two years of the contract is set.

Hon. Mr. HAYDEN: Is any price fixed in the contract for the last two years?

Some Hon. SENATORS: No.

Hon. Mr. JOHNSTON: There is a minimum price of \$1.25 for the 1948-49 crop, and of \$1 for the 1949-50 crop.

Hon. Mr. EULER: What obligation on the part of either party is in the contract?

Hon. Mr. JOHNSTON: It is a moral obligation. Surely we have not come to the point where the government is going to suspect that five years from now the representatives of the British people will not live up to their word.

Hon. Mr. EULER: But is there not an escape clause right there in the wheat agreement? Neither the British Government nor the Canadian Government is obligated to negotiate another agreement for the following two years.

Hon. Mr. JOHNSTON: There is no written undertaking, but there is an understanding as between gentlemen that this will be done. I am willing to take Mr. Strachey's word that a satisfactory arrangement will be arrived at.

Hon. Mr. HAYDEN: I apologize for interrupting my friend, but I am trying to find out what the contract provides for. Is there an obligation that in each of the years 1948-49 and 1949-50 the United Kingdom government must take 140,000,000 bushels at a minimum price of \$1.25 for 1948-49 and at least \$1 per bushel for 1949-50?

Hon. Mr. JOHNSTON: I understand that there is an obligation.

Hon. Mr. HAYDEN: It is a moral obligation?

Hon. Mr. HAIG: No, no. I will read the provision when I speak on the subject.

Hon. Mr. JOHNSTON: When we speak of \$2.90 as the price of wheat on the open market today, it must be remembered that this is not the amount which the farmer receives. For instance the United States imposes a duty of 42 cents a bushel on Canadian wheat, and limits imports by quota to 800,000 bushels a year. It is apparent that we shall not have access to a very large share of that market.

Hon. Mr. HAIG: Does the price of \$1.55 represent what the farmer gets?

Hon. Mr. JOHNSTON: No, it does not. It should be noted that Canada has offered to make a like contract with other wheat purchasing countries, but none have accepted the offer.

There is a clause in the agreement stating that the contract may be altered to conform with any subsequent international agreement. It has been said in another place that the farmers dislike the contract. But every major farmers' organization has expressed approval of it. Slowness of deliveries, it has been said, indicates the farmers' disapproval, but figures show that within the first half of the crop year we shipped 72,000,000 of the 160,000,000 bushels that Britain has agreed to take. The hold-up in deliveries at points in Western Canada is attributable to the railways being blocked with snow which delayed the arrival of cars at the elevators for the loading of wheat.

The five-year pool period is necessary if the guaranteed minimum price of \$1.35 a bushel is to be paid without risk of a heavy charge on the federal treasury. Between now and 1950 farmers will continue to receive participation payments on the 1943 and 1944 crops, and a ten-cent payment on the 1945 crop. The matter of participation payments cannot be taken care of over night. It would be physically impossible, even if desirable, to pay participations each year.

It was said in another place that the preamble of the bill pretends that its object is to carry out the wheat agreement, but that actually it provides for permanent socialization of grain marketing. A careful reading of the preamble does not substantiate this charge. It is true that under Part II of the bill the Wheat Board is given exclusive control over the buying, delivery, transport and sale of wheat, and that these powers do not expire in 1950. But it must be realized that the government has undertaken responsibility for wheat marketing as the result of persistent demands by the farmers themselves over a period of many years. If the government is to continue to control wheat marketing after the United Kingdom wheat agreement has expired, it will have to ask parliament to confirm the necessary arrangements, such as the length of the pool period. A clause in the bill states this explicitly; it is section 20(c), to be found on page 10. If parliament decides to end government marketing of wheat, it can do so at any time it wishes.

It is said that the board claims the status of an agent of the Crown, putting itself above the ordinary law of the land, so that it can only be sued with great difficulty. In the other place there was considerable discussion of this point. The fact is that you can sue the Board by applying for a fiat and proceeding in the Exchequer Court. This procedure is necessary in order to prevent lawsuits from holding up the payment of participation, to prevent participation claims from being liable to garnishee proceedings, and to prevent the confusion of conflicting decisions and identical suits.

Another charge is that the board can monopolize trade in coarse grains if it so wishes. Now, as many honourable members know the bulk of the feed grain produced in Canada is for domestic consumption. The powers conferred on the Board to deal in coarse grains are permissive rather than compulsory, and are made necessary by the policy of fixing price floors and ceilings for oats and barley. The board does not intend to monopolize trade in coarse grains except for that part of the crop sold for export. Participation is paid annually out of the equalization funds set up for oats and barley. The private trade can deal in coarse grains for domestic consumption.

Then it is charged that parliament is unable to find out anything about the operations of the board. That is not borne out by what has happened in the past. The board must submit annual reports to parliament. Up until two years ago a House of Commons standing com-

mittee scrutinized these annual reports and reported that they were extremely lucid and informative. The committee is being set up again this year and will resume its investigations of the board's activities.

Then it has been stated in the other place that the board can refuse to buy more than fourteen bushels an acre from any producer. The clause does not set an upper limit, but is a guarantee to the farmers that in case of congestion at the elevators they will be able to deliver at least fourteen bushels per acre. It is unlikely that it will prove necessary to restrict deliveries of wheat, but if very large crops should make this necessary, the farmer is protected. The minister offered to remove this clause, but the other house decided that it should remain.

Hon. Mr. HAIG: May I ask the honourable member a question? Did the minister offer to remove this clause, or did he say that he would take any grain that was in elevators or forward positions? But there is nothing binding a future government to take more than fourteen bushels an acre? Am I right or am I wrong?

Hon. Mr. JOHNSTON: I think the honourable leader opposite is right in his first statement, that the minister offered to take the clause out. I read his statements in *Hansard*; he definitely offered on more than one occasion to remove that clause if so desired. But, as I remarked a moment ago, it was allowed to remain in. The Minister of Trade and Commerce stated that there was no risk of a blockade, at any rate for three years; that our storage facilities were upwards of 500,000,000 bushels, and the elevators would be cleaned out at the end of this crop year, or at any rate the carryover would be very small. So, with only one year to run, there is not any likelihood of a blockade, or of the board not being able to take all the wheat produced.

This matter of marketing wheat is a very live issue in Western Canada. Everyone who comes from the West knows that very well. It must be admitted that during the last number of years, under a system of marketing by the wheat board, conditions have greatly improved. The setting of a quota works to the advantage of farmers living some distance from the market. In these days of general use of trucks, if there were no quota those living close to town could fill all the elevators in a few days, and when a man living ten or twenty miles from town came along with his team and wagon-load of wheat, there would be no space available.

Hon. Mr. ASELTINE: With the income tax as high as it is, they do not rush it to market any more.

Hon. Mr. JOHNSTON: I think they do. My land is situate close to elevators: I can move wheat in a hurry. I have always felt that it was of real benefit to the man living a considerable distance from town to be able to secure his share of the storage space in years of big crops.

Hon. Mr. HAIG: Does the honourable senator propose to send this bill to the Committee on Banking and Commerce?

Hon. Mr. JOHNSTON: If the house desires that the bill go to a committee, I would propose that it be sent to the Committee on Natural Resources.

Hon. Mr. HAIG: I should like to know what the honourable senator proposes to do, because it will somewhat affect the length of my remarks. If it is intended to refer the bill to a committee my observations will be much briefer than otherwise they would be. If this is the final debate, I should like to know it. Personally I prefer to have the bill go to a committee.

Hon. Mr. COPP: There is no reason why it should not.

Hon. Mr. JOHNSTON: If my honourable friend wishes, I am prepared to move that it be referred to a committee.

Some Hon. SENATORS: What committee?

Hon. Mr. JOHNSTON: The Committee on Natural Resources.

Hon. Mr. HAIG: Honourable senators, I am going to assume, although I know it is an insulting thing to say, that this house knows very little if anything about the wheat marketing business. Those of us who come from the Western Provinces do know something about it. Ever since I was a small boy an expression commonly in use in our country was, "Well, it is just as good as the wheat".

Hon. Mr. EULER: That is not peculiar to the West.

Hon. Mr. HAIG: In other countries people say, "It is as good as gold". In the West, when we remark upon someone being upright and straight and honest, we say that he or she is "just as good as the wheat."

Hon. Mr. EULER: They say it here, too.

Hon. Mr. HAIG: From my earliest boyhood I have been accustomed to hearing of wheat, the marketing and the handling of

wheat. I shall not discuss the history of the early days; it is sufficient to go back to about 1919. That year the government of the day made the first interference in the wheat market by taking over the handling of wheat: it proposed that a board should carry on the marketing of wheat. A new government came into office in 1922, and in the following year it decided to allow co-operative or volunteer organizations, outside the regular marketing agents, to handle the wheat. With the wheat pools of Manitoba, Saskatchewan and Alberta co-operatively handling the trade, things ran along quite successfully until 1929 and 1930, when a curious psychology swept over Western Canada. It affected not only the grain trade, but the pools as well. Everybody said that the price of grain was too low, that it would go higher, and the pools made advances to enable the grain to be held.

The result of this was that by early 1930 a tremendous loss had been incurred by the wheat in Manitoba, Alberta and Saskatchewan. I believe that the loss suffered by the Manitoba pool was approximately three million dollars. In Saskatchewan it amounted to approximately twelve or thirteen millions, while in Alberta, it was between seven and eight millions. This was as a result of having to sell the grain for the money advanced against it. The governments of those three provinces guaranteed that loss.

I remember well that a certain gentleman now well known in the Parliament of Canada, who at that time was leader of the government in the Manitoba legislature brought in a bill to guarantee the loss, which has, of course, largely been paid back since that time.

That was the situation with regard to co-operative marketing of wheat by farmers up until 1935. You could either sell your wheat to the grain trade direct or turn it over to the pools, and they would handle it for you and give you a certain advance against it. You had your choice: if you wanted to co-operate with your neighbours you did so.

In 1935 the then government brought in a bill, which I have before me, to form a compulsory wheat board for Canada. I want honourable senators to keep that fact in mind, because the bill we are now dealing with is a compulsory wheat board bill.

Hon. Mr. EULER: What government was that? There was a change of government in 1935.

Hon. Mr. HAIG: Not in the early part of 1935. In June of that year the government brought in a compulsory wheat board bill, which was assented to on July 5. When it was introduced in the house—

Hon. Mr. LACASSE: You mean the other house?

Hon. Mr. HAIG: Yes. At that time the present Prime Minister, was leader of the opposition. I am not going to read all that he said, but the Commons *Hansard* for 1935, at page 3451, shows that the first words spoken by him were in the true tradition—a demand that the bill go to a committee. Mr. King said:

May I say that I agree with the Prime Minister (Mr. Bennett) that this question is far too serious to be dealt with in any narrow partisan manner. I believe it is as serious as any problem which has faced this country at any time, and too great care cannot be taken in the consideration of what is to be done. It is for that reason I feel that if the government could see its way to refer the bill to a select or special committee, it is wholly probable that some of the points which may be obscure at the moment would be cleared up and possibly much in the way of confusion and controversy ended.

Again:

It has, I think, been customary in connection with a measure of this importance to have it referred either to one of the select standing committees of this house . . . or to a special committee.

And again:

I therefore am asking the Prime Minister . . . that the bill . . . be referred to a select committee.

In answer to that request the then Prime Minister said that he was agreeable to having the matter dealt with by a committee. Remember, honourable senators, that it was a compulsory wheat bill. The committee of nine, of which Mr. Bennett himself was a member, brought back a voluntary co-operative bill. *Hansard* of 1935, at page 3581, shows that the Honourable J. L. Ralston said:

I do not believe that the people of the Dominion of Canada are favourable to a compulsory wheat board, to a board the constitution of which will mean that every wheat grower, every elevator man and everybody engaged in the wheat business must deal with the government agency and nobody else . . . I do not believe the compulsory feature of this bill will meet with approval, either in the west, in the east or in this house.

Lest there be a question as to Mr. Ralston's bona fides in this regard, let me point out that four years later his words were quoted by the Right Honourable J. G. Gardiner in the other house to prove the cleavage of opinion between the Liberal and Conservative parties. That can be verified by reference to *Hansard* for 1939, page 2613. He quoted Mr. Bennett in support of a wheat board monopoly, and he then added:

There you have the issue clearly drawn between the two parties at that time in the house; one was for compulsion;

—the Conservative—
the other,

—the Liberal—

was for a continuance of the voluntary system.

That is the history up to the year 1939.

Now we have the bringing in of a compulsory Wheat Board Bill, and I say, without fear of contradiction, that no Socialistic government in the world could use harder or stronger language to make compulsion the basic principle of a bill.

Last July the government of the day saw fit to make a wheat agreement with Britain. Permit me to deal with that agreement for a moment. It provides that Great Britain would take 160 million bushels of our wheat, at a price of \$1.55 f.o.b. Fort William for first grade. I shall deal with the rest of the agreement later. My honourable friend the member for Central Saskatchewan (Hon. Mr. Johnston) suggests we should be glad to deal with Great Britain because that country is one of our best customers. That may be true, but let me call attention to this. My desk-mate (Hon. Mr. Aseltine) is one of the largest growers of wheat in this country and he is paying the full contribution on his wheat, whereas I am paying nothing, because I have no wheat to sell. Is that fair? Is that something for this house to boast about? If we in Canada want to help the British people, well and good; but let us all pay our share. Why should the wheat grower sell his product for \$1.55, when only three days ago in Winnipeg the wheat board was selling wheat on the world market at \$3.10 a bushel?

Hon. A. L. BEAUBIEN: May I ask the honourable senator a question? How does the farmer know whether the world price is going to be \$2.90 or below \$1.55? I am a wheat grower myself and I understand the farmer's position. He figures that he has a guaranteed price until 1950.

Hon. Mr. HAIG: It is only for two years.

Hon. A. L. BEAUBIEN: He figures that he can base his operations on a certain minimum guarantee, and that if anything more is realized he can get his share.

Hon. Mr. HAIG: That is not correct.

Hon. Mr. BEAUBIEN: I think it is.

Hon. Mr. HAIG: The agreement makes provision for only a two-year period, following which new negotiations will be made.

There never was any danger that the wheat price would go down for two or three years, because it is impossible for Europe to produce enough wheat for its own people, and they will be compelled to buy from us as well as from other nations.

Hon. Mr. ASELTINE: The same condition exists after every war.

Hon. Mr. HAIG: Yes; after every war, from the Napoleonic war to wars of this day, there has been the same story.

We are boasting about giving the British people grain at \$1.55. My point is that the farmer should not have to bear the burden of that agreement.

Hon. Mr. SINCLAIR: May I ask my friend if it is not true that in bad times the people of Canada stood behind the western provinces by way of prairie farm rehabilitation, war acreage extension and seed grain to the extent of more than 400 million dollars?

Hon. Mr. HAIG: And it has all been paid back. Losses of 61 million dollars have all been paid back.

Hon. Mr. SINCLAIR: Not back into the treasury?

Hon. Mr. HAIG: Yes, it is all back in the treasury. The banks have had to make it up. They have held back a sum of 36 million dollars, which applies to 1945. This year probably 161 million dollars will be in the treasury.

Hon. A. L. BEAUBIEN: Under the contract you are bound to give the farmer whatever is left in the pool.

Hon. Mr. HAIG: The honourable gentleman from Queen's (Hon. Mr. Sinclair) is talking about losses. The losses were repaid out of money saved during the years. The West will have about 100 million bushels of wheat this year to keep for itself and to sell to outsiders.

At the world price of \$2.25 a bushel—it has climbed to \$3.10 within the last few days—the farmer is deprived of 70 cents a bushel, which would amount to around 100 million dollars. When freight and expenses have been accounted for, it would amount to nearly 200 million dollars. A very large profit is represented there. Why should we boast about what we are doing for Britain, when the only people who are doing anything are the wheat growers? They are paying the piper.

In the recent Portage la Prairie by-election the people in the farming districts voted against the government, in protest against this wheat marketing policy. The cities of Winnipeg and Portage la Prairie voted as they

always did but the swing took place in the wheat growing districts. I do not believe any farmer is in favour of this agreement. He objects to selling his wheat at less than the world price and taking a loss in which the rest of Canada does not share.

Hon. Mr. KINLEY: How about income tax? If the farmer got the higher price for wheat he would pay higher taxes, so the government would get most of the money anyway.

Hon. Mr. HAIG: That is a nice theory, but I have not heard of my honourable friend, or any of his associates, discontinuing business because of the income tax.

Hon. Mr. KINLEY: I am not suggesting that.

Hon. Mr. HAIG: That is what my honourable friend meant. He is still carrying on business and trying to make as much profit as possible.

Hon. Mr. KINLEY: If the farmer received a big price for wheat he would have to contend with the Excess Profits Tax.

Hon. Mr. HAIG: I am doubtful about that. Such an argument might apply to a farmer like my honourable desk-mate (Hon. Mr. Aseltine), who is one of the largest wheat producers in western Canada; but it does not refer to the great body of small farmers operating a half or even a quarter section of land. For instance, the clients who come into my office, who have a total crop of about 3,000 bushels, protest against this deal and say they have lost at least \$3,000. They contend that the arrangement is a very improper one.

Hon. Mr. KINLEY: But minus the income tax it would not amount to much.

Hon. Mr. HAIG: After expenses and exemptions are deducted, the income tax amounts to very little.

Hon. Mr. CAMPBELL: May I ask the honourable gentleman if he is in favour of parity of farm prices, and if he would not agree that this agreement is one step towards parity?

Hon. Mr. HAIG: The farm implement companies have been allowed an increase of 12½ per cent on their machinery. When I was a lad we could buy a six-foot binder for \$150 cash, but today you cannot buy one for less than \$450.

Hon. Mr. DUFFUS: Do you mean the same size binder?

Hon. Mr. HAIG: Some of them are seven-foot. You have to pay cash on the line now, but in my day you were permitted to pay \$50 down and give a note for the balance.

Hon. Mr. SINCLAIR: What would be the relation between the cost of the implement and the price of wheat in those days?

Hon. Mr. HAIG: Wheat in those days was worth 70 to 75 cents a bushel. My honourable friend from Central Saskatchewan (Hon. Mr. Johnston) said the price has been as low as that in some recent years. But there is no comparison. The price of machinery today to the farmer is three times what it was fifty years ago; but the price of wheat in ordinary times—not in the war years—is not more than double what it was then.

Hon. Mr. SINCLAIR: If we could operate on the basis of the war years we would not need this agreement at all.

Hon. Mr. HAIG: If the government is right in applying the terms of this agreement we are going to be faced with a charge from the western farmers that during 1946 and 1947 they sold their wheat at a loss of 200 million dollars. In 1954 and 1955, if the wheat price on the world market goes down to 75 cents, they will still demand \$1.55, and will want the difference made up to them. In those circumstances I would say they had a very good case. But I know that men from the Maritimes, Quebec, Ontario and British Columbia who will not be very keen to vote in favour of such a contribution. It will be said, "We have to take a low price on commodities, why shouldn't they?"

Wheat is the only commodity about which such a deal as this has been made. True, we have sold bacon under certain agreements, but they have not had the defects of this contract. To the large wheat producing province of Saskatchewan the difference in price to be received by the farmers under this agreement is an important item.

Hon. Mr. SINCLAIR: Do I understand my honourable friend to say that at the end of the pool period he would be in favour of an extension for two or three years?

Hon. Mr. HAIG: I am in favour of a voluntary pool, and have always taken that stand. In 1930, when a member of the Manitoba legislature, I voted to guarantee a voluntary pool, and I am still in favour of it. I am against a compulsory pool. I believe that those who have wheat to sell should be at liberty to sell it either to the pool or to private trade, as they wish. Under this agreement there is no freedom of choice; in fact, if the producer does not have his little book with

him he is unable to sell any wheat. If a policeman suspects that the farmer has been doing anything wrong, the farmer has his book taken away and he is unable to do a thing. It is the compulsory nature of the bill that I object to.

Hon. Mr. SINCLAIR: How is the grain to be secured to fulfil the obligations under this agreement?

Hon. Mr. HAIG: The government will have to go on the market and buy the grain.

Hon. Mr. SINCLAIR: Then the whole burden of your argument is that the taxpayer, and not the wheat grower, should bear the burden?

Hon. Mr. HAIG: That is what I have been saying. There is no reason why the wheat grower should sell his grain to Great Britain at \$1.35 when the world price is \$2.25 to \$3 a bushel.

I am sure that if I informed my honourable friend from Queen's that he was obliged to sell his Prince Edward Island potatoes to the British people for 25 cents a bag, that he would have something to say about it. Yet that in effect is what he is asking the wheat producers to do.

Hon. Mr. SINCLAIR: Wheat is a commodity that can be carried from year to year, but vegetables cannot.

Hon. Mr. HAIG: You can carry only a limited amount of wheat from year to year.

Hon. Mr. KINLEY: Is there not to be a bill dealing with farm products in general?

Hon. Mr. LAMBERT: Yes.

Hon. Mr. HAIG: That will have to do with the Marketing Act and will relate only to certain commodities. This is the really important bill.

I challenge any member of this house to point to any provision left out of this agreement that a socialist would put in. I know of no possible condition that could be added to the agreement which would make a socialist more pleased. If we do not believe the farmers of western Canada have enough of the spirit of free enterprise to dispose of their own commodities, then we should pass this bill.

There is nothing to prevent the making of any deals that we wish—we can agree to sell wheat to the bakers of London, France or Holland. Such an arrangement has been carried out with a minimum of expense, and the government should now follow the same plan. If it is said that we have to stick by this contract, that can be done, but I am not

urging that we go that far. An agreement has been made for two years, on the understanding that it will be negotiated for a further two years. But, knowing the Englishman as I think I know him, I believe that when it comes to those further two years he will drive a hard bargain. His condition will compel him to do so. We now know that he drove a terribly hard bargain when he bought wheat at \$1.55 a bushel. We could sell a hundred million bushels of wheat in the world market if we could get it in position, but it is not in position; and the British Government are clamouring for wheat. So we are losing the profit on sales of 100,000,000 bushels at the high price at present existing.

Hon. Mr. JOHNSTON: Will my honourable friend permit a question?

Hon. Mr. HAIG: Certainly.

Hon. Mr. JOHNSTON: He stated a moment ago that the contract is for only two years. We have a contract for four years, as regards both price and quantity.

Hon. Mr. HAIG: Perhaps the honourable senator from Central Saskatchewan (Hon. Mr. Johnston) understands the contract better than I can. I cannot read "four years" into it. Let us see what it says. First, as I will candidly admit, it covers the two-year period, with a price of \$1.55 and a total of 160,000,000 bushels f.o.b. Fort William. But with relation to the last two years one finds a very odd clause, about which there has been a good deal of discussion. I quote from section 2, paragraph (b):

The actual prices to be paid for wheat to be bought and sold within the crop year 1948-49—

That is the first of the two last years.

—shall be negotiated and settled between the United Kingdom government and the Canadian government not later than the 31st December, 1947, and prices for wheat to be bought and sold within the crop year 1949-50 shall be negotiated and settled not later than the 31st December, 1948. In determining the prices for these two crop years, 1948-49 and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in the 1946-47 and 1947-48 crop years.

That simply means, if I read the English language correctly, that when the first two years are over, if we fail to negotiate, the deal is off.

Hon. Mr. JOHNSTON: Right.

Hon. Mr. HAIG: If the British declare that they will not negotiate, that is the end of the deal. There is nothing here to bind the British; the matter is absolutely wide open.

My honourable friend says that they will keep their word, their word of honour. Well, they are going to make about \$150,000,000 this year on the deal, and that will more than pay what will be required of them in the last year; so the final year's transaction will cost them nothing. And if, as is probable, the price next year is as high as it is now, the last two years of the contract will not cost the British people one cent—we shall pay the whole shot—and under this contract they do not have to carry on the deal for another two years.

Hon. Mr. HUGESSEN: Surely my honourable friend's arithmetic there is rather strange. What he means is that the people of Great Britain will pay \$150,000,000 less than if they had to pay the market price. But they still will have to pay whatever price wheat is sold at in 1949-50.

Hon. Mr. HAIG: They do not have to agree to anything. They can refuse to come to an agreement on those terms; they can offer us \$1.25, although the world price may be \$2.50. If we do not agree to accept their offer, the deal is off. They may offer a price which we cannot accept.

Hon. Mr. HAYDEN: Will the honourable leader opposite permit a question?

Hon. Mr. JOHNSTON: Honourable senators, I—

Hon. Mr. HAIG: Surely I will permit questions. But I cannot answer two at once.

Hon. Mr. HAYDEN: The honourable senator has suggested that in 1948-49 the world price of wheat may be higher than \$1.25. There will be no problem under those circumstances. There will be a market for the wheat: the United Kingdom will take it.

Hon. Mr. HAIG: The \$1.25 figure is not final; it is a suggested figure.

Hon. Mr. HAYDEN: It is a minimum price.

Hon. Mr. HAIG: No, no.

Hon. Mr. HAYDEN: Does my honourable friend say that the \$1.25 and the quantities in relation to 1948-49 are not minimum prices and quantities?

Hon. Mr. HAIG: Assume they are, for the sake of argument.

Hon. Mr. HAYDEN: Then my question is, how can there be any problem, if the world price is greater than \$1.25 in 1948-49? In that year the United Kingdom will exercise its right and take the wheat at least at the minimum price. Is that not so?

Hon. Mr. HAIG: That is what I do not want to see happen. I believe that in the next four years the price will be higher.

Hon. Mr. HAYDEN: Is your contention, then, that the farmers of Canada should be in a position in 1948-49, and should now be in a position, to realize the world price for wheat, whatever it may be?

Hon. Mr. HAIG: Absolutely; and that the people of Canada, if wheat is to be sold to Great Britain at anything less than the world price, should "carry the baby". That is my argument.

Hon. Mr. HAYDEN: The honourable senator would not suggest that, if the price of wheat in the world market should fall, the government should bolster the price to the Canadian farmers?

Hon. Mr. HAIG: That is a condition we may have to face.

I am in favour of a free market for wheat. I know that some farmers are of the same opinion as the honourable senator from St. Jean Baptiste (Hon. Mr. Beaubien): if they can be sure of receiving \$1.25 a bushel for wheat right through the years, that is what they would like. But I am one of those who believe that the people of Canada would never consent to that. I do not believe it would be acceptable to our people in any single province of Canada.

Hon. A. L. BEAUBIEN: Supposing the western wheat growers are satisfied with \$1.25 for a certain period, and are willing to make any sacrifice involved, why should the honourable gentlemen or the rest of the people of Canada grumble about it? They will say: "We forced Mr. Gardiner to bring in this legislation. Return us to parliament, and we will force him to do more along the same line". That has been our experience of their policy in Manitoba for the past twenty-five years.

Hon. Mr. HORNER: They are not satisfied.

Hon. A. L. BEAUBIEN: I contend that the large majority are satisfied.

Hon. Mr. HAIG: The only test of public opinion we have had so far is in the constituency of Portage la Prairie, one of the best agricultural districts of Manitoba. In that election a Liberal majority of 1,900 was turned into a Conservative majority of 700. The parties favouring and opposing this agreement were represented in the fight, and the Minister of Agriculture fought to the bitter end in support of this agreement, while the leader of the Opposition entered the contest at six different parts of that constituency, and in every one of them, including the home of the

Liberal leader, there was a majority against the government candidate. That is evidence to me, honourable senators, that once the people understand the facts they will be opposed to this agreement. Let me say this to my honourable friend, that if the Minister of Agriculture thinks that by means of this bill he will be able to carry the province of Saskatchewan for the Liberal party, he is wrong, absolutely wrong. I know what the attitude of the C.C.F. will be.

Hon. A. L. BEAUBIEN: I can tell my honourable friend how the Portage la Prairie election was won. It was won by his party going around making promises of a great reduction in income tax, and so on. I took part in the campaign in the Portage la Prairie constituency, and the wheat contract was not in issue.

Hon. Mr. HAIG: I disagree with the honourable senator. The fight was made by Mr. Gardiner himself: He spoke in every part of that constituency. He defended the agreement with Great Britain, and he was defeated—and he would be the first to admit that that is why he was defeated. The only answer to this contention which I have heard is that in some other districts the verdict may be different. His desire is to make headway among the farmers against the propaganda of the C.C.F. in the province of Saskatchewan, but in my judgment, though it may not be worth very much, he is deluded, and socialists will, for the most part, vote against him, as they have done before. They voted against him in the provincial contest, and they will vote against him in the dominion field. Every time you make a concession to the Socialists you help to seal your doom. The only course is to fight their propaganda, and fight it with all your ability.

Hon. Mr. JOHNSTON: That is not what my honourable friends did in the province of Saskatchewan. They supported the C.C.F.

Hon. Mr. HAIG: How does the honourable gentleman know? Nobody knows how ballots are cast. The Conservatives ran candidates in nearly every riding, and though they got only a few votes, they did poll a few. What they got did not go to the C.C.F. The C.C.F. cannot be beaten by the tactics suggested by my honourable friend. They cannot be beaten by such tactics anywhere, especially in the province of Saskatchewan.

Hon. Mr. KINLEY: This is a very interesting debate. I do not wish to interrupt my friend, but a vote was taken recently in the other place and I believe that the representatives of the prairies voted for the bill.

Hon. Mr. HAIG: How the other house voted has nothing to do with me or this house. I know what my responsibilities are. The sentiment of my own province is such that I am persuaded against this bill, and I am persuaded that in the next election the Liberals there will vote against the government if this question is made an issue at that time. If the members from Lisgar, Marquette, Macdonald and Brandon were to resign and seek re-election on the basis of the agreement, what a toasting they would get in that province! I do not say the same for Saskatchewan.

Hon. A. L. BEAUBIEN: Every member . . .

Hon. Mr. HAIG: The honourable member will have to wait. I know that this is painful, and that he does not like to take it, but I have to hand it out to him. The Socialists in Saskatchewan will vote for their party, no matter what happens. We have had them in our province for thirty odd years now, and they do not lose votes at all. I cannot tell you what will happen in Saskatchewan, but I am persuaded that if this bill goes through Mr. Gardiner will have a difficult time to get re-elected. I was in Saskatchewan a year ago and I know the feeling of the people there. The Socialists think that they are sitting on top of the world, and if we should carry out all their policies we would only help their position. Honourable senators, I have taken up more time than I had intended.

An Hon. SENATOR: Our time is our own.

Hon. Mr. HAIG: I think this bill ought to be taken to committee. I do not know whether the government has the power to carry out the contract they made with Great Britain, but this fact can be ascertained by inquiry made of our Parliamentary Counsel and counsel for the Department of Justice. I do not want my honourable friend from Queen's-Lunenburg (Hon. Mr. Kinley) to criticize me for this statement, but as a Canadian and a member of parliament I am willing to have this bill sent to a committee. If the government has not got the power to carry out the contract they made with Great Britain, I am willing to give them that power. If I had had my own way that contract would never have been made, but now that it has been made I will stand behind it. I will not go further.

I have one more word to say. It is from a personal viewpoint, and not on behalf of the Progressive Conservative party. I am in favour of the open marketing of wheat. We are under this agreement at the present time. The wheat board at Winnipeg is putting the price at \$2.90, and in so doing

they are following the price set at Chicago. Yet our own market in Winnipeg was the best market in the world. Mr. Justice Turgeon, one of the members of the great Turgeon family, after a complete and exhaustive examination of this problem came to the conclusion that, by and large, the open marketing of wheat on the exchange system was beneficial to the producers of Canada. I agree with him. I am not opposed to the wheat pools. I quite welcome them, as would anybody who believes in the system of co-operation. I am all for them, but I think the farmer should have his individual choice.

I understand that the honourable senator from Central Saskatchewan (Hon. Mr. Johnston) intends to move that the bill be referred to committee. I suggest that this be done, so that I may present my view that Part II is not needed at all.

I think the bill should be pinned to the United Kingdom agreement only so far as that agreement needs to be bolstered by legislation. There should not be a continuing measure to cover something which at the present time we do not intend to cover.

Hon. A. L. BEAUBIEN: Honourable senators, it is not my intention to speak at any great length on this bill or any of its clauses, but my honourable friend the leader opposite (Hon. Mr. Haig) has advanced certain arguments that I do not think are entirely correct. A few moments ago he made a statement to the effect that if the members for certain constituencies were to resign and go back to their electors, they would be defeated on this very measure.

In reply to that, honourable senators, I would point out that in the other house this measure was approved by a majority of 165 members. Only seven members voted against it. If my honourable friend's contention is correct, it would follow that those 165 members would have no chance whatever of being elected in the future.

Another statement that my honourable friend made was to the effect that in the Portage la Prairie by-election the wheat agreement with Great Britain was the cause of the defeat of the Liberal candidate. I took some part in that by-election.

Hon. Mr. HORNER: I would not admit that, if I were you.

Hon. A. L. BEAUBIEN: My honourable friend from Blaine Lake (Hon. Mr. Horner) probably has taken part in many elections, but has not been able to be elected, so I do not see why he should grumble. As I was saying, I took part—a very small part, if you

like—in the Portage la Prairie by-election, and the wheat agreement, although discussed, was not an issue. A man by the name of MacDowell raised the issue, and I should say that it might have had some effect in a very small part of the riding, but that is all. Let me tell honourable members what defeated the candidate in Portage la Prairie. The late Harry Leader, who was member for the constituency, had been a very strong Conservative all his life until the Progressive Conservative movement in 1921. He had also been a great supporter of the Right Honourable Arthur Meighen, who was leader of the Conservative party in the House of Commons and later in the Senate. During general elections—I know of what I speak—Conservatives as well as Liberals voted for Harry Leader. However, in the by-election last fall this condition did not exist. Liberals voted Liberal and Conservatives went back to their own party. In order to get some of the Liberal votes my honourable friends opposite—I have no quarrel with them; they are all very fine people and if they can win an election, that is all right—made fine promises and elaborated on the income tax question and how much tax the farmers were paying. Well, farmers are human beings and they do not like the income tax any more than anybody else does—they probably like it less, because they have not been brought up to the idea of paying taxes. Many of them keep no books, and they are more or less confused when they come to make out their income tax. As I was saying, my friends went along and made promises of reduction of income tax, and that is what won the election.

Hon. Mr. HORNER: Was there only one party that made promises? Did the Liberal party make no promises?

Hon. A. L. BEAUBIEN: We never do.

Some Hon. SENATORS: Oh, oh.

Hon. A. L. BEAUBIEN: I can tell my honourable friend that I was a member in another place for twenty years, and in every election I increased my majority yet never during that time did I make a promise. I think that is a record that my honourable friend cannot equal.

Honourable senators, the question is not whether the best way to sell wheat is through the wheat board or the grain exchange or on the open market. The government has entered into a contract to deliver so much wheat to England at \$1.55 per bushel for two years and \$1.25 for the third year, with a minimum of \$1 for the last year.

During the First World War we received very high prices for wheat, and also paid high prices for other commodities. When the war was over and the market crashed, in what position was the farmer? He owed more money than before the war started. But what is the situation today? As a grower of wheat I am familiar with the general situation, and I would say that 95 per cent of the wheat producers are satisfied with the prices fixed for four years, plus the benefit of getting what is left in the pool at the end of 1950. By reason of the farmer receiving a fair price for wheat—instead of \$2.90, or whatever it is today—the economy of western Canada is better than it has ever been before. Proof of that statement can be had by going to the municipal councils and finding out how much taxes are in arrears, or by ascertaining from the mortgage companies the state of interest payments. Very many western farmers have cleared off their mortgages and today have a clear title to their lands.

Hon. Mr. LAMBERT: Does my honourable friend not think that the satisfactory condition to which he refers is also due in a very large measure to the marked increase in production of livestock? The province of Alberta has become in a few years one of the largest producers of hogs.

Hon. A. L. BEAUBIEN: I do not wish to take away any credit from other agricultural products. My friend knows better than any honourable member that the wheat crop of western Canada, rather than dairying, hog raising and cattle producing, is really the paying crop and the one that enables the farmer to pay off his mortgage.

Hon. IVA C. FALLIS: Will the honourable senator permit a question? I have lived on the prairie and am interested in the wheat producer's problems. A few moments ago the honourable senator made a statement which had been previously made by the honourable senator from Central Saskatchewan (Hon. Mr. Johnston), to the effect that the worst thing that happened to the farmers of western Canada was that they received high prices for their wheat during the last war.

Hon. A. L. BEAUBIEN: Does the honourable lady mean during the First Great War?

Hon. Mrs. FALLIS: Will the honourable War. During the recent war compensation to industry was augmented because of the rise in living costs; increased prices were allowed on manufactured products; and even the indemnities of members of Parliament were boosted, all because of increased costs.

My question is: Why are farmers the only class for whom it is bad to sell their commodities at high prices?

Hon. A. L. BEAUBIEN: I am glad that my honourable friend has asked that question. One of my ambitions is to interest the ladies, and I am pleased that I have been able to interest the honourable lady member. If we consider the price of farm products before the most recent war it will be readily appreciated that there has been an increase. Some honourable members of this house are supporting a bill to permit the manufacture of oleomargarine that would be sold cheaper than butter. I speak more particularly in respect to western Canada, because I am familiar with it. I emphasize that the economy of that part of Canada is in a more healthy state than it has been in its entire history. If you go to the savings banks you will find that deposits are very high; the bankers are unable to lend money and therefore will pay only one and a half per cent interest.

Hon. Mr. LEGER: Has all this to do with the contract we are now discussing?

Hon. A. L. BEAUBIEN: No, it has not; because the contract has not been in effect a year yet. I am attempting to establish the fact that during the First World War we got high prices for wheat—if I am not mistaken it was fixed at \$2.25.

Hon. Mr. PATERSON: I sold some at \$2.40 a bushel.

Hon. A. L. BEAUBIEN: With that high return for his wheat the farmer extended his land holdings at high costs; he mortgaged his home place to acquire more land. But when the war was over he owed more than when it started, and hundreds of farmers lost not only their newly acquired land but their home place as well.

Hon. Mr. QUINN: A good illustration of the evil effects of gambling.

Hon. Mr. HOWDEN: I suggest that the high prices brought about a spree of spending.

Hon. A. L. BEAUBIEN: My honourable friend from St. Boniface (Hon. Mr. Howden) is absolutely correct.

I am not arguing the point as to whether we should have only one agency for the marketing of wheat. My point is that we have made a contract with the United Kingdom to provide so much wheat. The Farmer will be paid a minimum of \$1.35 a bushel and is guaranteed whatever is left in the pool at the expiration of the contract. I believe that my knowledge of wheat growers in western Canada is as extensive as that of the honour-

able leader opposite, and my feeling is that the western farmers are in favour of taking \$1.35 per bushel for their wheat today and accepting whatever is left in the pool when it is all over.

Hon. Mr. LAMBERT moved the adjournment of the debate.

The motion was agreed to.

CANADIAN COMMERCIAL CORPORATION BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill C2, an Act to amend the Canadian Commercial Corporation Act.

He said: Honourable senators, the purpose of this bill is to enable the Canadian Commercial Corporation to continue to carry on the purchase of requirements for the Department of National Defence. The advantages of maintaining a single purchasing agency under separate ministerial control for defence purchases were amply demonstrated during the war, when such purchasing was carried on under the direction of the Minister of Reconstruction and Supply. On February 5 this year Order in Council P.C. 314 transferred the functions of defence purchasing to the Canadian Commercial Corporation on behalf of the Minister of Trade and Commerce. This bill would give statutory authority to this transfer.

Hon. Mr. LEGER: What is the date of that order in council?

Hon. Mr. COPP: February 5 this year.

Hon. Mr. LEGER: That is why the bill is retroactive?

Hon. Mr. COPP: Yes. The Canadian Commercial Corporation, which succeeded the Canadian Export Board, was established by statute to carry out purchasing functions in connection with foreign trade. The personnel of the corporation were to a large extent recruited from the Department of Munitions and Supply and its successor, the Department of Reconstruction and Supply.

When these purchasing functions were transferred to the Minister of Trade and Commerce, it was with the object of utilizing the services of the Canadian Commercial Corporation, an established agency well suited to carry on the work. In order to maintain continuity, the key personnel of the Department of Reconstruction and Supply were transferred to the corporation on February 1, 1947. Therefore the Department of National Defence has at its disposal, under the Minister of Trade and

Commerce, a purchasing organization staffed largely by personnel entirely familiar with its requirements, and whose high standards of purchasing efficiency were developed and proven during the recent years of intense activity. The purpose of this bill is to empower this corporation to do the purchasing for the Department of National Defence.

Hon. Mr. HAYDEN: I have one or two observations to make in connection with this bill. It will be recalled that last year, when the Commercial Credit Corporation Act came before us, there was considerable discussion, and in committee certain amendments were added. I think it is important that I should call attention to the purposes for which the Canadian Commercial Corporation was set up. These purposes are stated in the act passed last year. Section 4 provides:

4. (1) The Corporation is established for the following purposes:—
- (a) to assist in the development of trade between Canada and other nations, and
 - (b) to assist persons in Canada
 - (i) to obtain goods and commodities from outside Canada; and
 - (ii) to dispose of goods and commodities that are available for export from Canada.

So that the function, the purpose and the scope of the corporation as stated in the act of last year was to facilitate international trade—that is, the purchase or manufacture of goods in Canada for export; or to facilitate the obtaining of goods outside of Canada for the use of industry in Canada. That is the whole scheme and purpose of the act. Now we find a proposed amendment which would appear to add an entirely different principle; and I suggest that when the bill goes to committee, if it is sent there, some consideration should be given to its contents, in view of the addition of something which is so foreign to the purposes specifically set out in the existing act. What is now intended is the establishing of a corporation as a purchasing agent for the Department of National Defence,—and, it will be noticed, at the instance of “the Minister,” that is, the Minister of Trade and Commerce. So that, while I am not suggesting that we should not pass this amending bill, I would point out that if we do so without full consideration of the purposes of the original act, we shall add an appendage which has no relation to the purposes of the original statute, and convert that corporation into something which is internal or domestic, and whose life is limited, because by a specific section in the original act the life of this bill is restricted to 1949.

I repeat, that the purpose of this legislation is to do a domestic job of purchasing and of manufacturing or otherwise producing muni-

tions of war and supplies, or carry out other projects for the Department of National Defence. That, it seems to me, is a strange and most unusual combination.

Hon. Mr. QUINN: Wholly foreign to the purposes of the act of last year.

Hon. Mr. HAYDEN: Absolutely foreign to the avowed and stated purposes of the original act which set up the corporation. The situation may have arisen through thoughtlessness. Possibly it was intended to use the machinery of the corporation for a limited time, though it seems to me folly to employ an agency of this kind only until the year 1949, which, unless extended by Act of Parliament, is the limit of its life. The reason for setting the limitation was that it was felt that the government should not be put permanently in the business of purchasing and manufacturing agent as between manufacturer and exporter.

I am calling attention to these points because something is involved which seems to me of more importance than a casual reading of the bill would indicate, and which, when the bill goes to committee, will require very earnest consideration.

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

REFERRED TO COMMITTEE

Hon. Mr. COPP: Honourable senators, I am glad to have the bill referred to a committee for consideration. Departmental officials can come before us and explain it more fully than I am able to do at the present time. I would move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Mr. NORMAN McL. PATERSON moved the second reading of Bill Z1, an Act to incorporate Canadian Nurses' Association.

He said: Honourable senators, this bill is similar to a great many that have come before the Senate. I will make a brief explanation before it is, as I hope, referred to a committee. It is an application to incorporate, as the Canadian Nurses' Association, Rae Chittick, of Calgary, in the province of Alberta, Fanny Munroe and Eileen Flanagan, both of Montreal, in the province of Quebec, Ethel Cryderman, of Toronto, in the province of Ontario, Evelyn Mallory and Reverend Sister Columkille, both of Van-

couver, in the province of British Columbia, Lillian Pettigrew, of Winnipeg, in the province of Manitoba, Reverend Sister Delia Clermont, of St. Boniface, in the province of Manitoba, Agnes Macleod, of Ottawa, in the province of Ontario, and Reverend Sister St. Gertrude, of Quebec, and so on.

The Canadian Nurses' Association is an unincorporated association whose members are registered nurses from across Canada. They have existed as an unincorporated association for about thirty-five years and at their biennial convention in Toronto last July they adopted a new constitution and by-laws and decided to apply to the Parliament of Canada for an act of incorporation after the new constitution and by-laws had been approved by the provincial chartered Registered Nurses' Associations. The necessary approval has been given by the provincial associations.

The objects and purposes of the Association are set out in the bill. They are analogous to those of other national and professional bodies such as the Canadian Medical Association, the Dominion Association of Chartered Accountants, the Canadian Bar Association.

There is nothing in the proposed charter which in any way interferes with or encroaches upon the provincial associations which have been incorporated in the different provinces, or with provincial legislation. It is the earnest desire of these women to promote the best interests of the nurses throughout Canada and to maintain and improve the ethical and professional standards of nursing education and service. The association also provides a vehicle for maintaining national unity among the members. The past record of the unincorporated association shows that they have faithfully discharged their duties.

The present membership of the unincorporated association, including members of the religious nursing sisterhoods, exceeds 24,000.

There are 169 Schools of Nursing in Canada, with a present enrolment of 12,151 students, and eleven University Schools of Nursing having a total number of 682 undergraduate students.

The members of the Canadian Nurses' Association had a splendid record of service in the last war. Some 3,040 Registered Nurses were on active service with the Royal Canadian Army Medical Corps, 280 with the Royal Canadian Navy, 450 with the Royal Canadian Air Force, and 300 volunteered for service with the South Africa Military Nursing Service, making a total of 5,070 on active service. Five hundred decorations were awarded to them.

It is the earnest desire of the association to serve the best interests of the nursing profession and to meet the needs of sick people throughout Canada.

Hon. ANTOINE J. LEGER: Honourable senators, the mover of this bill may be able to answer a few questions that I wish to ask; but if he is not ready to answer them at this time and the bill is sent to a standing committee, perhaps he will have the answers at that time.

I notice by section 6 that all the associations of the nine provinces mentioned are to form part of this association. By subsection 2 of section 11 it is proposed that all the sections of the association shall cease to exist upon the enactment of this act. Section 15 says that the sole and exclusive right to have and use any emblem and so forth, shall be vested in the association. And under section 16 the corporation created by this act is vested with all the rights and assumes all the obligations, and so forth. When I turn back to section 1 I see it refers to only the provinces of Alberta, Quebec, Ontario, British Columbia and Manitoba; there is no mention of Saskatchewan and the three Maritime Provinces. What I want to know is, have the organizations of nurses in the provinces not mentioned in section 1 been consulted? That is my first question. My second question: if so, have they agreed to this bill or this incorporation? If they have I have nothing more to say; if they have not, in view of the provisions of this bill, I think we should have their consent.

Hon. Mr. PATERSON: I am unable to give the honourable senator from L'Acadie an answer at this time, but I hope to have one for him at the hearing before the committee.

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

REFERRED TO COMMITTEE

Hon. Mr. PATERSON moved that the bill be referred to the Standing Committee on Private Bills.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, March 21, 1947.

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Hon. Mr. LAMBERT presented Bill J3, an Act respecting The Woman's Auxiliary to the Missionary Society of the Church of England in Canada.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. LAMBERT: With leave, next sitting.

MILITIA BILL

REPORT OF COMMITTEE

Hon. Mr. SINCLAIR presented and moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill 14, an Act to amend the Militia Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 6, 1947, examined this bill and now beg leave to report the same with the following amendments:

1. Page 5. For lines 36, 37 and 38 substitute the following:

"46. No unit warrant officer or man other than a unit warrant officer or man of the Active Force shall at any time appear in uniform or armed or accoutred, except"

2. Page 10, lines 6 to 13, both inclusive. Delete clause thirty-two and substitute the following:

"32. Section one hundred and thirty-nine of the said Act is amended by adding thereto the following proviso:

Provided that the Governor in Council may empower the Minister to make regulations in respect of any matter relating to the organization, discipline and efficiency of the Canadian Army for which specific provision is not made elsewhere in this Act."

The motion was agreed to.

THIRD READING

Hon. Mr. COPP: Honourable senators, with leave I would move the third reading of this bill now.

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

INSPECTION AND SALE BILL

REPORT OF COMMITTEE

Hon. Mr. SINCLAIR presented and moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill 8, an Act to amend the Inspection and Sale Act, 1938.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 19, 1947, again examined the said bill and now beg leave to again report the same with the following amendments:

1. Page 1, lines 8 and 9. Delete paragraph (a) of new clause 12A.

2. Page 1, line 10. For "any" substitute "the scutched".

3. Page 1, lines 14, 15 and 16. Delete clause 12B and substitute therefor the following:

"12B. No person shall

(a) export from Canada; or

(b) send, ship, take, bring or carry, cause to be sent, shipped, taken, brought or carried to or into any province from or out of any other province;

any flax fibre, unless it is inspected, graded, marked or designated, and labelled in accordance with the regulations made under this Part."

4. Page 2, line 2. for "proof" substitute "evidence".

5. Page 2, line 5. Delete "and without further proof thereof".

6. Page 2, lines 14 and 15. Delete "and not less than fifty dollars".

7. Page 2, line 16. Delete "such".

Hon. Mr. LEGER: Honourable senators, I understood that paragraphs (b) and (c) were to be re-lettered (a) and (b). If that amendment was read in the report I did not hear it.

Hon. Mr. SINCLAIR: The honourable gentleman is correct. Paragraph (a) is struck out, and paragraphs (b) and (c) as they stood in the bill before amendment are now re-lettered (a) and (b). That amendment is not referred to in the report.

Hon. Mr. LEGER: I suggest that the correction can be made at the Table.

Hon. Mr. SINCLAIR: I think the rule is that the Law Clerk makes such corrections when necessary.

Hon. Mr. HAIG: We agree.

Hon. Mr. COPP: Carried.

Hon W. E. FOSTER: Honourable senators, I do not wish to delay adoption of the report, but there are a few remarks that I should like to make.

When the committee previously reported this bill the honourable member from Parkdale (Hon. Mr. Murdock), in his usual vigorous and expressive way, objected to the definition of the word "export", and as a result the bill was referred back for further consideration. I am glad that the committee has seen fit to clarify the definition of the word "export" so as to bring it into line with what Canadian citizens have always understood it to mean.

It is important that we should not put any barriers in the way of interprovincial trade. I hope that all the provinces will recognize this principle so that the unity of the provinces and good will between them will at all times prevail. In the press a few days ago it was stated that the government of the

province of Quebec was considering a measure to prevent the movement out of that province of pulpwood cut on Crown lands. We in New Brunswick are particularly interested in the use of some wood which is cut in Quebec and moved from that province into ours. I am informed that in the year 1945 the pulp and paper mills of New Brunswick used approximately 500,000 cords of wood which came into the province, most of it from the province of Quebec, and a small quantity from the province of Nova Scotia and elsewhere. On the other hand, New Brunswick exported about the same quantity, and quite a considerable portion found its way into the province of Quebec. The remainder was exported to the United States. Our mills lie near the Quebec border, and our exports of wood practically balance the amount which we import. It is not always practicable for wood to be cut on lots adjacent to the mills, and the deficiency is made up by supplies from the province of Quebec.

We should promote as far as possible the interchange of commerce between the various provinces; and I hope that, before the measure to which I have referred is passed, the Government of Quebec will further consider the matter so that our mills which lie along the border will still be able to procure these supplies of pulpwood. I fear that if measures like that are adopted, the good will which should exist between the various provinces of Canada and the reciprocal arrangements for interprovincial movements of purely Canadian products may be retarded. I therefore hope, in the interests of us all, that the province of Quebec will give this subject further consideration before the measure is passed.

The Hon. the SPEAKER: Is it your pleasure to concur in the amendments to this bill?

Hon. Mr. SINCLAIR moved the adjournment of the debate.

The motion was agreed to.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Mr. COPP: Honourable members, a number of senators have casually inquired of me during the day as to what time we shall take the week-end adjournment. It might be well to establish the time now, so that all members will have this information before the trains leave this afternoon. I move that when the Senate adjourns today it stand adjourned until next Tuesday, March 25, at 8 o'clock in the evening.

Hon. Mr. HAIG: Honourable members, I am going to use the acting leader's remarks as a justification for referring to something else. I notice that the other house has decided to adjourn for the Easter recess from the 2nd to the 14th of April. As the emergency powers which are not extended will run out on the 29th of March, I wonder if it would be possible for the acting leader to give us on Tuesday next some indication of what recess we shall take for Easter. This information would be of particular benefit to members from the four western provinces and the maritime provinces because, as we all know, there is a good deal of difficulty in arranging for transportation these days. Naturally those of us who are engaged in business want to forward word that we shall be home on such and such a date. I am not afraid of the legislation before this house, and I am persuaded that it can be dealt with by Friday, March 28. There is still to come to us, however, a bill covering the supplementary supply that will be needed for April and May. I have no doubt that both houses will, as usual, pass that without any objection, and I am wondering if the acting leader can make inquiry and notify us on Tuesday when the bill will be received.

Hon. Mr. COPP: I may say to my honourable friend that I have already had a conference with the Minister of Finance in relation to interim supply, and he assured me that he would do his best to get the bill over to us before the sitting days of next week are concluded. I shall be glad to give the house any further information as soon as it comes to me.

The motion was agreed to.

MAIL CONTRACTS SUPPLEMENTAL PAYMENTS BILL

SECOND READING

Hon. A. B. COPP moved the second reading of Bill 17, an Act respecting supplemental payments on rural and land mail contracts.

He said: Honourable senators, the purpose of this bill is known to all who have followed the debate on it in the other house. It is to continue for a period of approximately one year the authority granted to the Postmaster General during and since the war to make certain supplementary payments to rural and land mail couriers. By an order in council passed in October, 1941, the government authorized the payment of a general increase of 5 per cent to all mail contractors to compensate them for their higher operating costs. Before long a good many complaints were received from different parts of the country that the increase was

insufficient, and in March, 1943, another order in council was passed, authorizing the payment of further bonuses to contractors who applied for them and satisfied the Postmaster General that the increased amounts asked for were fair and reasonable.

Between March 1, 1943, and the end of last year, bonuses were given on 4,034 contracts, increasing the total cost of these contracts by about 36 per cent. During the same period 4,164 contracts were awarded by tender, at an increased cost of 36.6 per cent. The remaining contracts were continued at the original scale set out in each contract. This bill will give the Postmaster General statutory authority to replace the authority that he has had in the past few years under order in council for paying these bonuses.

Hon. Mr. HAIG: Honourable senators, I am not objecting to the bill, but after listening to some of the debate in another place and reading the explanatory notes in the bill I am somewhat disturbed. The explanatory notes say:

It is, therefore, necessary to continue the payment of the supplemental amounts to mail contractors for the duration of their contracts.

That is all right. But the notes go on to say:

There are also contractors who although carrying on under contract rates that are not equitable, are not in receipt of a bonus, but would have been granted a bonus if they had presented their claims.

I do not like that at all. It seems to me that if any bonus is authorized it should be applied uniformly throughout. It would seem from the bill that any contractor who wants to get a bonus has to apply for it.

Hon. Mr. COPP: That is one of the provisions.

Hon. Mr. HAIG: The Postmaster General might refuse the contractor's application.

Hon. Mr. MURDOCK: "Ask and ye shall receive."

Hon. Mr. HAIG: That would seem to be the policy, and I do not like it. I think we should send the bill to a committee. The Deputy Postmaster General, who is a very able man, could appear before the committee and tell us just what the situation is.

Hon. Mr. COPP: I have no particular objection to the bill being sent to committee, but I wonder whether any good would be accomplished by that. The bill was thoroughly debated in the other house, and the point made by the honourable leader opposite (Hon. Mr. Haig) was raised there. In answer to that the

Postmaster General said that he could not very well investigate the conditions under which every mail contractor operates, but that as soon as an application for a bonus was received it would be inquired into and, if found to be justified, would be granted. My honourable friend must realize that to grant a uniform increase would be hardly fair, because conditions in some rural sections are such as to make the mail carriers' costs there much higher than in other sections. For example, in some parts of the country the carriers may have to contend with snow drifts on side roads that are not ploughed in winter. Then, the number of rural mail boxes varies in different districts.

Hon. Mr. HAIG: I will not press my suggestion for reference to a committee.

Hon. Mr. COPP: I cannot see that any good would be done by going to committee. After all, the bill would continue the authorization for only about a year, so the matter could be brought up again next session, if necessary.

Hon. Mr. LEGER: Honourable senators, if I were not so timid I would call this proposed legislation bad; but, as I am timid, I will say that it is no good. I agree with my honourable leader (Hon. Mr. Haig) that the authorization under the bill is too indefinite. I have every sympathy with people who have entered into contracts and now find themselves in difficulty. My suggestion is that we should pass a bill permitting them to surrender their contracts, and that new tenders should be called for. It seems to me that would be much better than to pass this bill authorizing the Postmaster General to pay bonuses in certain circumstances, which are not defined. A man might tender low and get a contract, and then apply to the minister for an increase.

Hon. Mr. COPP: For one year.

Hon. Mr. LEGER: The bill continues the Postmaster General's authority for one year, but there is nothing to indicate that an application will not be made next year to renew it. The principle is wrong, and we should not give effect to it for a year or a month or a day. I would be in favour of passing an act allowing the contractor to surrender his contract after certain notification. But once a contract has been awarded this parliament should not authorize any increase in the payment agreed upon.

The Hon. the SPEAKER: Honourable senators, is it your pleasure to concur in the second reading of this bill?

Some Hon. SENATORS: Carried.

Hon. Mr. LEGER: No, no.

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

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: With leave of the Senate now.

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

DIVORCE BILLS

SECOND READINGS

Hon. Mr. ASELTINE moved the second reading of the following bills:

Bill F2, an Act for the relief of Isabel Lindsay Mackay Dietz.

Bill G2, an Act for the relief of Edith Dean Michaels.

Bill H2, an Act for the relief of Maurice Michael.

Bill I2, an Act for the relief of Otto Hemlein.

Bill J2, an Act for the relief of Mary Josephine Jessop Croker.

Bill K2, an Act for the relief of Rose Lezar Nadigel.

Bill L2, an Act for the relief of Frances Clare Lynch Layton.

Bill M2, an Act for the relief of Robert Alfred Nall.

Bill N2, an Act for the relief of Juliette Adrienne Labrosse Renaud.

Bill O2, an Act for the relief of Jean Isabel Dalton Ryan.

Bill P2, an Act for the relief of Rose Elkin Steinman.

Bill Q2, an Act for the relief of Clinton Escott Vipond.

Bill R2, an Act for the relief of Alison McKinnon Palmer.

Bill S2, an Act for the relief of Ralph Wighton.

Bill T2, an Act for the relief of Claude Garcin Coffin.

Bill U2, an Act for the relief of Bea Helen Taffert Levin.

Bill V2, an Act for the relief of Elsie King Moorhouse.

Bill W2, an Act for the relief of William John Edgar McVetty.

Bill X2, an Act for the relief of Alfred John Holton.

Bill Y2, an Act for the relief of William Howell MacDonald Brown.

Bill Z2, an Act for the relief of Henrietta Elizabeth Forde Norrie.

Bill A3, an Act for the relief of Gaston Cartier.

Bill B3, an Act for the relief of Margaret Lillian McCorkell Baldwin.

Bill C3, an Act for the relief of Hilda Wylie Bannister.

Bill D3, an Act for the relief of Sarah Goldberg Cohen.

Bill E3, an Act for the relief of Esther Mary Harding Breeze.

Bill F3, an Act for the relief of Jessie MacFarlane Boyle Smith.

Bill G3, an Act for the relief of Paul Jaeggin.

Bill H3, an Act for the relief of Muriel Agnes Martin Adams.

Bill I3, an Act for the relief of Edwin Theophilus Phillips.

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

THIRD READING

The Hon. the SPEAKER: When shall the bills be read the third time?

Hon. Mr. ASELTINE: With consent of the Senate, I would move that the bills be now read a third time.

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

CANADIAN WHEAT BOARD BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Copp for the second reading of Bill 23, an act to amend the Canadian Wheat Board Act, 1935.

Hon. NORMAN P. LAMBERT: Honourable senators, in considering this bill I call to mind a memorable visit to the city of Ottawa almost exactly twenty-five years ago this month in company with a delegation of official representatives of the grain growers from western Canada, for the purpose of asking Mr. Mackenzie King's first administration to continue the life of the wheat board set up at the close of the First World War. There was stubborn resistance to the proposal in official circles at that time. Later, enabling legislation was passed here on condition that similar legislation should pass in the western provinces. But the bill introduced in the legislature of Manitoba was decisively turned down because it was held that the farmers of that province desired to look after their own affairs in their own way. When I remember these facts, and recall that out of all that negotiation there arose a movement which finally resulted in the establishment of the present wheat pool organization, I realize that water

not only flows swiftly over the dam, but often, as in the remarkable Reversible Falls near the native heath of my honourable friend from Saint John (Hon. Mr. Foster), seems to flow uphill as well.

So many aspects of this bill present themselves that one hesitates to embark on any sort of exhaustive or comprehensive discussion of it at this time. The honourable leader opposite (Hon. Mr. Haig) made some references yesterday to the historical background of the bill. There are also the social, political and economic aspects of it. It might suffice for me to say that behind the legal phraseology of this bill is a most fascinating story that extends back to the early years of this century, when the pioneer settlers of the prairie provinces—then called the territorial areas—laid foundations for what later became known as the grain growers movement of Western Canada. The honourable senator from Churchill (Hon. Mr. Crerar), who unfortunately is prevented from being in his seat at this time, could tell that story much better than I can, because he happens to be one of the few remaining figures who took part in that pioneer work.

Since the inception of the movement there have been a good many changes, both in the character of the movement itself and the nature of the commercial and co-operative marketing institutions which arose from it. Those changes have coincided, I believe, fairly closely with fundamental changes that have occurred as the result of periodical upsets in world conditions. That statement could be pretty conclusively proved if one were to take the trouble.

As I look back over a number of years in a spirit of sympathetic regard for the developments of the organized farmers' movement on the prairies, and view them, I trust, dispassionately and in fair perspective, a number of features appeal to me. In the first place, the inception and also the changes which have taken place in the movement have given evidence of a very genuine force of idealism behind the actions taken. I have been impressed also by the steady loyalty to their leaders of the rank and file of these organizations. Another comment I am bound to make is that the tendency to confuse forms and machinery with fundamental causes in relation to the problems that had to be contended with has increased rather than diminished. For example, with regard to the machinery of the marketing of grain there has been a mistaken tendency, I believe, to associate the turn of fortune or misfortune with the current system of marketing with which the organizations have had to deal.

Let me illustrate that in this way. The old Canadian Wheat Board was able to pay the producer of grain at the conclusion of the last war something like \$2.63 per bushel for his wheat. That figure, which was reached in the first crop year after the wartime prices—1919-20—seems to have left an indelible impression upon the minds of the rank and file, as well as of the officials of the organized grain growers, that high prices were associated with government handling of wheat. Conversely, when the price collapse of 1929 and 1930 occurred, it was associated with the operations of the marketing machinery at Winnipeg, and nothing would serve but that the government should step into the picture and take charge of the whole situation.

I have always felt that on that occasion those who were in charge of the western wheat producers' associations, commonly known as the wheat pools, should have insisted upon the banks carrying them through that crisis, rather than have permitted the banks to shift the responsibility to the government of this country. There were good grounds for taking that position, because the operations of the pools were based largely upon the willingness of the banks to finance the advance of \$1 per bushel on every bushel of wheat marketed through the pools, without the traditional protection, which had always been required by the banks in the handling of the grain, of using the legitimate machinery of hedging through the selling of options against purchases for future delivery. In their anxiety to handle the business of the organized farmers' movement, the banks dispensed with that proceeding long before 1929-30; and, confronted with the inexorable and inevitable forces which came to bear on the situation as the result of world-wide conditions in 1929-30, the pools were forced, or at all events were persuaded by the banks, to seek relief through government help.

When the wheat board of 1935 was set up under the present act, it was not, as the honourable senator from Central Saskatchewan (Hon. Mr. Johnston) intimated yesterday, as a result of demands from western grain farmers; because despite the guaranteed support by the government, and the handling by the government's representative, the late Mr. John I. McFarland—a very able man—wheat prices did not advance, but rather declined, during the years from 1930 to 1935. The Prime Minister of that day and the banks of the country became deeply concerned over the financial liability which was being incurred by reason of the steady accumulation of grain in Mr. McFarland's hands. He attempted to stabilize prices by buying more wheat, more

wheat and yet more wheat until, when the wheat board of 1935 was officially brought into existence, it had to assume responsibility for something like 400,000,000 bushels of unsold wheat owned by the people of this country. Most of this accumulation was liquidated with fair success during the next two years, largely as a consequence of the short crops produced in that period.

Considering this background, we find over against it today the rather striking paradox of wheat pool organizations, whose foundations and whole history are based on the principle of independent and individual initiative, identified with the demand for complete state control and direction of the marketing of grain. One may well ask: Where this confusion of ideas is leading to? Is this trend an action on the part of the organized co-operatives of the West a permanent trend? Is the trend based on a constructive or creative idea in this country's affairs and its relations to the rest of the world? Frankly, honourable senators, I do not think it is. My feeling is that the direction of things amongst the grain growers of the West today is based upon fear. My honourable colleague (Hon. Mr. Johnston) yesterday gave some indication of what that fear is, when he said that the western farmer was influenced by the thought of the depressed thirties. Well, what we still regard as the forces of enlightenment are arrayed at this very moment in a demand to set the world stage for a return to decent international relations based, for one thing, upon a positive desire for a larger measure of freedom of trade. I submit that it is a positive attitude towards the future that we should be cultivating rather than a negative attitude of fear towards the past.

Up to this moment I have dealt with the fundamental factors of this proposed legislation. I think that they represent the really important considerations. The pros and cons of the United Kingdom wheat agreement, which in the preamble of this bill is made to seem the real basis of the measure, are actually secondary in importance to the basic issue of statism that is involved in this legislation.

The Wheat Board Act of 1935 set up a permanent wheat board. That board was set up as a corporation to serve the interests of producers and was subject to arraignment by producers in the courts of the land if dissatisfaction developed. Those who have been interested in this subject will recall very definitely that a man by the name of Oatway, living in Manitoba in 1942, appealed to the courts by issuing suit against the Wheat Board for an accounting of wheat deliveries to it during the years 1939 to 1942. The case

was heard in the Province of Manitoba, where the courts held that Oatway had no right to sue the wheat board, on the ground that it was an agent of the crown. The case was eventually referred to the Supreme Court of Canada, but before judgment could be brought down an order in council was passed declaring that the wheat board definitely was an agent of the crown. Therefore, the final judgment on this matter has not yet been brought down. It is interesting to note that this court action was co-incidental with a case that had been tried before the Privy Council involving exactly the same issue. That was a case between the Canadian Broadcasting Corporation and Gooderham and Worts, and the Privy Council declared that Gooderham and Worts were quite competent to sue the Canadian Broadcasting Corporation at that time.

Whether or not that decision was in any way responsible for the passing of the order in council declaring the wheat board an agency of the Crown, I do not know; but, at any rate, it had the effect of giving absolute power to the wheat board in the marketing of grain at that time. In reality, Bill 23 confirms that order in council. It is my desire to emphasize that feature of the legislation, because when section 2 of the first part of the bill is linked with part II of the bill, I think it will be realized that the real issue at stake in this legislation is not so much the confirmation of the United Kingdom wheat agreement as the permanent establishment for all time under a complete totalitarian technique of grain marketing machinery for this country.

Due to the fact that at least doubt exists about the character of part II of this bill, I think there is every reason for referring the bill to the appropriate committee for analysis and amendment. My support of this bill on third reading depends entirely upon the outcome of amendments that might be suggested in committee.

There are two further points that I should like to mention before I conclude. The first is the question of the future of the wheat agreement. As has been stated, an international wheat conference is at present being held in London, England. That conference is to deal with the whole question of an international wheat agreement. The *Montreal Gazette* of March 19 announced on its front page the opening of that conference with these headlines:

Wheat Parley Opens Amidst Soaring Prices. Delegates from 40 countries expect "tough sledding" at London Conference.

Hon. Mr. LAMBERT.

The press dispatch goes on to state how current world prices compare with the fixed prices that have been made the basis of the United Kingdom wheat agreement between Canada and Great Britain.

It is only fair to say that good grounds exist for the assumption that representatives of the organized wheat marketing interests in Western Canada undertook to support such an agreement—or, to put it another way, made the demand for such an agreement and were willing to support it—on the condition that the price of \$1.55 as a maximum and \$1.25 as a minimum would be the basis of an international wheat agreement.

In his speech on the address in reply to the Speech from the Throne my honourable friend from Central Saskatchewan (Hon. Mr. Johnston) said that at the meeting of the International Wheat Committee, in Washington, it was indicated that the Canadian prices which had been set in connection with that agreement might at least be a basis for agreement at the conference that is now taking place in London. I think it is also a fair assumption that those prices will not be acceptable to countries which are not parties to the agreement today, and which are receiving for their wheat from \$1 to \$1.50 per bushel more than our producers.

My other point is that neither the Argentine Republic nor Russia is represented at that conference. If this conference should dissolve without accomplishing anything, the Canadian representatives, most of whom are officially connected with the wheat pool organization of western Canada, will return with some ground, I think, for demanding a higher price for wheat when the time arrives for renegotiation at the end of the crop year 1947, unless between now and then an overwhelming production of wheat in the world materializes to bring the price somewhere near the level of the present United Kingdom Agreement prices. Prevailing conditions at the end of 1947 will have a great effect on the outcome, but with present world conditions, and production of this valuable cereal being limited largely to this continent and South America, prices should not be substantially lower than they are today. One of my criticisms of the wheat agreement is that it speculates over too long a period. Having made that criticism of the agreement, I must not indulge in speculation as to the probable course of wheat prices. At any rate, when the Canadian representatives at the conference cannot establish \$1.55 and \$1.25 as the basis for the wheat agreement, we may be released to a considerable extent from any obligation to support the United Kingdom agreement.

A further point is that another international conference now taking place at Geneva, is trying to arrange world trade on the level of a multilateral rather than a bilateral basis.

All honourable senators were impressed by the pertinent remarks made yesterday by the honourable senator from Queen's (Hon. Mr. Sinclair) upon another subject. The honourable gentleman said that we should not pass any legislation that might prejudice the deliberations of the delegates at the Geneva conference. I submit that this bill proposing, on the basis of an agreement with the United Kingdom, to establish an arrangement for five years, is certainly calculated to prejudice the diplomatic interests at stake at the Geneva conference. If the principle applies in one case, it should apply in another. I make that comparison with the knowledge that I am trespassing somewhat on the rules of the house.

In conclusion, I emphasize the hope that the honourable acting leader of the house (Hon. Mr. Copp), who is sponsoring the bill, will have it referred to an appropriate committee whose membership comprises senators most representative of, and most competent to deal with, the subject before us.

Some Hon. SENATORS: Hear, hear.

Hon. R. B. HORNER: Honourable senators, I have been a wheat grower for almost forty years, in perhaps one of the difficult parts of western Canada. Almost half of the land had to be cleared of bush, and some required the removal of stone. My object in speaking today is to reply to the rather strange argument put forth by the honourable member who explained the bill (Hon. Mr. Johnston), to the effect that the farmers were all so wealthy that any more money would be very bad for them. The honourable gentleman appeared to suggest that a fund should be set up for the farmers, as is done for Indians, and doled out at times when they were in need of assistance. He might have used as an argument that passage in the Good Book to the effect that it is hard for a rich man to enter into the kingdom of heaven. However, I never heard until yesterday that it was particularly hard for a farmer to enter there.

While money may not be very good for some people, I maintain there are farmers who can handle it as well as any other classes. We hear no denunciation of the International Nickel Company, the Aluminum Company of Canada, or large firms in the meat packing or paper industry. In spite of over-expansion on the part of these industrial concerns we hear not a word of criticism about them; and we are told that their heads are great men, capable of earning unlimited salaries.

I maintain that because the farmer has a little money for expansion he should not be classified as a dangerous man. He is progressive, and if he can manage a large farm he should be allowed to do so. Of course, there are those whose nature is better suited to small farming operations. At any rate, the argument that the farmer might have too much money is a very strange one.

May I throw a little light on the history of the development of the country from which I come? There was no land under cultivation when I went there; but today railway lines such as Big River, Leoville Line, and Meadow Lake have opened up the country. The Laird line and the Wakaw Railway have gone through in my time. In eastern Canada the young man who goes into farming operations usually moves into a stone house and has a stone barn, with lots of improvements, built by his grandfather. Those who chose to go West when I did were young lads without any money. The development of their farms started with the stringing of the first bit of wire. It is twenty-nine years since the end of the first World War, and surely farmers are entitled to make some progress in that time. I would like the honourable senator from Central Saskatchewan (Hon. Mr. Johnston) to tell me how many of the farmers in the whole of his district live in really modern homes, how many have painted their buildings in the last few years, how many have the modern plumbing to which people are entitled.

Hon. Mr. JOHNSTON: Is my honourable friend asking a question?

Hon. Mr. HORNER: Yes.

Hon. Mr. JOHNSTON: There are not so many living in what in these days we term modern homes. The point I was making in my speech, if my honourable friend will recall, was that farmers are paying off their mortgages.

Hon. Mr. HORNER: I admit that; and why should they not, during twenty-seven years of hard work?

Hon. Mr. JOHNSTON: They have been doing most of it in the last five years.

Hon. Mr. HORNER: I do not agree. I can tell the honourable senator of people, some of whom bought land from me, who have continued year after year to wear down their obligations.

A word as to grain prices. The honourable senator from Central Saskatchewan stated that in 1932 and 1933 wheat was sold for nineteen cents a bushel. Hearing that statement, a good many people who do not under-

stand the market in Western Canada would form a wrong opinion. I believe it is true that the price of wheat fell one day to nineteen cents; but the fact is that progressive farmers, men with some knowledge of world conditions, sold their wheat that very year for seventy cents, or at least sixty cents. I recall that in 1907 the elevators were refusing to take grain because they had not the money to buy it; and I am ashamed to say that I bought 200 bushels at ten cents a bushel, while the producer paid eleven cents a bushel to have it threshed. Of course there was then a temporary financial crisis.

If, imitating the honourable senator from Central Saskatchewan, I were to make a political reference, I might point out there was a time when the party which he supports held that the whole of the West was no good, that it would never pay for the axle grease which went on the wheels of the companies who built the railroads out there. Admittedly we farm in a country where there are plenty of hazards. But men whose knowledge can be relied upon, who have made a thorough study of the subject, say that there has never been a world surplus of wheat. Always the surplus has been absorbed in a few years. Other countries, like our own, do not always have a crop. The honourable senator from Ottawa (Hon. Mr. Lambert) mentioned that the late Mr. McFarland built up a large surplus. What became of it? In the summer of 1937 unfavourable reports were going around, and as I travelled across the country I saw that there would be no crop. At three o'clock in the morning, in the neighbourhood of Calgary, I was looking at fields of wheat six inches high, and burnt. I do not believe anybody arrived at a closer estimate than I did in travelling west from Winnipeg; and on the strength of my conclusions I wrote to the press, begging the government not to give away our wheat, because all of it could be sold at \$1.50 a bushel. They were boasting of having sold 100,000,000 bushels at seventy cents. Shortly afterwards the price of wheat rose to \$1.55. The entire surplus built up by McFarland could have been sold at a profitable price, every bushel of it.

I, like some other senators, have had a good deal of experience in wheat growing and marketing, and on this account honourable senators may bear with me if I add a few personal references. Before the pool came into being we had in Saskatchewan a co-operative elevator company. A delegate from each elevator district attended the annual meeting to hear the reports and, as they told us, to run the elevators. In the particular year I have in mind I was chosen as a delegate

to attend the meeting, which, as I recall, was held in the basement of the First Baptist Church at Regina. The year before the organization had given one of their officials a limited credit—I do not know how many thousand dollars—to deal for the co-operative elevator company on the Grain Exchange, and he had made a few thousand dollars for the company. At the meeting which I attended it appeared that they had advanced him considerably more credit, but he had lost at least \$995,000. Yet in the directors' report the delegates were assured that "your directors have conducted the business of your company on a sound business basis, in true conformity with co-operative principles."

But I did not believe that the manner in which the company was being conducted conformed at all to co-operative principles. The man who took all his grain to the company, and the man who obtained half a cent a bushel more, or a grade better, from another elevator, received a share of the profit on the handling of my grain. So when the report was presented I rose and moved that this line be deleted. I said I thought that the company had been conducted on a sound business basis, but not in conformity with true co-operative principles. One of the delegates who knew something about co-operatives and how they should be run, supported the suggestion that this phrase be deleted. That same day I moved that that co-operative elevator company be sold to the pool, and after a very strong fight the motion was carried. So our co-operative elevator system was sold to the pool, and I have never to this day regretted the transaction. It was of great benefit to the farmers of Western Canada.

I am not opposed to the bill, but my objection is that we are not getting an adequate price for our grain. Consider the cost of production. Second-hand tractors are selling from \$500 to \$1,000 more than they cost when new. I have personal knowledge of tractors four years old which have been sold for \$500 more than the price of a new machine. Every repair part that the farmer needs, and almost every other article he requires, has increased in price. The fact is that the farmer has not enough money to improve his buildings and his home; and in the light of the high wages and high costs which prevail today I doubt whether \$2 a bushel will not be regarded as a reasonable price for grain in the future.

Grain growing in the West is subject to serious hazards. In almost every month of last year there was frost in the West; and our situation now is such that we must summer-fallow every other year. You plough and

cultivate and summer-fallow, and your land is idle; you seed it next year. In many cases the result is no more than ten bushels an acre of very low-grade wheat, either No. 3 or No. 4. How can the farmer pay his taxes and other outgoings on a yield of ten or even fifteen bushels? Meanwhile taxes are increasing; they rose approximately \$10 per quarter section last year. Remember that the price quoted for wheat is for No. 1 basis Fort William, and if there is a large crop of low-grade wheat the average price may be very much lower. If there is not too much low-grade wheat it is more easily disposed of and the spread may not be so great. What does it represent, after all, as a return for two years' work on the land?

Honourable senators, I have spoken on some matters of which I happen to have particular knowledge, and I thought my remarks might be of interest to some honourable members.

Hon. Mr. PATERSON: May I ask the honourable senator whether, with a restricted price of \$1.35 for wheat and an open market price of \$3.20 for rye, he anticipates a reduction of wheat acreage and an increase in rye?

Hon. Mr. HORNER: That has taken place already.

Hon. Mr. PATERSON: To what extent?

Hon. Mr. HORNER: I should say that it is pretty difficult to estimate, but it is certainly taking place.

Hon. W. M. ASELTINE: Honourable senators, the question of marketing wheat and getting the best price for it has always been a very serious problem, not only for the farmers of Western Canada and the government, but also for the people of Canada as a whole.

I have listened with great interest to the speeches that have already been made, but it is my intention to deal with a different angle of the question. I am no more satisfied with the price that exists than is the honourable senator from Blaine Lake (Hon. Mr. Horner). In the first place I should like to say that the question before the Senate now is not one as to whether or not we should have a wheat board. We have had a wheat board ever since 1935, and we are told that we had one as early as at the end of the last war. Both of these boards have done good jobs. However, I have come in contact with three different views among farmers. You will find one farmer is in favour of the Canadian Wheat Board having complete control over the marketing and sale of wheat. Another does not

like that kind of board at all, but prefers to have the wheat board working with the grain exchange or the open market. Yet another wants to have all restrictions removed, and to be allowed to sell and dispose of his grain on the open market as he sees fit.

I am reminded of a story that was told me about a farmer a short time ago. It was just before the Canadian Wheat Board took over the absolute control of wheat. This particular farmer, having some trouble with his head, he went to a doctor. After an examination the doctor suggested that the farmer had brain trouble, and that he leave his brain at the doctor's office to be checked over. The farmer said that that was satisfactory to him, so the doctor took the brain and put it in a case, and the farmer went off about his business. Several days went by and the farmer did not return. Then one day the doctor met him on the street, and he said to him: "John, why didn't you come back for your brain? I have examined it and I think I know now what is wrong with you." The farmer replied: "Since I saw you last the wheat board has taken over the complete marketing of wheat, and I decided that I don't need my brain any more."

Some Hon. SENATORS: Oh oh.

Hon. Mr. ASELTINE: I find it impossible to agree with all the remarks made by the member for Central Saskatchewan (Hon. Mr. Johnston) or his colleague beside him (Hon. A. L. Beaubien), and I have certain suggestions to make in regard to the amendment of the bill that is before us.

In view of the fact that I am going to have considerable to say about the price that is being paid for wheat, and also in view of the fact that subsection (e) of section 1 of the bill defines grain as including wheat, oats, barley, rye and flaxseed, I propose to place on the record the average Winnipeg cash closing prices of wheat, oats and barley, and the Canadian Wheat Board's fixed prices where applicable, based on wheat in store at Fort William and Port Arthur from the crop years 1909-10 to 1945-46. I believe that with these prices before them honourable senators will have a much better chance of realizing exactly what the situation is, and be able to appreciate how the farmers are being cheated out of a great deal of the money they are entitled to for this wheat. If honourable members are agreeable, I shall not read these prices but I ask to have them placed on *Hansard*.

(See appendix at end of today's report).

My honourable friend from Central Saskatchewan (Hon. Mr. Johnston) stated yesterday—or if he did not say it he indicated it—that when the Wartime Prices and Trade Board was set up wheat was at the very low price of around 74 to 76 cents a bushel. That was the prices which prevailed at that time. A continued ceiling at that price would have meant bankruptcy for the farmer, because the price was considerably below the cost of production. The mere fact that the Wartime Prices and Trade Board established a ceiling price at that time is one of the reasons we have had so much difficulty.

It was not until 1943 and subsequent years that the farmer received anything like a fair price for his wheat. As was stated yesterday, the price went up from 74 or 76 to 90 cents, and, in 1944, to \$1.23; in 1945 to \$1.25; and 1946, to \$1.35. Honourable senators should bear in mind that these prices are all f.o.b. Fort William or Port Arthur or Vancouver, B.C. The farmer does not get all that money. For example, in my district in Saskatchewan, if I sell wheat I receive only the price f.o.b. Fort William less 18 cents for freight and handling charges. That means, if wheat is \$1.35 per bushel for No. 1 Northern f.o.b. Fort William, I receive \$1.17 or \$1.18.

If I sell No. 2 Northern I get \$1.14 or \$1.15, and for No. 3 Northern I get three or four cents less than that.

Throughout my argument when dealing with prices I am referring to prices f.o.b. Fort William, but they are not the prices the farmer gets. A farmer in the province of Manitoba, where my honourable friend the leader on this side (Hon. Mr. Haig) lives, would receive more, because the freight rate is seven or eight cents a bushel less. That is to say, he would receive seven or eight cents more for his wheat than I would for mine.

Hon. Mr. BUCHANAN: And my honourable friend from Rosetown (Hon. Mr. Aseeltine) would receive more than we in our province.

Hon. Mr. ASELTINE: Yes, we would get more than you in Alberta. Well, we certainly need it.

When I stated that the price of wheat had gone up to \$1.35 a bushel, I did not mean that the wheat board was not selling it for more than that. For some considerable time the board has been selling wheat to Britain and other countries for \$1.55 a bushel, but the farmer does not get \$1.55, less 18 cents for freight and elevator charges. He gets \$1.35, and 20 cents per bushel is kept by the wheat board, to be distributed, I presume, at the

end of the five-year period. After expenses have been deducted the farmer will receive whatever profit is shown on what we call his wheat producers certificates.

My chief objection, honourable senators, to this whole matter has been the manipulation of prices. In my opinion it can neither be justified nor explained. People in this part of the country can scarcely understand exactly what has been going on. It is difficult enough for us, who are dealing in wheat almost daily, to understand the set-up.

The Canadian Wheat Board still sells wheat to the millers of Canada for 77½ cents a bushel. For a long time the board paid the farmer for that wheat at \$1.25 a bushel. For any wheat used domestically the farmer drew \$1.25 a bushel and the government made up the difference by way of a subsidy. That accounts for two prices. During a good deal of this time the board was exporting wheat at \$1.55. That represents a third price. Wheat is still being sold to the millers at 77½ cents but the price to the farmer for such wheat is \$1.35 a bushel and the difference is being made up by way of a dominion subsidy. There is still another price that has been prevailing for some time—the world price. Just how the poor farmer can understand all those prices, I do not know.

We heard in this house recently that the world price has been running close to the \$3 mark.

Hon. Mr. SINCLAIR: At what point is that price prevailing?

Hon. Mr. ASELTINE: That would be f.o.b. Fort William, on exports to any country in the world except Great Britain.

This jockeying of prices has been very confusing. I do not know whether the responsibility belongs to the wheat board, the Department of Trade and Commerce, or the Department of Agriculture, or whose it is. I should think that the board would take its instruction from governmental departments.

I should like to deal as briefly as I can with the losses the farmers have suffered during the past four years by reason of not being permitted to sell their grain on the open market. The loss for the 1943-44 crop was 136 million dollars; 1944-45 crop, 147 million dollars; 1945-46 crop, 126 million dollars; and for the 1946-47 crop—from August 1, 1946, to the date of the compilation of these figures in February, 1947—126 million dollars. The loss will be greater as the marketing continues, because the world price now is higher than it has been.

Hon. Mr. FOSTER: The farmers must be nearly bankrupt by now.

Hon. Mr. ASELTINE: The total loss for the four years' crop is 535 million dollars. Honourable senators, it would not take a great deal of mathematical ability to compute how much money the farmers will lose if that continues during the lifetime of this wheat agreement with Britain. And they will never get it back. I emphasize that none of this loss will be repaid to the farmers at the end of five years.

Hon. Mr. SINCLAIR: How were those amounts computed?

Hon. Mr. ASELTINE: I took the figures from the Searle Index.

Hon. Mr. SINCLAIR: The honourable gentleman misunderstood my question.

Hon. Mr. ASELTINE: They were computed at Winnipeg.

Hon. Mr. SINCLAIR: What comparison is made?

Hon. Mr. ASELTINE: It is the amount the farmer has been receiving compared with the prices on the open market. I wish to be clearly understood that the loss is only on the wheat that has been sold to Great Britain and other nations at \$1.55, and the loss to the farmer on wheat for domestic consumption sold to the millers of Canada at 77½ cents during that period.

Hon. Mr. LAMBERT: Does my honourable friend suggest that the farmers have been losing the difference between 77½ cents and \$1.25?

Hon. Mr. ASELTINE: No. I dealt with that question when my friend was out of the chamber.

Hon. Mr. HAIG: A subsidy is given to cover that amount.

Hon. Mr. ASELTINE: I refer to the loss sustained on the amount actually received—whether \$1.25 or \$1.35 a bushel—as compared with what would have been obtained had the grain been sold on the open market.

Some reference was made here yesterday to the vote that was taken on this question in another place. It was stated that only some seven votes were cast against the bill when it was finally passed. I draw to the attention of honourable senators the fact that certain amendments to the bill were proposed, and when a vote was taken they were defeated by a small majority. On the final vote only seven or eight members voted against the bill. Of course, when the amendments were refused the other house could do nothing but pass the bill, because Canada must honour her agree-

ment with Great Britain. The agreement has been made, and we are going to deliver the wheat.

The chief objection by members in another place and honourable senators on this side of the house is that the agreement is improvident and unnecessarily penalizes the farmers to the extent that I have mentioned. The farmer is the person who loses through this agreement; and if we are to help Great Britain, as we all appear to want to do, the people of the whole Dominion of Canada, not farmers alone, should do the helping out. I suggest that there should be legislation whereby the farmers who have sold their wheat at this sacrifice price in order to help Great Britain should be reimbursed.

Hon. Mr. BUCHANAN: So far as the honourable senator knows, are the farmers' organizations and the pools in favour of the agreement?

Hon. Mr. ASELTINE: I am not able to answer that question definitely. I understand the terms of the agreement were worked out by some of the pool officials and the department at Ottawa, and that is how it came into being. But it is not to say that the people of the West are in favour of this foolish agreement, merely because officials of the wheat pool—an organization which has not purchased wheat for years—helped to make it.

Hon. Mr. SINCLAIR: Does the pool itself sustain the action of its officers?

Hon. Mr. ASELTINE: As I have said, the pool has not bought any wheat for some years.

Hon. Mr. SINCLAIR: But it is still in existence.

Hon. Mr. ASELTINE: The pool exists practically only as an elevator agency. As the honourable senator from Blaine Lake (Hon. Mr. Horner) said, the wheat pool took over the co-operative elevator system and organized the Saskatchewan wheat pool elevators, the Manitoba pool elevators, and the Alberta pool elevators. They are all subsidiaries of the western pools. They have been carrying on in that way ever since they got into trouble and had to be financed by their respective provincial governments.

Hon. Mr. ROEBUCK: May I ask a question? I know very little about this agreement. As I understand it the proposition of the honourable senator from Rosetown (Hon. Mr. Aseltine) is that if the farmer loses money as a result of this agreement the national treasury should reimburse him.

Hon. Mr. ASELTINE: That is what I am suggesting.

Hon. Mr. ROEBUCK: The question I wish to ask is, if the farmer makes money out of this agreement, as a consequence of the price going down in future years, would you suggest that the farmer contribute to the national treasury accordingly?

Hon. Mr. ASELTINE: That loss of which I have given particulars has already occurred.

Hon. Mr. KINLEY: The pools are still in business.

Hon. Mr. ROEBUCK: In future years the farmer may gain by this agreement. Would the honourable senator propose that his gains be made over to the national treasury?

Hon. Mr. ASELTINE: I do not see how that is possible.

Hon. Mr. ROEBUCK: So, as I understand the honourable gentleman, he suggests that the losses be assumed by the state, and the gains, or possible gains, retained by the farmer.

Hon. Mr. ASELTINE: Perhaps the honourable member from Toronto does not understand.

Hon. Mr. ROEBUCK: No, I do not understand.

Hon. Mr. ASELTINE: Perhaps I should have said that at the end of this five-year period, if the marketing operation is successful, a payment will be made to the farmer who has delivered wheat on the wheat producer certificate which he receives each time he markets a bushel of wheat. But that will cover profits only on sales to countries other than Great Britain, because the contract with Britain has been so drawn that there can be neither gain nor loss from that.

Nothing has been said here about the views of that great Liberal newspaper, the *Winnipeg Free Press*. I was astonished that the honourable senator from St. Jean Baptiste (Hon. Mr. Beaubien) and the honourable senator from Central Saskatchewan (Hon. Mr. Johnston) have not mentioned this wonderful newspaper.

Hon. Mr. JOHNSTON: We would rather talk about the Saskatoon *Star-Phoenix*.

Hon. Mr. ASELTINE: The *Winnipeg Free Press* and some of the other newspapers mentioned by the sponsor of this bill have adopted a very antagonistic attitude to this agreement with Great Britain. They say it is inequitable, it is robbing the farmer, and it should never have been entered into.

Hon. A. L. BEAUBIEN: But, after all, that is only the editor's opinion. He has no more right to his opinion than I have to mine, or you have to yours.

Hon. Mr. HAIG: He is influential with the Liberal party, though.

Hon. Mr. ASELTINE: The *Free Press* is a very strong Liberal paper and expresses the views and opinions of the Liberal party in Western Canada. In fact, it is the most powerful newspaper published west of Fort William.

Hon. Mr. COPP: Does the honourable senator agree with its views on the question of the agreement?

Hon. Mr. ASELTINE: Naturally I agree one hundred per cent with the *Winnipeg Free Press* as to this agreement with Great Britain, because every time I sell a bushel of wheat to Britain—that is, a bushel of wheat which I have delivered—I lose \$1.30.

An Hon. SENATOR: Too bad!

Hon. Mr. COPP: I will make a contribution, any time.

Hon. Mr. ASELTINE: I wish now to come to a consideration of the act itself. I have some suggestions to make, and some criticisms to offer. I will try not to take up any more time than is necessary.

The bill fixes definitely, positively and unalterably the methods of handling wheat and prices up to 1950, and these methods cannot possibly be changed in any manner whatsoever except by an act of parliament. Would it not be better to change section 29 by inserting, on line 10, after "the first day of August":

nineteen hundred and forty-eight, but which period may be continued until 1950 by order in council.

That would mean that things as they are would continue until that time, and if the government saw fit, for sufficient reasons it could be continued until the expiration of the five-year period. My reason for making this suggestion is that no one knows what is going to happen between now and 1950. As was said by the honourable senator from Ottawa (Hon. Mr. Lambert), five years is a long time to look ahead and try to envisage what may happen. The price of wheat may be up, or it may be down. The wheat board may find that conditions have become so complicated that it cannot carry on, and prefer the adoption of some other method. But, with the provisions of the bill as they are, it would be

absolutely impossible to make any change by order in council or otherwise than by act of parliament.

Hon. Mr. HOWDEN: Was there a definite undertaking or bargain with Great Britain for the matter of four years?

Hon. Mr. ASELTINE: I am coming to that.

By section 21, in Part III of the bill, the farmer is guaranteed a price of \$1.35 per bushel until 1950, no matter what wheat sells for. That, at any rate, is the meaning I take from the section. I think that the government, in making that promise, probably did not use very good judgment. Nevertheless, with wheat selling now at around \$3 per bushel, it is quite likely that they can continue to pay the pool \$1.35, and perhaps much more. I suggest an amendment, to read this way:

The price shall be at least \$1.35 per bushel, or such other higher price as the government by order in council may see fit from time to time to establish.

That would enable the farmer, without waiting the entire five-year period, to participate in an increase of the price of wheat, such as we have at the present moment.

Hon. Mr. SINCLAIR: In other words, the honourable senator would make the pool period one year instead of five?

Hon. Mr. ASELTINE: I am coming to that also. I am not satisfied to wait the full five years for my participation dividends, on the 1944-45 and 1945-46 crops, at any rate.

Hon. Mr. SINCLAIR: This bill does not affect the 1944-45 crop.

Hon. Mr. ASELTINE: Yes it does. In the other house an amendment was offered as to that, but was turned down because the government did not see fit to accept it.

Hon. Mr. SINCLAIR: The amendment which the honourable gentleman has in mind referred to the 1945-46 crop.

Hon. Mr. ASELTINE: By order-in-council it could be provided that the participation payments be made yearly instead of only at the end of five years.

What I was going to say before I was interrupted was, that day by day farmers are becoming more dissatisfied with the provision of the bill, and many of them take violent opposition to the wheat board retaining the profit and not making any distribution on the producers certificates until 1950. In my opinion the bill should be amended so as to give the wheat board the right to make an annual participation payment if so desired. Otherwise,

the board's hands are tied and nothing can be done without parliament sitting and amending the legislation.

I next come to the penalty sections which in the first bill were very severe. Subsections 4 and 5 of section 34 of the bill as originally drawn and submitted in another place were stricken out. Nevertheless, a permit holder can still have his permit book seized and retained for a fifteen-day period, and if prosecution is taken against him the permit book can be withheld for longer than that. In the case of a prosecution the permit book can be retained until the trial is over, or until any appeal resulting from the decision of the trial judge has been heard. That might be for a period of weeks, months, or in some cases even a year. This would prove to be a severe penalty imposed on any farmer, because he would be unable to sell wheat during that period; yet he may have been quite innocent and not have had any intention whatever of making a breach of the complicated provisions of this bill.

I had intended to deal with the question of the value of the dollar and what the farmer can buy for it now, as compared with what he could buy with it in 1939; to suggest that perhaps there might be inflation between now and 1950 and that the money that the farmer will get on his producers certificates in 1950 might not buy as much as he can get for his money at present, and so on; but I shall not go into that now.

Hon. Mrs. FALLIS: Will the honourable senator tell us the approximate difference between the cost of producing a bushel of wheat in 1939 and in 1945-46.

Hon. Mr. ASELTINE: There are a great many factors which enter into that. For instance, if I were to grow only ten bushels to the acre, each bushel would cost me a great deal to produce.

Hon. Mrs. FALLIS: I ask that because of the difference between the prevailing price in those two years, as shown by the table which is being placed on *Hansard*. I feel that it is not really possible to compare the prices that we receive for wheat unless some idea is given of what it cost to produce a bushel of wheat in the years that are being compared.

Some Hon. SENATORS: Hear, hear.

Hon. Mrs. FALLIS: I should like to know if there is not some way by which we could get a supplement showing production costs as well as the prices received for wheat.

Hon. Mr. ASELTINE: It all depends on the method of farming used and the size of the economic unit being farmed. A farmer

who cultivates two sections of land and uses big machinery will produce much more cheaply than a farmer on a quarter-section who uses horses.

Hon. Mr. BENCH: There must be some statistical average given somewhere.

Hon. Mr. LAMBERT: May I ask the honourable senator (Hon. Mr. Aseltine) if he would not agree with me when I say that there have never been any authoritative figures given on the cost of wheat, because of the varying yields, due to natural conditions and other varying factors.

Hon. Mr. ASELTINE: I think the honourable senator from Ottawa (Hon. Mr. Lambert) is correct. I have seen lots of figures, but I have always been able to find defects and faults with them. I know of none that have not been subject to dispute.

I have dealt with the various points that I intended to discuss, and I would suggest to the honourable leader of the house that the bill go to the Standing Committee on Banking and Commerce, because that is a large committee and it has to do with matters of finance and trade and commerce.

Hon. Mr. HAIG: Before my honourable friend sits down, may I point out that the honourable senator from Queen's (Hon. Mr. Sinclair) asked him a question which I do not think was understood or properly answered.

My honourable friend from Rosetown (Hon. Mr. Aseltine) was dealing with the question of the basic price for wheat being \$1.35 a bushel. He suggested that if in coming years the price of wheat sold to countries other than Britain continued to be higher than the price under the agreement, the advance payment should be higher than \$1.35.

Hon. Mr. ASELTINE: Or that at least a payment could be made to the farmer on his producers certificate at the end of each crop year.

Hon. Mr. HAIG: If we got \$2.50 a bushel there would be a great deal of money in the pool, and therefore the basic price could be raised from \$1.35 to \$1.50 or \$1.55. Then there is also the final payment, which is another matter.

Hon. Mr. SINCLAIR: That would destroy the five-year stabilization principle behind the whole bill.

Hon. Mr. HAIG: I do not think so.

Hon. Mr. PATERSON: May I ask the honourable senator from Rosetown (Hon. Mr. Aseltine) if he had in mind limiting the period of this act to the definite-price period in the contract with Great Britain? I have not read

the contract very carefully,—but I understand from what has been said here that it is for a two-year period, and that then it is to be re-negotiated.

Hon. Mr. ASELTINE: My idea was to limit this to the definite-price period and then have the whole thing gone into again and re-negotiated.

Hon. Mr. McLEAN: Honourable senators, I am desirous of speaking on this subject, but am not prepared to do so this afternoon. I should like now to move the adjournment of the debate until Tuesday next.

The motion was agreed to.

PRIVATE BILL SECOND READING

Hon. J. J. BENCH moved the second reading of Bill E2, an act respecting Guaranty Trust Company of Canada.

Hon. Mr. FOSTER: Will the honourable gentleman please explain the bill?

Hon. Mr. BENCH: Honourable senators, I hope I may find agreement with the suggestion, which I respectfully make, that the principle involved in this bill is a simple one.

The Guaranty Trust Company, as honourable senators may know, is one of the smaller but rather progressive trust companies and operates at present out of the city of Windsor, where its head office is located.

Hon. Mr. ASELTINE: Does it attend to the administration of estates of deceased persons, and that kind of business?

Hon. Mr. BENCH: Yes, it has to do with business of a general nature applying to trust companies.

The company was incorporated by an act of this parliament in the year 1925, by which statute its capital was authorized at \$500,000 and its head office determined as being located in the city of Windsor. The purpose of this bill is to effect two simple amendments to the act of incorporation. The first is to authorize an increase of capital from \$500,000 to \$1,000,000; and the second, to remove the head office from the city of Windsor to the city of Toronto.

Hon. Mr. BUCHANAN: Why do that?

Hon. Mr. BENCH: I am not overly sympathetic with the practice of centralizing all these financial institutions in Toronto, any more than is my honourable friend from Lethbridge (Hon. Mr. Buchanan). But I assume that the shareholders and others interested in the company find it better, from an administrative standpoint, to have the head office in Toronto.

While I have no specific information on it, I understand the additional capital is required for the purposes of the company. According to newspaper reports of a day or two ago it is proposed that the Guaranty Trust Company should acquire the assets and undertakings of the Capital Trust Company, which I believe also has a very good record as one of the smaller trust companies.

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

REFERRED TO COMMITTEE

Hon. Mr. BENCH moved the third reading of the bill.

Hon. Mr. COPP: Honourable senators, I have no objection to the bill receiving third reading this afternoon, but I wondered if Parliamentary Counsel has been given an opportunity to consider whether its phraseology is proper in every detail.

Hon. Mr. BENCH: I am unable to say that he has. In those circumstances I am quite agreeable that the bill should stand over for third reading at the next sitting.

Hon. Mr. LEGER: In my opinion the bill should be referred to either the Standing Committee on Miscellaneous Private Bills or the Standing Committee on Banking and Commerce. Then if anyone has an objection he can appear before the committee and state it. As stated, newspaper reports have been to the effect that the Guaranty Trust Company is acquiring the Capital Trust Company. The location of the head office should be settled by the shareholders and directors of both companies. I know the city of Ottawa is reluctant to lose the head office of the Capital Trust Company.

Hon. Mr. BENCH: I am grateful for the suggestion from the honourable senator from L'Acadie (Hon. Mr. Leger), and I have no objection to the bill being referred to committee. I would therefore withdraw my motion for third reading and move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

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

APPENDIX

Average Winnipeg Cash Closing Prices of Wheat, Oats and Barley (C.W.B. Fixed Prices Where Applicable) ¹

Basis in Store Fort William—Port Arthur

Crop Years	No. 1 Northern Wheat	No. 2 C.W. Oats	No. 1 Feed Barley	Crop Years	No. 1 Northern Wheat	No. 2 C.W. Oats	No. 1 Feed Barley
1909-10	100.6	....	....	1928-29	124.0	58.8	71.5
1910-11	95.0	....	....	1929-30	124.4	58.8	56.6
1911-12	100.1	....	....	1930-31	64.2	29.9	28.4
1912-13	90.4	....	....	1931-32	59.9	31.4	37.4
1913-14	87.5	35.3	45.9	1932-33	54.3	26.4	32.2
1914-15	132.9	57.0	69.8	1933-34	68.0	33.9	39.0
1915-16	110.9	43.6	64.0	1934-35	81.8	42.8	48.2
1916-17	197.2	61.9	106.0	1935-36	84.6	34.6	36.0
1917-18	222.6	81.8	137.8	1936-37	122.6	53.0	70.8
1918-19	224.2	78.9	107.1	1937-38	131.5	50.4	57.6
1919-20	215.5	99.3	161.8	1938-39	62.0	29.0	36.0
1920-21	207.3	58.4	95.1	1939-40	76.5	35.6	42.5
1921-22	134.4	47.9	63.5	1940-41	74.0	34.8	44.0
1922-23	110.9	47.4	54.7	1941-42	76.7	49.1	59.8
1923-24	104.5	40.9	60.6	1942-43	94.7	49.2	59.8
1924-25	168.5	59.6	88.0	1943-44	123.3	51.5	64.8
1925-26	151.2	49.6	63.9	1944-45	125.0	51.4	64.8
1926-27	146.3	58.8	72.6	1945-46	125.0	51.5	64.8
1927-28	146.6	65.1	85.3				

¹ Participation payments on wheat and equalization fees on oats and barley not taken into consideration.

THE SENATE

Tuesday, March 25, 1947.

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

Prayers and routine proceedings.

NATIONAL EMERGENCY TRANSITIONAL POWERS

ACKNOWLEDGMENT BY HIS EXCELLENCY OF SENATE ADDRESS

The Hon. the SPEAKER informed the Senate that the Clerk had received the following communication from the Secretary to the Governor General:

March 25, 1947.

Dear Sir,

I am directed by His Excellency the Governor General to inform you that on March 25, 1947, His Excellency received from the hand of the Speaker of the Senate an Address by the Senate praying that the National Emergency Transitional Powers Act, 1945, be continued in force until the 15th day of May, 1947.

A certified copy of this Address has been sent this day to the Clerk of the Privy Council,

Yours sincerely,

(Sgd.) H. F. G. Letson.

Major General,

Secretary to the Governor General.

The Clerk of the Senate,
Ottawa.

AGRICULTURAL PRODUCTS BILL

FIRST READING

A message was received from the House of Commons with Bill 25, an Act to provide for the Sale and Export of Agricultural Products.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill K3, an Act for the relief of Lillian May Alsop Mackenzie.

Bill L3, an Act for the relief of Robert Crawford Kirk.

Bill M3, an Act for the relief of Robert Thomas Jackson.

Bill N3, an Act for the relief of Ernest Wright.

Bill O3, an Act for the relief of Theresa Sherpitis Morganti.

Bill P3, an Act for the relief of Omar Montpetit, Junior.

Bill Q3, an Act for the relief of Harold Robinson.

Bill R3, an Act for the relief of Margaret Cote Truax.

Bill S3, an Act for the relief of Netta Cheyne Lee.

Bill T3, an Act for the relief of Bessie Letovsky Silverman.

Bill U3, an Act for the relief of Percy Coleman Stuart.

Bill V3, an Act for the relief of Pearl Vesta Fields Hollenbeck.

Bill W3, an Act for the relief of Adele Kuznetz Lesser.

Bill X3, an Act for the relief of Joseph Alexander Oswald Mercier.

Bill Y3, an Act for the relief of Michael Maturjiw, otherwise known as Michal Matwijow.

Bill Z3, an Act for the relief of Eugenie Beatrice Smith Ricketts.

Bill A4, an Act for the relief of Hilda Mary Charlotte Kelly Smith.

Bill B4, an Act for the relief of Eileen Louise Thomas Bleakney.

Bill C4, an Act for the relief of Eugenia Drake Armstrong Newell.

Bill D4, an Act for the relief of Muriel Ailson MacKeage Fewtrell.

Bill E4, an Act for the relief of Evelyn Marie Elliott McGrath.

Bill F4, an Act for the relief of Mary Nellie McGurk Stone.

Bill G4, an Act for the relief of Cipoire Segall Wurmbrand.

The bills were read the first time.

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. ASELTINE: With leave, next sitting.

PRIVATE BILL

REFUND OF FEES

Hon. J. FREDERICK JOHNSTON moved:

That the parliamentary fees paid upon Bill C, an Act to incorporate Conference of Mennonites in Canada, be refunded to the Reverend John G. Rempel, Rosthern, Saskatchewan, one of the petitioners, less printing and translation costs.

The motion was agreed to.

BUSINESS OF THE SENATE

EASTER RECESS

Hon. A. B. COPP: Honourable senators, at the sitting on Friday the honourable leader opposite (Hon. Mr. Haig) asked if I would make a statement tonight as to when the Senate might adjourn for the Easter recess.

Honourable senators know that about this time of year we may expect to receive from the other place an interim supply bill, which has to be dealt with by this house. I have been in touch with the Minister of Finance, and while I have no definite promise to make to my honourable friend I have a strong hope that the supply bill will come over to us on Thursday afternoon, or at the latest on Friday. If we complete that business on Friday we may be able to adjourn the same evening. I was also asked to indicate for what period we might adjourn. Subject to what may happen elsewhere, I intend to ask the Senate to adjourn until April 22. All this information is tentative.

Hon. JOHN T. HAIG: Honourable senators, I wish to thank the acting leader of the house (Hon. Mr. Copp) for the information he has given. I think I can assure him that if the supplementary estimates come to this house on Friday there will be no difficulty in getting them through that day, unless there is some objection by honourable members from Montreal and Toronto.

Hon. Mr. HOWARD: No objection from Manitoba?

CANADIAN WHEAT BOARD BILL
MOTION FOR SECOND READING—DEBATE
CONTINUED

The Senate resumed from Friday, March 21, the adjourned debate on the motion of Hon. Mr. Copp for the second reading of Bill 23, an act to amend the Canadian Wheat Board Act, 1935.

Hon. A. N. McLEAN: Honourable senators, there is a phase of this bill relating to conditions in the neighbouring island of Newfoundland with which I am familiar and which I would like to call to the attention of honourable senators. I feel sure it is not realized that the wide disparity between the prices of wheat and flour quoted to the United Kingdom under the wheat agreement, and those quoted to other importing countries on the basis of the much higher world prices, has a direct unfortunate effect upon Canada's relation with Newfoundland, the West Indies, and our other neighbours.

Newfoundland has always been regarded in the past virtually as an extension of our own home market. Canadian flour was always quoted to Newfoundland buyers on the basis of Montreal prices plus the cost of water transportation to St. John's, Newfoundland, and a very satisfactory trade in flour has existed for many years.

Since the United Kingdom wheat agreement has been in force Canada has divorced Newfoundland from its home market and now classifies her with such distant markets as China, Belgium, the Netherlands, Brazil, Norway, Jamaica, the United States, Eire, the Philippine Islands, Italy, Greece and other countries, fifty-one in all.

Up to February 28, 1947, sales since August 1, 1946, through the wheat board were equivalent to 155,000 barrels of flour sold on world price quotations of wheat, known as class 2 wheat, representing figures quoted outside of the United Kingdom wheat agreement. Newfoundland is at the mercy of top world prices.

Egypt, India, Malta, Iraq, Iran, Germany and Ceylon have been supplied with wheat on the basis of the United Kingdom wheat agreement, known as class 1 wheat, either direct by the wheat board or by the Government of the United Kingdom. Figures showing exports of flour from Canada to Newfoundland before the wheat board took full control of wheat and flour exports in September, 1943, are as follows:

Calendar years	Barrels
1941	382,572
1942	411,188
1943	321,832
1944	372,741
1945	395,173
1946	423,374

Honourable senators will note that while sales for the whole of 1946 were 423,374 barrels, sales for the seven months from August 1, 1946 to February 28, 1947 were only 155,000 barrels. This was a period during which Newfoundland had been subjected to world prices, and the figures show a big falling off in sales. It looks as though she was securing her supplies elsewhere.

The fact that a substantial portion of the world's visible supply of wheat has been set aside for special purposes has had a tendency to drive up the price of the balance.

There seems to be a falling off of sales to the West Indies also. I quote the following figures:

	1945 (barrels)	1946 (barrels)
British Guiana	217,655	148,550
Barbadoes	102,850	98,569
Jamaica	774,188	589,397
Other British West Indian Islands	252,826	230,306

My informant in Newfoundland says:

Flour importers here recently had a meeting and decided to refrain from purchasing Canadian flour at present prices, because of the great risk involved. Many Canadian mills, on the

other hand, are refusing to sell private buyers here and in other similar export markets, because of the extreme credit risk involved in the event of a price decline.

It would now be possible for British mills which get Canadian wheat to manufacture it into flour and ship it back to Newfoundland at prices substantially lower than Canadian mills could sell the same kind of flour direct to our neighbouring island.

Canada's important diplomatic interest in Newfoundland would certainly not seem to be well served by this sort of thing.

Newfoundland is one of Canada's largest customers. She ranks eighth on the list. But we must remember a great many of our customers today are credit customers; otherwise Newfoundland would be much nearer the top. As a cash customer she ranks third. Several countries whose export figures are larger are credit customers; in other words, we pay for our exports to them with our own taxpayers' money. But Newfoundland asks for no credit from us, and she spends about six dollars with us for every dollar we spend with her. She spends with us around 40 million dollars per annum, and what we buy from her amounts to around seven millions per annum. What applies to Newfoundland applies to the West Indies. Both these countries are our very near neighbours. The West Indies buy far more from Canada than this country buys from them. These neighbours cannot help but feel greatly annoyed over the position they have been placed in with regard to their daily bread, and my own opinion is they may appeal to England to turn over to them some of the English allocation. In this way they will be able to obtain our wheat or flour at a much lower price than we are offering it to them, and in such circumstances their good will towards us will certainly not be increased.

Honourable senators are aware that England can sell the wheat she is buying from us to anyone she pleases. I quote the paragraph in the agreement giving her such authority:

It is agreed that the United Kingdom government may sell or dispose of the wheat and flour purchased under this agreement in whatsoever manner the United Kingdom government may deem expedient both in regard to destination and price.

Newfoundland played a very important part in the recent war. She is in a very strategic position. She has given full co-operation to this country in matters of defence, and would again. Newfoundland finance is mainly controlled by Canada, to mutual advantage. In being so generous to the United Kingdom with regard to the price at which we are selling wheat to them, surely we can find ways and

means to supply our good neighbours nearby in a manner whereby they will not have to pay the top wheat prices of the world. In this connection I quote a telegram received this morning from a good friend in Newfoundland:

Wholesale provisions group of Newfoundland Board of Trade has given following information. Cost of flour to England is based on \$1.55 wheat. Cost of flour to Newfoundland today based on world prices of wheat at \$3 per bushel is roughly \$18 per barrel. Flour for Newfoundland in July, 1946, cost \$10 per barrel c.i.f. St. John's. Advanced in August to \$12.50 per barrel, in December to \$13, in February, 1947, to over \$14, and this month touched \$18. Canadian home market price is today \$4.90 per barrel. There is strong feeling here that since Newfoundland has always been one of Canada's best flour customers, special consideration should be given her in face of present abnormal price of flour. In view of very high per capita consumption flour in Newfoundland, present prices are accounting largely for high cost of living here.

Hon. Mr. ASELTINE: May I ask the honourable senator from Southern New Brunswick (Hon. Mr. McLean) a question? Does he propose that the farmers of Western Canada should also export to Newfoundland and take a similar loss to what they are taking on the wheat being shipped to Great Britain?

Hon. Mr. McLEAN: I think the whole country should bear the burden of any of these transactions.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. McLEAN: A delegation will be coming here soon from Newfoundland to inquire about the terms of confederation, and I thought that this wheat situation should be brought to the attention of the Senate.

Hon. Mr. EULER: May I ask the honourable senator a question. He cited a number of countries—Egypt, Iraq, Iran, and so on—that are buying Canadian flour and wheat at the same price at which England is buying it under the agreement. Is that by reason of the fact that those countries buy our wheat and flour from England?

Hon. Mr. McLEAN: I believe they come within the price allocation for England.

Hon. F. W. GERSHAW: Honourable senators, I rise to say just a few words on this bill. The wheat producers of the West are restless and disturbed about market conditions at present. The fact that farming is not profitable is shown by the great migration from country districts to the small towns, villages and cities of Western Canada particularly. It is also stressed by the fact that a few months ago there was a non-delivery strike among the producers of farm products in Alberta. That strike was probably not well organized and

was not intended to last very long, but it appealed to a large number of producers and was strongly supported by a great majority of the farmers in Alberta. Most of the strike activity was in the north of the province, but even in the southern part there were meetings at which two or three hundred farmers came together and, without a dissenting voice, approved of strike methods. At the busy season of the year farmers in many places left their work to picket the elevators and produce-purchasing stations.

This, I think, indicated that there was real dissatisfaction. And what was asked for was vague and indefinite—parity prices. What the farmers meant was that for the products which they sold they were not receiving a big enough price in comparison with the prices of products they had to buy. *The Economic Annalist* for 1946 points out that if the 1926 figure be taken as 100, the farmers in 1946 received only 106.5 for what they sold, but had to pay 124.6 for the things they required to buy.

Also it was felt by the farmers that they were not receiving their full share of the national income. Just yesterday I noticed a statement by the Bureau of Statistics that the net farm income for 1946 was \$1,267,400,000. If one-third of the people of Canada are engaged in agriculture and that was their income, it is clear that they were not receiving their full share of the eight or nine billion dollars which is roughly the national income.

The history of the marketing of grain has been a stormy one since the early years of the century, a history of struggle and effort on the part of the producers to receive better prices. When the wheat growers first started to farm in the West elevators were built along the railways, and the railway companies would take only the wheat that went through those elevators. Farmers tried to secure elevators themselves, but the competition soon forced them out of business. Then in 1900, as a result of an investigation into the grain marketing business, the Canada Grain Act was passed. It required the railway companies to provide loading platforms and spot the cars where required.

Since that act was passed the Dominion Government has had supervision of the marketing of grain, but has not by any means settled the problems. Some thirteen investigations into the subject were held between the time of the setting up of the Grain Act and the First World War. Each investigation was prompted by grievances which the farmers had, and each resulted in some improvement.

The province of Manitoba at one stage went into the elevator business and has 174 elevators. After 1906 the Grain Growers Grain Company was formed. One of the company officials acted as president and manager for more than twenty years, and made a great contribution towards the solution of the problems of marketing grain. He is now a member of the Senate, the honourable gentleman from Churchill (Hon. Mr. Crerar). But there was constant agitation and trouble.

The pools were established later, and the discussion was whether they should be voluntary or compulsory. In 1935 the wheat board was established, and for a while marketing was done partly through the board and partly through the line companies. Since 1943 the wheat board has had the marketing of practically all the grain. The bill now before us apparently is an expression of government policy, and gives the board control of all the wheat that is to be marketed in Canada.

The record seems to show that it is not satisfactory for a farmer, or for a small group of farmers to market their own grain. It would seem necessary that there be some co-operative selling organization in order to get the best results. Most countries with whom we deal are to some extent nationalized and have large purchasing agencies. If we are to make a good deal we must converge our bargaining power at one point completely to transact business with those countries which do their buying at one point.

This bill indicates that two agreements have been made. In the one with the growers the government says that until July 31, 1950, they will receive \$1.35 per bushel for No. 1 Northern, and a corresponding lower price for lower grades at the terminals of Fort William and Vancouver; also that there may be some participating profits to come at the end of the period. No one can tell whether that agreement is to be a good or bad one. But to some extent it does give stability to the price. If the price of wheat on the world market keeps up, as it did after the last war, such an agreement will not represent a good arrangement. The farmer will be, as he is at the present time, taking a much lower price for his product than he could get on the world market. But there have been requests for stability of prices and for an orderly market, so that the wide variation of prices which brought such discouragement in the past will not take place again. Should the market fail during the next three or four years—and this seems to be very likely—with no possibility of getting a high price on the world market, this will prove to be a very good agreement.

Two safeguards of the agreement should in some respects avoid disaster. In the first place, the British people have said that the price for the 1948-49 and the 1949-50 crops will be negotiated, having regard for the prices we are accepting at the present time, that is the difference between \$1.55 and the market price. There is also the business element to the agreement. The average annual Canadian crop is approximately 375 million bushels. If we allow 125 million bushels for flour, feed and seed, and take 150 million bushels as the average amount we send to Great Britain for the duration of the contract, and for which we shall have a firm price—\$1.35 per bushel can be counted on—there will be a balance of probably 125 to 150 million bushels which can be sold on the world market, and which will increase the amount of money available in participation at the end of the period.

We do not have to weigh the wheat in this chamber but we do have to weigh the legislation, because I am sure we are all anxious to see that the wheat producers, who have in the past been at great disadvantage, get the very best price possible for this precious food.

The other phase of the agreement with Great Britain is that over the next four years she will get 600 million bushels at an average price of \$1.35 a bushel. Perhaps we are not making Britain such a wonderful gift.

Hon. Mr. LAMBERT: Is my honourable friend not mistaken when he says we shall get \$1.35 a bushel over the next four years?

Hon. Mr. HAIG: I think he is.

Hon. Mr. GERSHAW: No. The average price that we shall get over the next two years is \$1.55; the minimum for 1948-49 is \$1.25; and for 1949-50 is \$1. By adding the total number of bushels at those prices, the average will be \$1.35 per bushel for the whole four years.

Hon. Mr. LAMBERT: That calculation leaves out the possibility of a higher maximum price being set at the end of 1947.

Hon. Mr. GERSHAW: Yes, it does.

Hon. Mr. HAIG: What about the expense in handling the grain? Why not take off the 20 cents now?

Hon. Mr. GERSHAW: The price I am speaking of is at the terminals.

Hon. Mr. HAIG: The terminal price is \$1.55, but the wheat board at the present time charges 18 cents to handle it. Where does that come in, in your estimate of \$1.35?

Hon. Mr. GERSHAW: The average price is \$1.35, and of course if the producer lives some distance from the terminal the 18 cents

will have to come off that price. I am speaking only of the price at the terminals, not at the farm.

Hon. Mr. HAIG: But the wheat board at Winnipeg is now charging about 18 cents a bushel to handle the grain. That is the reason the farmer cannot get \$1.55 or \$1.35, and that is why he is kicking. My honourable friend in his calculation is not providing for that 18 cents.

Hon. Mr. GERSHAW: I think the honourable senator from Winnipeg will agree that \$1.35 is the price received at Fort William and Vancouver, not at the farm. That is the way the price of wheat is usually referred to.

The fact that five other countries—Belgium, Norway, France, Holland and Denmark—have approached the minister regarding the negotiation of a similar contract, and that not one of them has followed up the agreement, shows that they hope to get the wheat at a lower price.

I think we have faith that Britain will carry out her part in this agreement. Britain is going through dark days at present. In order to make her contribution to civilization she had to draw deeply upon her reserves of courage and tenacity, and I believe that the same British spirit will carry her people through the economic difficulties which now beset them.

Hon. Mr. LAMBERT: As a matter of information, I should like to ask the honourable senator from Medicine Hat (Hon. Mr. Gershaw) whether or not in his opinion the objection made last year by his fellow citizens in Alberta to the prices they were receiving reflected the opinions of any considerable percentage of the grain-growing farmers of that province.

Hon. Mr. GERSHAW: I really think it did. As the honourable member knows well, in farming districts meetings were held and there was not one voice raised against the strike. They were all in favour of it. That showed great dissatisfaction on the part of the farmers.

Hon. Mr. LAMBERT: A desire for higher prices?

Hon. Mr. GERSHAW: That is right.

Hon. SALTER A. HAYDEN: Honourable senators, I want to add a few words to the discussion on this bill. First, I would thank the honourable senator from Medicine Hat (Hon. Mr. Gershaw) for the information he has given. He has helped to clear the situation in some respects. But I desire to preserve my position in reference to this matter, because when the bill is given second reading we shall have in effect approved of its principle.

At the moment I am in the position where, after as careful a study as I can give this bill—and I have given it serious study—there are a great many questions to which I require answers in order to appreciate and deal intelligently with the principle of the bill. For that reason I propose to state briefly my position, so that, if the bill does go to committee, and matters are dealt with in a way which does not accord with the opinions and conclusions which I form after the information is furnished, I shall have reserved the right to vote as I wish on the motion for third reading.

Hon. Mr. HAIG: May I ask the honourable gentleman a question?

Hon. Mr. HAYDEN: Yes.

Hon. Mr. HAIG: In view of that stand, what is the honourable senator's attitude to the position I took—that we have made an agreement with Great Britain and that we must give the government power to carry out that agreement?

Hon. Mr. HAYDEN: So far as it is necessary to give power to the government to implement the agreement it has entered into, we are tied beyond recall. We must do what we have engaged to do. But at the moment I am not satisfied that the provisions contained in the bill constitute the best method of doing what is to be done. It is these points to which I would briefly draw the attention of the Senate. Certainly, having entered into the agreement, we have committed ourselves, and somehow or other the government must secure the wheat required to fulfil the agreement; and it would appear that the course which has been adopted has some measure of support. But, conceding this, we do not have to admit that the bill in its present form—with all its provisions for implementing the action of the government in taking the wheat, and in guarding against any of the wheat getting into channels other than those of the board—embodies the best way of carrying out the contract. Nor am I prepared to say whether or not the bill goes too far.

In effect, what the bill does is to nationalize the wheat business and industry of Canada. There may be many who favour that course. Nationalization of industry has taken place before, and there are circumstances under which it can be justified. For instance, an enterprise may be too big to be dealt with through individual initiative: it may involve too much in the way of expenditure. Here we find every phase of the nationalization of wheat production and wheat marketing, except control of acreage; and it may be said that

in an indirect way we have accomplished even that, through the provision for quotas on deliveries to elevators, and also by the restriction of the right of the individual to sell or deliver his wheat without obtaining the necessary permits.

I am not prepared to say at the moment that the nationalization of the wheat industry of Canada is not a good thing. We must face the fact that Canada produces wheat in such abundance that there is no possibility of consuming it all ourselves. It is a crop which in the main is produced for export.

The next question which arises is whether in these times the provision of a market for the surplus wheat which we produce in such abundance is a function which can better be performed by the government or by permitting individual initiative to take its course in a free market. Upon that issue I wish to direct some questions to the authorities who are supporting this bill, and to point out certain of its provisions to which I think your attention should be directed.

For instance, in part II appear the provisions entitled "Control of elevators and railways." Under this part, a producer, unless he has a permit, may not deliver wheat to an elevator or to a railway, and the railway may not receive it; and if he is the holder of a permit, then that permit specifies the quantity and directs him to the place where he may deliver his wheat and where it may be received, and that quantity is the only quantity which he may deliver, and the place designated is the only place to which his wheat may be delivered. The scope of that provision is unlimited. We are told that the provisions generally have become necessary by virtue of these wheat agreements, but there is no time limitation in so far as part II of this bill is concerned.

In part III, which deals with the "pool period", there is a limitation ending the pool period on July 31, 1950, and also the provision with reference to the price of \$1.35 a bushel for No. 1 grade to be paid during the period ends in 1950.

In part IV of the bill we find complete restriction upon the export and import of wheat and also upon the movement of wheat from one province of Canada to another, except through the medium of the board.

There you have a complete plan and machinery to place in the hands of the board the sole right to deal with the sale, delivery, transport and export of wheat. That may be necessary: I do not know. But it is quite possible that these agreements with the United Kingdom may lapse in the 1948-49 period. The

negotiators may not agree upon a price in which event the agreement may terminate. This may be to the advantage of Canada: I do not know. But the question which bothers me is whether under these circumstances we should build up a machinery of control which is unlimited in time and goes beyond the period necessary to accomplish the specific purpose for which, we are told, this legislation is brought down.

I want to know why it is necessary to have the bill drafted in this form; why it is necessary to go to that extent. I think those are questions upon which we should be very careful to see that complete information is given in committee.

I find, for instance, very broad powers given to the board. Sub-section (3)(j) of section 2 of the bill provides:

(3) The board is incorporated with the object of marketing in an orderly manner, in inter-provincial and export trade, grain grown in Canada and shall possess the following powers,

(j) to act as agent for or on behalf of any minister or agent of His Majesty in right of Canada in respect of any operations that it may be directed to carry out by the Governor in Council.

Honourable senators can see that that is an unlimited power which goes far beyond the specific powers conferred by this bill in order to deal with an orderly and planned marketing of wheat under the scheme in this bill. There are many conditions of that kind. For instance, the board may at any time say that a permit holder shall surrender his permit, and when he does so, he surrenders his market and his right to deliver grain to an elevator, and the right that any manager of an elevator or railway might have to receive grain from him is taken away.

Hon. Mr. LAMBERT: May I ask my honourable friend a question on that point? Is it his opinion that this legislation, plenary in authority, as it is, could possibly prevent a producer of grain within the province of Alberta from delivering his grain to a mill elevator in Medicine Hat?

Hon. Mr. HAYDEN: I would not say so, too definitely. I have read the bill a number of times, but I do not pretend that my interpretations are one hundred per cent accurate. I can only express the conclusions I have taken from the bill. Honourable senators will see this general provision in section 13, part II of the bill:

Except with the permission of the board, no person shall deliver grain to an elevator, and no manager or operator thereof shall receive delivery of grain unless

Then the conditions are set out, that the person must be the actual producer of the grain, and that at the time of the delivery he must possess a permit issued by the board.

Part IV deals with export trade. Before answering my honourable friend's question, may I read a portion of section 27:

Except as permitted under the regulations, no person other than the board shall

(b) transport or cause to be transported from one province to another province, wheat owned by a person other than the board;

(d) buy or agree to buy wheat situated in one province for delivery in another province or for delivery outside of Canada.

Having regard to these provisions, the conclusion to which I come is this: that it would not be possible for a producer of grain without a permit from the board to deliver grain to an elevator, regardless of where it may be located. This is only my own opinion. But I think that a producer of grain in Alberta could deliver his grain to a mill in that province. However, I say that with great hesitancy. If the grain were being consumed in the province in a method that did not require the use of elevators, I suppose the delivery might be made in a restricted way; but if the use of elevators or storage space were involved, then you would have to have a permit from the board. That may be a necessary incident to the machinery for taking care of the marketing of wheat. It may be necessary: I do not know. But with the inherent objection I have to more controls than are necessary—an objection that I think is shared by a great many people—I am on the alert, and I want to be satisfied that that form of machinery is necessary and must be used if there is going to be any effective functioning under this bill. If I am satisfied on that point, I am prepared to take it in the form it is, subject to some restrictions of broad powers that I do not think are necessary.

Having said that, I have not made any binding commitment as to my position on the nationalization of wheat. I want to be satisfied that that is necessary. It may very well be, when you consider the situation. I suppose if you took the average price of wheat over the period from 1930 to 1946, it would be well under a dollar a bushel. There have been times when Canada has produced wheat in abundance, and due to world situations the price has been very low and the farmers have had little return. The influencing factor has been beyond the control of the Canadian people or the Canadian government. That factor will persist in the future. Due to disturbed world conditions, it may not be effective this year or next year, but I think

the wheat producing countries of the world are rapidly going to get back into a way of growing wheat. They are possibly going to produce for export, and if that should happen the problem will again be the problem of the price of wheat. If we are subject to world markets and world market prices we shall have a factor there that is difficult for us to assess over any period of time.

Honourable senators, in those circumstances is it best to provide these measures of caution? Is it best for the farmer, in the circumstances, to give him a guaranteed return of an equitable price per bushel over a period of years? It may be; and if the farmer wants that, then under the circumstances that might be the thing to do. I am of the opinion that we should see and hear these people, and get their views on these questions. Certainly, that is what I want to do before I come to a final conclusion on this matter.

Hon. Mr. MacLENNAN: The honourable senator from Southern New Brunswick (Hon. Mr. McLean) has delivered an excellent speech. May I ask him a question? If the agreement with the United Kingdom were abrogated today, how would that help Newfoundland? Would she get her flour cheaper?

Hon. Mr. McLEAN: I did not follow the question asked.

Hon. Mr. MacLENNAN: The question is: If the agreement with the United Kingdom were blotted out, abrogated, done away with today, how would that help the Newfoundland people?

Hon. Mr. McLEAN: In times past, as I stated, the price to Newfoundland was the Canadian domestic price, but our domestic price today is so subsidized and so on, that it has got extremely out of line with the Newfoundland price. The Newfoundland price has been entirely divorced from our domestic price, and Newfoundland is now paying the top price in the world.

Hon. Mr. CAMPBELL moved the adjournment of the debate.

The motion was agreed to.

PRIVATE BILL SECOND READING

Hon. SALTER A. HAYDEN moved second reading of Bill D2, an act respecting certain patents owned by Toronto Type Foundry Company Limited.

He said: Honourable senators, I wish to give only a brief explanation of the bill,

because when it receives second reading I shall propose that it be referred to the Standing Committee on Miscellaneous Private Bills.

The Toronto Type Foundry Company Limited was the owner of some eight patents dealing with folding and stitching machines in the making of ledgers and such products. Two of the patents expired a year or eighteen months ago, and the rest will expire within the next year or two. The manufacturing operations employed in the use of these patents strictly relate to peacetime functions; so because of allocations of materials and so on the company was not able to enjoy its patent rights during the major portion of the war period.

The purpose of the bill is to extend the life of the patents for six years. Parliament has the power to do this. The British Parliament has followed such a policy consistently; it has recognized that the war represented a period of national necessity, during which people were shut off from the enjoyment of their patent rights in respect of which they had made substantial investments. This Toronto company now asks that its patents be extended so that it may have the benefit of each of them for the normal lifetime of a patent.

Hon. Mr. DAVIES: May I ask the honourable senator a question? Are these patents on printing machinery or binding machinery that is made in this country, or that is made in the United States and sold here, or made in Great Britain and sold here?

Hon. Mr. HAYDEN: All three things have happened in the past. The machinery was manufactured in Canada, but under some of the earlier patents there was no manufacturing during the depression period. At that time the machines were imported from Great Britain, and a few from the United States. The difficulty at the present time is that a great demand has been built up over the past six years in Canada and in the United Kingdom, and for four or five years in the United States. The importing situation is not going to improve much.

Hon. Mr. DAVIES: May I ask another question? In the opinion of the honourable senator, will the extension of the life of these patents, give the Toronto Type Foundry Company a monopoly on a certain type of machinery which printers have to buy?

Hon. Mr. HAYDEN: In the main these patents are what are called "improvement patents", and there are competitive firms manufacturing other equipment, so one company has not got a basic patent which gives it the whole field and a strong monopoly.

Hon. Mr. KINLEY: Was this foundry in a different type of business during the war?

Hon. Mr. HAYDEN: It was not in this type of business; it may have done some other work during the war.

Hon. Mr. KINLEY: But was it manufacturing these particular machines?

Hon. Mr. HAYDEN: No; it could not do so.

Hon. Mr. DAVIES: I do not think my honourable friend has quite answered my question. Does the company propose to manufacture in Canada the machines covered by these patents?

Hon. Mr. HAYDEN: I am informed that it does. Such questions can be asked of the principals when the bill goes to committee.

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

REFERRED TO COMMITTEE

Hon. Mr. HAYDEN moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

INSPECTION AND SALE BILL CONCURRENCE IN AMENDMENTS

The Senate resumed from Friday, March 21, the adjourned debate on the motion of Hon. Mr. Sinclair for concurrence in the amendments made by the Standing Committee on Banking and Commerce to Bill 8, an Act to amend the Inspection and Sale Act, 1938.

Hon. J. E. SINCLAIR: Honourable senators, at the last sitting of the house the honourable senator from L'Acadie (Hon. Mr. Leger) raised a question concerning the committee's amendments to the bill. The honourable gentleman referred to the deletion of paragraph (a) and the re-lettering of paragraphs (b) and (c) to (a) and (b) in the new clause 12A. This amendment was not included in the report. The committee branch of the Senate has been consulted, and I am informed that such minor corrections are not usually mentioned in the report of a committee, but are edited by the Parliamentary Counsel; and that the report as brought in by the committee was in the usual order. I am further advised that if authority was needed for the correction, it was fully supplied by the dis-

cussion which took place at the last sitting of this house. At any rate, I am informed that the bill as edited by the Parliamentary Counsel contains the corrections suggested by the honourable senator.

The motion was agreed to.

THIRD READING

Hon. Mr. SINCLAIR moved the third reading of the bill.

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

PRIVATE BILL

SECOND READING

Hon. NORMAN P. LAMBERT moved the second reading of Bill J3, an act respecting The Woman's Auxiliary to the Missionary Society of the Church of England in Canada.

He said: Honourable senators, little explanation is required in connection with this bill. Its one section is quite self-explanatory. The purpose of the bill is to change the name of "The Woman's Auxiliary to the Missionary Society of the Church of England in Canada"—an organization of the Anglican Church which has been in existence since 1908—to "The Woman's Auxiliary of the Church of England in Canada". There will be no change in the responsibility for liabilities or assets of the present organization.

When the bill receives second reading, I shall be pleased to move that it be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

REFERRED TO COMMITTEE

Hon. Mr. LAMBERT moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 26, 1947.

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

Prayers and routine proceedings.

SPEECH FROM THE THRONE—
ADDRESS IN REPLY

MESSAGE OF THANKS FROM HIS EXCELLENCY

The Hon. the SPEAKER informed the Senate that he had received a message from His Excellency the Governor General reading as follows:

The Honourable
The Members of the Senate:

I have received with great pleasure the Address that you have voted in reply to my Speech at the Opening of Parliament, and thank you for it sincerely.

Alexander of Tunis.

UNITED NATIONS BILL

REPORT OF COMMITTEE

Hon. NORMAN P. LAMBERT presented and moved concurrence in the report of the Standing Committee on External Relations on Bill F, an Act respecting Article Forty-one of the Charter of the United Nations.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 12, 1947, examined the said bill and now beg leave to report the same with the following amendments:

Delete clauses 3 and 4 and substitute therefor the following:

"3. (1) The Governor in Council may prescribe a fine not exceeding five thousand dollars or a term of imprisonment not exceeding five years or both fine and imprisonment as a penalty for violation of an order or regulation made under this act and may also prescribe whether the penalty shall be imposed upon summary conviction or upon indictment or upon either summary conviction or indictment, but in the case of summary conviction the fine prescribed shall not exceed two hundred dollars and the term of imprisonment prescribed shall not exceed three months.

(2) Any goods, wares or merchandise dealt with contrary to any order or regulation made under this act may be seized and detained and shall be liable to forfeiture at the instance of the Minister of Justice, upon proceedings in the Exchequer Court of Canada, or in any Superior Court, and any such court may make rules governing the procedure upon any proceedings taken before such court or a judge thereof under this section.

4. Every order and regulation made under this act shall be laid before Parliament within fifteen days after it has been made if Parliament is then sitting, or if Parliament is not then sitting, within fifteen days after the commencement of the next ensuing session thereof and if the Senate and House of Commons within the period of forty days, beginning with the day on which any such order or regulation is laid before Parliament and excluding any time during which Parliament is dissolved or prorogued or during which both the Senate and House of Commons are adjourned for more than four days, resolve that it be annulled, it shall

cease to have effect, but without prejudice to its previous operation or anything duly done or suffered thereunder or any offence committed or any penalty or punishment incurred."

The motion was agreed to.

INDIAN ACT

REPORT OF JOINT COMMITTEE

Hon. WILLIAM H. TAYLOR presented and moved concurrence in the second report of the joint committee appointed to examine and consider the Indian Act.

He said: Honourable senators, the Joint Committee of the Senate and the House of Commons appointed to continue and complete the examination and consideration of the Indian Act (Chapter 98, R.S.C., 1927), and all such other matters as have been referred to the said committee, beg leave to make their second report, as follows:

1. Your committee recommends that it be empowered to retain the services of counsel.

The motion was agreed to.

IMMIGRATION

REPORT OF COMMITTEE

Hon. JAMES MURDOCK presented and moved concurrence in the second report of the Standing Committee on Immigration and Labour, as follows:

In connection with the order of reference of March 13, 1947, directing the committee to examine into the operation and administration of the Immigration Act, etc., the committee recommend that it be authorized to print 1,000 copies in English and 200 copies in French of its day to day proceedings, and that Rule 100 be suspended in relation to the said printing.

The motion was agreed to.

DAIRY INDUSTRY BILL

MOTION FOR SECOND READING—
DEBATE CONTINUED

The Senate resumed from Wednesday, March 19, the adjourned debate on the motion of Hon. Mr. Euler for the second reading of Bill B, an Act to amend the Dairy Industry Act.

Hon. A. K. HUGESSEN: Honourable senators, I do not intend to take up much of the time of the house in my remarks on the second reading of this bill. When a similar bill came before the Senate at the last session, I gave the reasons which led me to support it. Those reasons still appear to me to be valid, and there is no necessity for me to repeat them now. Moreover, during the course of this debate a number of honourable senators have expressed arguments in favour of this bill, and it is unnecessary for

me to add to what they have said. Therefore, should the matter come to a contested division on the second reading, I shall unquestioningly and unhesitatingly vote for the second reading.

But I would say this: I hope, for reasons which I shall advance in a few moments, that it will not be necessary to go to a contested vote on the second reading of this bill. If I may say so, I think the honourable senator from Queen's (Hon. Mr. Sinclair) in the speech he made last week placed this bill in its proper focus; and I must say that I agree with practically everything he said in that connection. He pointed out that the situation has radically changed since we considered the similar bill last session, and this bill by itself is no longer an isolated piece of legislation; it is only part of a larger picture—a very much larger picture—of the whole international trade relationships of Canada. As the honourable senator remarked, a preparatory commission under the auspices of the Economic and Social Council of the United Nations sat in London, during the months of October and November of last year, on the broad general questions of trade and employment. That preparatory conference consisted of representatives of more than twenty nations, of which Canada was one. In fact, Canada was represented at that conference by a very strong delegation. On page 42 of the report of this preparatory conference there are listed the names of the Canadian delegation, which I shall take the liberty of reading to the house:

Mr. H. B. McKinnon, Chairman of the Tariff Board;

Mr. D. Sim, Deputy Minister of Customs and Excise;

Mr. L. E. Couillard, of the Department of Trade and Commerce;

Mr. J. J. Deutsch, Director of Economic Relations, Department of Finance;

Mr. H. R. Kemp, Director of Commercial Relations and Foreign Tariffs Division, Department of Trade and Commerce;

Mr. F. A. McGregor, Commissioner of Combines, Department of Justice;

Mr. S. D. Pierce, head of the Economic Division, Department of External Affairs.

That was a very strong delegation of some of our most prominent civil servants.

The preparatory commission, with Canada a participating party, prepared a draft of an international trade convention which is in the report of the proceedings and is to form the subject of a further conference of all the nations concerned, in Geneva, starting next month.

With the permission of the house, I should like to read again one of the articles of this

draft international convention which the honourable senator from Queen's (Hon. Mr. Sinclair) read last week. It is article 25:

Except as otherwise provided in this charter, no prohibition or restriction, other than duties, taxes, or other charges, whether made effective through quotas, import licences or other measures, shall be imposed or maintained by any member on the importation of any market product of any other member or on the exportation or sale for export, of any product destined for any other member.

The reading of this draft article makes three things clear, things which I think we can all agree upon. The first is that the present prohibition upon the importation of margarine, which this bill seeks to remove, conflicts with the provisions of the draft article of the charter. The second is that if, as we all hope, this convention should be agreed to and Canada should be a party to it, our government will be bound to ask parliament to do just what this bill now seeks to do. The third, and I think the most important point of all, is this: the International Trade Convention, if it is reached and if it is signed by the member nations, will confer on our people as a whole and on our farming community in particular benefits that will far outweigh any minor disadvantage which one part of the farming industry—the dairy industry—might suffer from the repeal of the prohibition on margarine. I feel I can go a little further than that and say that we can also agree that it is and should be the policy of our government to make every possible effort to obtain such an international trade convention.

The reasons for this seem to me to be obvious, and will appeal to every honourable senator. We are a great trading nation. By reason of the nature of our products, we depend upon the markets of the world. We produce a number of agricultural products in far greater quantities than we can possibly hope to consume within our own borders. I have seen estimates to the effect that the proportion of our total working population, which is engaged directly or indirectly in the export trade, runs up as high as 30 per cent, so that in our capacity as a great trading and exporting nation, we are vitally interested—perhaps more interested than almost any other country in the world—in removing the controls, the quotas, the prohibitions and the excessive tariffs which throttle international trade.

It is needless to remind honourable senators of the condition of affairs which existed in the dismal thirties of this century, a time when the world was in a period of trade restrictions run wild and gone mad; of the serious and evil effects which that world condition had

upon our people and in particular, upon our farming population. I think we can all agree that it is the policy of our country to endeavour to obtain an international trade convention in the highest interests of our people. That of course is not by any means peculiar or particular to us. The lesson of the evil effects of excessive trade restrictions has been learned in a number of quarters. I am very glad to see that in the speech President Truman of the United States made early this month at Waco, Texas, he referred to the conference now about to be held in Geneva to consider further this draft international trade convention. With permission of the house I will quote a short extract from the speech as reported in the *St. Louis Post-Dispatch* of March 6:

If the nations can agree to observe a code of good conduct in international trade, they will co-operate more readily in other international affairs. Such agreement will prevent the bitterness that is engendered by an economic war. It will provide an atmosphere congenial to the preservation of the peace.

As a part of this programme, we have asked the other nations of the world to join us in reducing barriers to trade. We have not asked them to remove all barriers. Nor have we ourselves offered to do so. But we have proposed negotiations directed toward the reduction of tariffs here and abroad, toward the elimination of other restrictive measures and the abandonment of discrimination. These negotiations are to be undertaken at the meeting which opens in Geneva next month. The success of this programme is essential to the establishment of the international trade organization, to the effective operation of the international bank and the monetary fund, and to the strength of the whole United Nations structure of co-operation in economic and political affairs.

The negotiations at Geneva must not fail.

On the basis of that general situation I venture to urge the members of the Senate very strongly to consider this bill not as an isolated piece of legislation, but in its larger implications as affecting the present international trade negotiations. I have come to the conclusion, right or wrong though it be, that it would be a mistake for the Senate now to express itself by a recorded vote on this bill, whichever way that vote might go.

I am going to give my reasons for saying that. One of them was given last week by the honourable senator from Queen's (Hon. Mr. Sinclair). He pointed out that if this bill should be passed now it might hamper the attempt of our negotiators at Geneva to obtain equivalent concessions from other countries.

Hon. Mr. HAIG: I may have misunderstood the honourable senator from Queen's, but I understood him to suggest that we should not pass the bill and that it should be withdrawn.

Hon. Mr. HUGESSEN: I thought I was correctly quoting the honourable senator from Queen's. I read his speech very carefully, and that is the conclusion I drew from what he said.

Hon. Mr. HAIG: That we should pass the bill?

Hon. Mr. HUGESSEN: No; I did not say that. I said his objection to our passing the bill now was that that might embarrass our negotiators at Geneva.

Hon. Mr. HAIG: That is what I understood. Then, by withdrawing the bill we would save our negotiators any embarrassment.

Hon. Mr. HUGESSEN: The honourable senator from Queen's is the master of his own utterances. If I have misquoted him he will no doubt correct me.

Hon. Mr. SINCLAIR: I think you have quoted me correctly.

Hon. Mr. HUGESSEN: The second reason why I believe it would be inadvisable for the Senate to come to a contested decision on this bill at the present time arises under exactly the same circumstances. It is, if I may say so, almost the reverse facet of the argument of my honourable friend from Queen's. That second reason, which I consider to be as cogent as the first, is that the voting down of this bill by the Senate would cause embarrassment to our negotiators at Geneva. Surely it would make them subject to comment by the representatives of all other nations in attendance. Those representatives would say: "You are asking us to give you concessions, whereas your own Upper House by its vote has refused to agree to abandon one of the outstanding restrictions on international trade in your own country. Is that not rather a dog-in-the-manger attitude for you Canadian representatives to adopt?"

There is a third reason why I think the Senate should not have a contested vote on this bill at the present time. This reason applies entirely to honourable senators who might feel disposed today to vote against the bill. Let us consider what their position would be. Suppose there is a vote this afternoon and that some honourable members vote against the bill; and assuming that, as we all hope, the international trade convention is made, and that Canada becomes a party to it, our government will then be in duty bound, under the terms of that convention, to come back to parliament a few months hence and ask us to pass legislation similar to this bill. Would some honourable members not then be in the position of either having to change their vote of

perhaps a few months previous, or to maintain their stand, stick to their guns and deprive Canada of the benefits of the international agreement?

Hon. A. L. BEAUBIEN: May I ask a question? In order not to hamper the deliberations at the Geneva conference starting on April 10, would it not be much more simple to withdraw the bill until that conference is over?

Hon. Mr. HUGESSEN: I need only point out to my honourable friend that I am not the promoter of this bill.

Hon. Mr. HAIG: What is the honourable gentleman's answer to that question?

Hon. Mr. HUGESSEN: I shall come to my answer. In the meantime I wish to make an alternative suggestion which may or may not appeal to honourable senators. Whether or not the bill should be withdrawn or dealt with in the other way, is not for me to suggest.

Hon. Mr. MORAUD: May I ask a question?

Hon. Mr. HUGESSEN: Certainly.

Hon. Mr. MORAUD: Before this treaty is agreed upon our government would presumably commit itself to it?

Hon. Mr. HUGESSEN: I assume so.

Hon. Mr. MORAUD: And then what?

Hon. Mr. HAIG: It would be *quid pro quo*.

Hon. Mr. HUGESSEN: I did not quite appreciate the significance of my honourable friend's observation.

Hon. Mr. MORAUD: If the honourable gentleman's argument is right, the government will be obliged to force a decision.

Hon. Mr. HUGESSEN: I am sorry, but I still do not quite appreciate what bearing my friend's statement has on the argument that I am making.

Hon. Mr. MORAUD: The argument of my honourable friend is that a treaty is to be arrived at, and in consequence we may be asked to pass certain legislation. The Senate might then be obliged to vote in favour of something that it had previously rejected. If the government of the day approves of a treaty made at Geneva, a bill to ratify it would be government legislation, which the Senate would be asked to approve; and this house might be placed in an awkward position.

Hon. Mr. HUGESSEN: It seems to me that the Senate has to reach its own conclusions on the merits, one way or the other.

I am attempting to point out that it might be embarrassing to honourable senators to vote against this bill today, and be obliged to vote in favour of something very similar a few months hence.

There is a further consideration which appeals to me, in view of the practical parliamentary situation as it exists today. I think it would be a pity should the Senate give this bill second and third readings and send it on to the House of Commons. We are all well aware that at the moment that house is abundantly occupied with pressing government legislation and that it probably will be so occupied until the end of April, after which it will proceed to consider the budget. There is very little hope of the Commons being able to afford the time necessary to study this legislation for a long time to come.

To sum up that branch of what I am now attempting to say, I feel that the Senate should keep this bill before it, and should study it in conjunction with and as a part of the various aspects of the preparatory commission's report and of the draft international trade convention. I therefore propose now to make a suggestion. It may be considered a bold one; nevertheless, I make it. I suggest to honourable senators that they allow this bill to go to second reading—on division, if you like—

Hon. Mr. HAIG: No, no.

Hon. Mr. MORAUD: No, no.

Hon. Mr. HUGESSEN: Do I hear objections?

Hon. Mr. HAIG: It is a straight "No."

Hon. Mr. HUGESSEN: May I reply to my friend in the classical words, "Strike, but hear me."

Hon. Mr. HAIG: I will strike.

Hon. Mr. HUGESSEN: Let the bill be given second reading without a recorded vote, and without any honourable senators being committed as accepting or rejecting its principle; then send the bill to a standing committee,—

Hon. Mr. MORAUD: And there let it die.

Hon. Mr. HUGESSEN: —to hear evidence and discuss not only this bill, but also some of the more general questions arising under the proposed agreement.

I put this question to my honourable friend the leader opposite (Hon. Mr. Haig): Cannot the best services of the Senate be rendered to the country at the present time in this way? We may be—to use an extraordinary expression employed in the Ontario Legislature the other day—"digitally overprivileged"; but we

have certain public duties to perform. One of the responsibilities of this house has been very successfully fulfilled by the consideration of matters in its standing committees with a view to the enlightenment of the public. I am thinking of the work performed only last session by the Special Committee on Income Tax, the Special Committee on Immigration and the Standing Committee on Natural Resources. I am disposed to ask myself whether perhaps there is not an advantage after all in being "digitally overprivileged." There are many cogent reasons why one of our standing committees should consider not only this bill, but the draft trade agreement. I think the country expects it of us.

Considerable public interest has been aroused in this bill, but I am free to say that perhaps the public is not as well informed as it ought to be. Personally, I should be glad indeed to have the chance of hearing evidence before one of our standing committees from people who are interested, both supporters and opponents of this bill. I should be pleased to hear representatives of the dairy farmers give evidence as to the actual and prospective market of the dairy industry in butter. I should like to hear also from consumers; and I should be particularly interested in the opinion of the Oils and Fats Administrator as to whether or not we might expect to obtain supplies of fats for the purpose of manufacturing margarine in this country. I should welcome an opportunity of listening to evidence on a very interesting sidelight to this discussion—a point that has been raised by one or two honourable senators—as to whether in the future it will be possible for this country to produce on its own farms vegetable oils that are necessary in the making of oleomargarine.

I do not flatter myself, honourable senators, that after a committee had studied this question and heard all the evidence, one single opinion would be changed or one vote altered; but I do say that public opinion on this question would be much better informed than it is today.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HUGESSEN: I promised to be short, and I have come to the end of my observations. May I venture to summarize in one sentence what I have very inadequately attempted to say. Let us for the moment forget personal preferences, whether they be for this bill or against this bill, and let us do a good job: first, of informing the public of the country; and second, of supporting our government in its efforts to obtain an international trade agreement.

Hon. W. RUPERT DAVIES: Honourable senators, I am going to be brief. I intended to discuss this proposed amendment to the Dairy Industry Act, but since listening to the honourable senator from Inkerman (Hon. Mr. Hugessen) I am afraid that I have not much to say, because the tangle of international complications which he more or less held over our heads rather frightens me. If the government is of the opinion that the bill should be withdrawn, or should not be voted upon in the Senate, for fear it might interfere with the position of the Canadian delegates at the international trade conference, we should have a statement on the matter from the acting leader of the government in this house (Hon. Mr. Copp). I do not know whether the honourable senator from Inkerman is speaking for the government—

Hon. Mr. HUGESSEN: No.

Hon. Mr. DAVIES: —but I do agree with many of the things he has said. I rose to say that I was going to vote for the second reading, because I want the bill to be sent to a committee so that both sides of the question can be threshed out and representatives of the dairy industry, of consumers, of the Canadian Legion, of the National Council of Women, and other bodies may come and present their views, and give us an opportunity to question them. All of us have received telegrams about this matter. The honourable senator from Parkdale (Hon. Mr. Murdock) read them into *Hansard*. One was from Mr. Thurston, the Secretary-Manager of the Ontario Creameries Association, saying:

We vigorously protest proposal to legalize oleomargarine in Canada, as a blow at the farmers in Ontario.

Now, I do not believe any honourable senator wishes to deal a blow at the farmers of Ontario. I am sure there is not one who does. Certainly I do not. The Toronto headquarters of the Ontario Federation of Agriculture, on behalf of their cream producers, forwarded a protest in somewhat similar terms. On the other hand, the Kingston branch of the Canadian Legion passed a resolution in favour of oleomargarine. And while I am trying to think of the interests of the farmers, I have also to think of the interests of the thousands of workers in the locomotive, aluminium and nylon factories at Kingston, who carry lunches put up by their wives and who tell me that with the present butter ration they are having a difficult time. Then I have to think of the hundreds of thousands of children in this country who are not getting enough fats. All these considerations make it difficult

for one who wants to be fair, both to the consumer and to the dairy industry, to make up his mind. That is why I would like to see the bill go to a committee.

I regret on this occasion that the rules of this house, as I understand them, do not allow a bill of this kind to go to a committee until we have given it second reading. If I vote for it, as I propose to do if it goes to a recorded vote, I want to make for myself the same reservation which the honourable senator from Toronto (Hon. Mr. Hayden) permitted himself yesterday on the bill to amend the Canadian Wheat Board Act. There, I shall reserve to myself the right to change my vote on the third reading if representatives of the various interests are heard in committee and I am persuaded that the measure is a blow at the dairy farmers of this country, and that it would be more serious to them than it would be beneficial to the consumers. That is exactly the position I am in this afternoon. The manufacture and sale of margarine is legal in the United States, in Great Britain, and in practically every other country except our own.

Another circumstance has troubled me a little. A very important official of the War-time Prices and Trade Board whom I do not propose to name, has given to a prominent official of the National Dairy Council of Canada an opinion which is very much opposed to the bill. Now, I think that the place for that gentleman to express his views on a bill before the Senate is before a committee of the Senate, and not privately to one of the interests which is dealing with this matter.

Hon. Mr. DUPUIS: Would the honourable senator read in the record the opinion of this officer?

Hon. Mr. DAVIES: I am quite willing to read it. Do I have to give his name?

An Hon. SENATOR: There is no need to do so.

Some Hon. SENATORS: Oh, yes.

Hon. Mr. EULER: If the honourable senator is going to read it, he should give the name.

Hon. Mr. DAVIES: It definitely expresses opposition to oleomargarine. It was written to the Executive Secretary of the National Dairy Council, and was sent to a local industry at Kingston and passed on to me. It is from the Oils and Fats Administrator:

Fats and oils among the commodities in shortest world supply; supplies are approximately half of screened import requirements. As a consequence, all importing countries are forced to consumption levels of from seventy-five to ninety

per cent of their pre-war which is scarcely indicative of today's needs by reason of increases in population and industrial demand which is far greater than the 1935/1939 period used for comparison purposes.

Through the International Emergency Food Council, Canada has been allocated for the calendar year 1947 an import quota which amounts to 78,000 metric tons, which is insufficient to meet our needs without stringent controls and a domestic system of allocation to consuming industries. During 1946 we imported a total of 80,000 metric tons and, with this allocation, we experienced considerable hardship in maintaining consumption levels.

It is obvious that if margarine were manufactured in Canada, we must reduce production of shortening which product is an essential raw material for the baking, biscuit and allied trades, and the various food industries. Likewise, it would mean a probable reduction in the availability of refined vegetable oils used for the production of canned fish and canned foods of various types. By reason of the shortage of lard in Canada, any further reduction in the industrial supply of refined vegetable oils would have a hardship effect on the industries concerned with a resultant decrease in essential consumer food commodities.

It has been argued that we should allow the importation of margarine into Canada to relieve the butter shortage. I would point out that margarine, like other fats, is under allocation by the International Emergency Food Council, and that any importation would have to be made at the expense of our overall quota for 1947.

It is my considered opinion that the supply of fats and oils will remain below the 1935-1939 level for the next two to three years. Even when parity with the aforementioned base period is reached, supplies will continue to lag behind demand by reason of population and living standard increases and the technological developments in the fats and oils field which require increased quantities for industrial usage.

For the year 1947 at least, there is no possibility whatsoever from a supply point of view of making fats and oils available for margarine manufacture without depriving existing industries of their minimum of supplies.

Hon. Mr. EULER: May I ask who wrote that?

Hon. Mr. DAVIES: It was written by Mr. F. H. Lehberg, Oils and Fats Administrator of the War-time Prices and Trade Board.

Honourable senators, those may be Mr. Lehberg's views, but I should like to see him appear before a Senate committee so that we could ask him a few questions, some of which he may be able to answer easily. One question which occurs to me is: if the oils and fats are allocated by the International Emergency Food Council, how does it happen that oleomargarine is being sold in the United States and Great Britain?

Hon. Mr. EULER: Hear, hear.

Hon. Mr. HAIG: I shall answer that. There is a reason for it.

Hon. Mr. DAVIES: The honourable senator will have an opportunity to speak in a minute. That is one of the things I should like to hear answered. As I stated when I got to my feet, I am going to vote for this proposed amendment because I should like to see it go to a committee. I should like to hear more about it from various representatives so that I may be able to come to a more intelligent decision than I feel able to at the present time.

Honourable senators, if by a recorded vote this afternoon we might in some way tie the hands of men who will represent us later, I must confess my very grave doubt as to whether we should have a recorded vote.

Hon. ANTOINE J. LEGER: Honourable senators, I may say that I have never tasted oleomargarine.

Hon. Mr. EULER: You have missed something.

Hon. Mr. LEGER: I have never even seen it. Therefore at the inception of this debate I had a free and open mind on the question. I have listened to the arguments advanced, and I must say that I have become convinced that butter is a better substance, more palatable, more nutritive than, and in every way preferable to, oleomargarine. I have also become convinced that were it not for the alleged shortage of butter at this particular time, this bill would perhaps never have been introduced. I have further become persuaded that the shortage of butter is not entirely the fault of the dairy industry, but is, to a certain extent, attributable to other factors, amongst which government regulations and controls could perhaps be included. I am not ready at this stage of our history to put anything in the way of the rehabilitation of the dairy industry; nor to condemn it for this shortage, no more than I would condemn the lumbering industry or the steel industry for the shortage of materials to build houses.

Like the senator from Kennebec (Hon. Mr. Vaillancourt), I do not believe that any abnormal situation can be remedied by the substitution of another abnormal situation. I agree with honourable senators who have argued that the prosperity of Canada is linked, to a great extent, to the prosperity of agriculture. If oleomargarine is allowed on our market it will be difficult to take it off; and it is conceded, I think, that if it stays on the market it will have the effect of depressing butter prices. If that happens the farming industry will be detrimentally affected, and the nation's economy will suffer. Believing as I do that the controls and regulations affecting the dairy industry, like those affecting other

industries, will not be eternal, but that the farmers and dairymen in their turn will soon enjoy some of the liberty and freedom vaunted by the supporters of this bill, I am not disposed to put anything in the way of the farmers and the dairymen that may be considered a hindrance at this time. I shall therefore vote against the principle of this bill.

Hon. J. J. DUFFUS: Honourable senators, I listened to all the speeches on this subject last year, as well as to all those that have been made in the present debate. I have concluded that there are several factors involved in the question before us, and I propose to analyse them, and to ask a few questions and offer some suggestions on.

My first question is: If and when butter is scarce and the price is sufficiently high to become an economic burden on people in the lower income brackets, would oleomargarine be a reasonably satisfactory substitute? I admit it would. But, having regard to the fact that the ingredients necessary for the immediate production of oleomargarine are not obtainable, would the passing of this bill at the present time be of advantage to anyone? I do not think it would be.

My next question is: Even if the fats, oils and other ingredients necessary for the production of oleomargarine could be obtained from other countries whose people are suffering infinitely more than we are, would we be justified in selfishly appropriating that product to our use? My answer to this last question is that we would obviously not be justified in so doing. I feel that it would be preposterous to cause other people to become hungrier than they now are. Considering that point, together with the fact that our delegates are now in London and about to proceed to the international trade conference at Geneva, would we not be unwise to pass this bill at this time?

I have the greatest respect and highest esteem for my honourable friend the proposer and sponsor of this bill (Hon. Mr. Euler). He is a gentleman noted for his freedom of thought and speech. He has had a wide experience in helping to shape the destiny of this country, and has rendered outstanding service to Canada both at home and abroad. He has been a member of parliament for thirty years, having first been elected to the other house in 1917. He was for some years a member of the government of Canada, first as Minister of National Revenue and later as Minister of Trade and Commerce. He is a Privy Councillor, and is now a valued member of this Upper House. I deem it a great privilege to have been a colleague of his in the House

of Commons and to be his colleague now in the Senate. I am hoping that my honourable friend, possessing as he does such outstanding ability and characteristics, may in his good judgment see fit to withdraw the bill.

An honourable senator speaking in the debate last session said that he had never in his life milked a cow. I have not lacked that privilege. On the contrary, I have had a wide agricultural experience, in which I take a reasonable amount of pardonable pride. I acquired the art of milking at an early age. I was very young when I learned to plough and to do all other farm work.

Hon. Mr. DAVIES: No boasting!

Hon. Mr. DUFFUS: My honourable friend says "no boasting." May I say to him that that was a long time ago, when men wore whiskers and women wore clothes.

Some Hon. SENATORS: Oh, oh!

Hon. Mr. DUFFUS: At home we operated a farm of over five hundred acres, and from time to time had more than 150 head of livestock. It took upwards of a week to thrash our grain crops, and two days for clover thrashing. I may say to my honourable friend from Kingston (Hon. Mr. Davies), that I am making these statements not in any boastful sense, but rather as evidence of my background in agriculture, to justify my speaking on this subject.

The most important basic industry in the world is agriculture. One reason why I am not supporting the bill is that in my judgment any action on the part of this house tending to discourage and upset to any appreciable extent the minds of those engaged in agriculture has always caused detrimental repercussions. Any unrest adversely affecting industry, employers, labour or management would directly or indirectly increase the cost of commodities, to the disadvantage of all concerned. During the debate on this subject a few days ago there was criticism of the farmers who ship cattle to the United States. Why should the farmers not take advantage of a legitimate opportunity to make money, as people in any other business would do? Moreover, this export of cattle is a potent means towards keeping our dollar on a parity with United States currency.

At present farmers are enjoying an increasing and profitable trade in the shipping of high-class thoroughbred livestock to many other countries. Some years ago if a farmer desired to raise thoroughbred livestock he had to import the sires from Scotland, England, Belgium or other countries. They were the

hall-mark of quality. What is the practice today? Conditions have changed and our boys, and girls too, have become proficient in stock-raising to the extent that the converse of that situation is true. Canadian foundation stock is now being exported to many countries. Last August in one shipment eighty freshened heifers and twelve bulls were shipped to the United Kingdom, netting the farm boys \$120,000. Canadian cattle are today being shipped even by airplane to the United Kingdom, Holland, Brazil and various other countries.

Canada must continue, as she has done in the past, to reduce by every legitimate means the cost of commodities so as to increase trade with all other nations willing to trade with us; and at the same time she must reduce the cost to the domestic consumer.

In passing I wish to mention what might be referred to as a fifth basic industry, the tourist trade. It is becoming more and more important to the well-being of the people of Canada. Precedence is taken over the tourist trade by only the basic industries of mining, fishing, lumbering and agriculture. Without going into details on the tourist business, I wish to say that unless we develop all our natural industries on an economic and prosperous basis, sooner or later we shall find ourselves in the throes of another serious depression.

It is in order for me to comment on the housing shortage in Canada today, which adversely affects thousands of people who could be employed in agriculture, including the dairy industry. This emergency, I submit, could be improved by government assistance in erecting suitable homes for the use of farm help on thousands of farms. Men and women could be gainfully employed on the farm, assisting the farmer and his wife in their operations. One of the most depressing features of agriculture today is the lack of farm help, both male and female. How is it possible for agriculturists to carry on this most important industry unless assistance can be obtained? Of great benefit to the help on the farm would be the old-time practice of having a garden, a pig, a cow and some fowl, as partial remuneration, on a mutual basis with the farmer. This can be done without seriously increasing the farmer's overhead.

Provisions such as I have mentioned would encourage many families formerly engaged in agriculture to return to the land, and would also stimulate others to take up agriculture as a life work. To my mind it would be difficult to over-estimate the physical, mental, moral and economic benefits of such a scheme to

thousands of people. Employment of this type of agricultural help would assist in decentralizing many overcrowded centres, make the workers more confident and more self-supporting, and lessen in large measure the possibility of another relief problem. And, honourable senators, I do not think we should overlook the menace of the atomic bomb, and the fact that many of our farmers and others living in the outlying districts would be in a much safer position than the residents of large cities.

I may be asked, how can all this be achieved? By immigration. The result would be seen in more homes, more and more agriculture, more prosperity and happiness. I realize that thousands of unused farms would need to be rehabilitated by the use of fertilizers, and millions of acres would need to be irrigated. I submit all this would eventually pay handsome dividends.

I am wholly in favour of satisfactory immigration to this country. I exclude from that description immigrants whose main intention is to use this country as a back door to the United States. Too many immigrants of that type have been admitted to Canada in the past. The problem would be economically solved by bringing to this land of plenty wholly desirable and capable agriculturalists and others accustomed to outdoor life, from wherever they may come. What more desirable young men could we find than those who came here and were trained as pilots and mechanics? Let us concentrate on attracting young fellows of this type, who would be happy to come and would be a wonderful asset to this great dominion.

Bring to this great and glorious country the type of immigrant I have recommended. Extend to them a hearty welcome. Give them the hand of fellowship, kindly direction, expert advice, and reasonable governmental assistance. Bring them here, not in the thousands or tens of thousands, but by the hundreds of thousands, by a systematic arrangement; so many thousands annually, and on a five-year basis, to occupy the wide-open spaces. This would eventually add millions to the population of our country—which to my mind is one objective that we must give attention to in the days to come. It would bring to this land of plenty such prosperity as has not obtained for many decades. Increased population would result in decreasing the per capita debt of Canada, and would assist materially in reducing the obligations caused by two global wars in the past thirty years.

Honourable senators, with such a programme and the recommendations I have suggested, there would be no shortage of butter in this country. There would be no need for offering undesirable substitutes to the Canadian people, who are entitled to the best in the world, and who, even at the present time, are the best fed and the most prosperous people anywhere.

I offer these suggestions with a view to improving conditions in agriculture and for the extension of our trade with all countries in the world.

Hon. FELIX P. QUINN: Honourable senators, I do not propose to take up much time in dealing with the bill before us. We have listened to four very enlightening speeches in the debate today. I was much impressed with the submission of the honourable senator from Inkerman (Hon. Mr. Hugessen). He has thrown new light on the matter, and, like the honourable member from Kingston (Hon. Mr. Davies), I have been converted to his idea that this bill should not be dealt with too hastily, but rather that it should be sent to a committee. There we could have before us representatives of the dairying industry of the country who are so bitterly opposed to the bill—although their opposition has not impressed me—and other witnesses, including the Oils and Fats Administrator. I may say in passing that I feel, as does the honourable member from Kingston, that the Administrator had no right to express his opinion on this bill elsewhere, but that he should put forward his views before a Senate committee. By the time these witnesses have concluded their statements pro and con we may be in a better position to arrive at a decision.

I feel that what the honourable member from Inkerman (Hon. Mr. Hugessen) said with regard to the recommendation of our international trade commission should receive every consideration.

Hon. Mr. HAIG: They did not recommend anything. It was, I think, an American suggestion.

Hon. Mr. QUINN: In which the Canadian representatives concurred.

Hon. Mr. HAIG: No.

Hon. Mr. HUGESSEN: It was the unanimous report of the Preparatory Commission, based upon the original draft submitted by the United States.

Hon. Mr. QUINN: Therefore our Canadian representatives must have concurred in it.

Hon. Mr. HUGESSEN: Oh, yes.

Hon. Mr. QUINN: I am convinced that the contention of representatives of the dairy industry that the lifting of the ban on the import, manufacture and sale of oleomargarine would affect their industry is right. That is borne out by figures supplied by the Bureau of Statistics and which have already been placed on record by the honourable member from Ottawa (Hon. Mr. Lambert). We find in that submission a comparison of the production of milk and dairy products in the years 1920 to 1946.

The total milk production in 1920 was 10,976 million pounds. In 1946 it was 16,937 million pounds. Honourable senators, where has that milk production gone? In the first place, we find fluid sales of milk increased from 1,565 million pounds in 1920 to 4,254 million pounds in 1946. There was not much increase in the quantity consumed on farms. Under the heading of "Creamery butter" there is disclosed an increase of from 111,692,000 pounds in 1920 to 271,366,000 pounds in 1946. The "factory cheese" production showed little change. Production of evaporated whole milk increased from 30,470,000 pounds in 1920 to 191,431,000 pounds in 1946. There was a slight decrease shown in the production of condensed whole milk. The figures for the production of whole milk powder are 7,575,000 pounds in 1920 to 15,656,000 pounds in 1946. The increase in the production of skim milk powder was from 5,749,000 pounds in 1921 to 40,900,000 pounds in 1946. Casein, a product which is now largely used and which involves the use of large quantities of milk, has increased from 110,000 pounds in 1920 to 4,168,000 pounds in 1946. The production of ice cream increased from 2,996,514 gallons in 1920 to 15,835,668 gallons in 1946.

These figures show that there is a market for all the milk that can be used by the dairy producers of this country. The demand for these products is increasing all the time and therefore I maintain that the dairy industry has nothing at all to fear from oleomargarine. Like the member from L'Acadie (Hon. Mr. Leger), I have never come in contact with oleomargarine and do not know what it is like. If I had a choice, I should never change my preference for good old butter.

Coming back to the dairy producers' argument honourable senators will recall the old saying "You cannot have your cake and eat it."

Hon. Mr. EULER: Hear, hear.

Hon. Mr. QUINN: Sufficient milk cannot be produced to satisfy the demands of not only the butter and milk consumers but all other consumers of this country who are

using up the milk supply. I have no fear whatever that the dairy industry would be affected in any way, shape or form by passage of this bill. If I thought it would harm the industry I would never support the bill, but until this can be shown I am "from Missouri". I am still of the opinion that this bill should be supported, and I shall give it my vote.

Hon. J. P. MOLLOY: Honourable senators, a few minutes ago I had no intention of speaking on this matter at the present time, as I was of the opinion that the debate was likely to be carried over until after the recess. However, I now intend to say a few words. So far as the people in my province are concerned, there has not been one single sound argument offered in opposition to the proposal that this country be allowed to manufacture, offer for sale, or import oleomargarine. There has been no real argument on this, and I defy any honourable member of this house to come forward and say why a free man in a free country cannot produce, sell or import any wholesome article that he wishes to at any time.

I am going to be very brief. The whole matter boils down to what was said in the first address I ever heard as a schoolboy. It was delivered in the town of Emerson, Manitoba, by a prominent lawyer who later became a good judge in that province. It concerned the case of a receiver who forcibly ejected a teacher from one of the town schools. Court action was subsequently taken against the receiver, and a great deal of evidence was given. The principle evidence on behalf of the receiver was given by the town constable, who had been appointed by the receiver. The lawyer for the plaintiff said that a bad witness was a bad thing, a good witness was a good thing, but too good a witness was a very bad thing. In his address to the court he said: "I am reminded of my experience when I sat in the legislative halls in the province of Manitoba, and in the legislative halls at Ottawa. I have heard the opposition bring forward in support of their argument and contention everything that was reasonably to the point in regard to the matter under discussion; but"—to use his own language—"it was of no use; the opposition was beaten down by the brute majority."

Honourable senators, we have been told from the very day this bill was introduced that no matter what some of us might do, there would be no possible chance of the bill passing this house, and a great deal less chance in another place. In other words, we were told it was a waste of time.

There is another point which influences my vote on this matter. Fifty-three years ago this coming fall in the town of Emerson I heard for the first time the then leader of the Liberal party, Sir Wilfrid Laurier. I can still recall his eloquence as he stood on the platform, during a meeting which was described by Mr. Fisher as perhaps the best meeting they had addressed in Manitoba. At that time the tariff question was the issue. Allow me to put it this way: the burning issue in Western Canada was the question of coal oil. Among other things in his address Sir Wilfrid Laurier referred to coal oil. He said that in his tour of Western Canada he had met thousands of Conservatives, but no protectionists. He asked, "Who is the man who will dare stand up in the light of this oil?"—I am quoting his exact words—"Who is the man who will dare stand up in the light of this oil, taxed at 100 per cent, and declare for protection?" The people would stare at him as at a phenomenon, a monstrosity, or a freak of nature.

I am not only a Liberal, but I am a free-trader. I repeat that it is unjust and unfair to give 100 per cent protection to any industry, whether it be dairying, textiles or the agricultural industry generally. For that reason, more than any other, I will not, so far as I am able, allow any organization or industry to force its product upon the people at its own price and under conditions laid down by it.

If any industry has been pampered by the government, at least during the war years, it has been agriculture. Sir John A. Macdonald is credited with having said, though I cannot vouch for it, that the farmer was a man who never asked for anything, and never got anything. But today he asks for everything and gets everything, including 100 per cent protection in the dairy industry. We pay the farmer to summer-fallow his land, to crop his land, and to take it out of production. The latest suggestion is that we are to give him \$5 an acre to grow barley.

Hon. Mr. HAIG. No.

Hon. Mr. MOLLOY: I hope, in the interests of the taxpayer, that the Minister of Agriculture and his associates will see to it that, if such legislation does go through, only first-class land is used for that purpose.

I am going to vote for this bill in the interests of the majority of the people of this country. The bill would not antagonize anybody. One honourable member asked only this afternoon: What will happen to the farmer if oleomargarine is allowed to be manufactured here? Well, every other country in the world is manufacturing it. What does the farmer

in those countries do? He carries on his dairy industry, as he did fifty or a hundred years ago. The present set-up in Canada is unfair to the average man. Those engaged in the dairy industry cannot supply in part what is demanded, yet they want to dictate that no product shall be allowed to compete with butter. The producers say, "Give us one hundred per cent protection." This really means one thousand per cent protection, because there is nobody here to compete with them.

In 1941, 541,000 farmers were selling milk; but only 46,000 of those received 50 per cent of their income from dairy products. Why should we cater to 46,000 dairy owners as against the far greater number of people in other branches of farming? As the honourable senator from Kingston (Hon. Mr. Davies) pointed out today, such procedure is against the very children of this country, who cannot get enough butter and are unable to obtain oleomargarine.

I intend to vote for this bill, in the interest of the consumers of this country. May I say that if the largest class in the country, the consumers, constituted a party, no time at all would be required to consider and pass this bill.

Hon. J. J. DONNELLY: Honourable senators, while listening to the previous speaker (Hon. Mr. Molloy) it occurred to me that sometimes we reach the same conclusion by a different line of reasoning. I do not agree with the reasoning of my honourable friend, but I propose to vote for the bill. I voted for it at the last session and gave my reasons, but so much has been said since then that I thought perhaps I should restate some of them.

If there was not a shortage of butter the mover of this bill would never have introduced the measure into the house. I do not think anyone will deny that a butter shortage exists; one only needs to go to the Parliamentary Restaurant to realize it. I propose to vote for the bill because it is a matter of justice to many people who are unable to get butter or a suitable substitute. It has been argued by a great many people that it is impossible to get fats and oils; yet the honourable senator from Waterloo (Hon. Mr. Euler) has told us that it is offered freely for sale in the United States. That being so, why can it not be brought in here if the prohibition against its importation is lifted? If it is not possible to get the ingredients, we are wasting our time worrying about what is going to happen to the dairy industry. If the passage of the bill will have no effect, it cannot harm the dairy industry.

Some may wonder why I should vote for the bill, coming as I do from the county of Bruce, which produces more cattle than any other county in Ontario. The cattle business is not entirely a question of butter or dairy products. There are three or four breeds of dairy cattle—the Jersey, the Holstein, the Ayrshire. People who are in the dairy business keep cattle of a dairy type. It is difficult at the present time, as has been said, to get labour. The young men who worked in war industries got big pay and short hours; they saw the bright lights, and are not now satisfied to come back to the farm. The dairy industry is a seven-day-a-week job—fourteen mornings and evenings. Young people are not satisfied to go back to that arduous work, but if they wish to go into the raising of beef cattle they can very soon change over to the shorthorns, the Hereford or the Black Angus. I do a little beef cattle raising myself, and I know that one can make a bit more money on beef than dairy cattle. Less help is required to look after beef cattle. One man living close to me has a hundred head of beef cattle. They run loose in pens, as they do at the market, and the pens can be cleaned out by the use of a wagon or spreader. On a Sunday it takes only an hour to throw in sufficient feed for the stock.

I am not anxious that dairy people go out of the business, but with the shortage of labour I do feel there is every reason why more and more farmers will go out of it. I do not see much prospect of any increase in butter production. One honourable member has said that there is ample sale for milk and milk products.

The problem of labour has political implications, but my views on it are not of a partisan nature. I think one of the troubles concerning labour in this country is that parliaments under both parties for the past two or three generations have passed too much paternal legislation. When I was young one realized that when he went out into the world he would make good or go under. Today the young man does not look at it that way. He says: "Why should I worry? The political parties are tumbling over one another to give me an old age pension and children's bonuses, and to provide for me in every way. I do not need to care. Why should I go out and milk cows on Sunday morning and evening?" The question of labour is the real difficulty in the dairy industry.

I have made a few remarks in justification of my stand in support of this bill.

Hon. NORMAN McL. PATERSON: Honourable senators, I am going to say a few words. If for no other reason than the one mentioned by the honourable member from St. Boniface (Hon. Mr. Howden), I would be in favour of this bill. He mentioned that he had been home and had not had butter for eight days. Three days ago, on leaving this chamber, I was told by the constable at the door that he had received that day a letter from his daughter in Sudbury stating that for more than ten days she had had no butter. The other morning we received a letter from a relative of mine in England in which she mentioned that she was better off than we were, that she had not only butter but three ounces of oleomargarine a week. That is in England. These reasons are enough to convince one, after listening to the discussion last year. We were told, the last time we debated the matter, that the butter shortage was only temporary. Every indication is that it is not a temporary shortage, and that we are worse off this year than we were last year. For that reason I am in favour of this bill.

Hon. CAIRINE R. WILSON: Honourable senators, I did not expect to say anything, but I confess I am more and more puzzled as to why such a very small fraction of our agricultural community should be in need of a monopoly. I listened with great interest to the honourable senator from South Bruce (Hon. Mr. Donnelly). I happen to have a son-in-law who owns a dairy farm, and I can appreciate the long hours which those who tend cattle have to work. But I, also, should like very much to hear more on the question. Frankly, I am puzzled by the statement of the Oils and Fats Administrator, for I happened to meet at lunch today a friend who has just returned from the United States and who told me, with great satisfaction, "I got without the slightest difficulty two pails of Crisco". Those of us who are trying to cook realize that we in Canada have not any supply of shortening, let alone butter. For this reason I cannot understand why, if there is an even distribution of oils and fats, there should be so much more shortening as well as margarine across the line. I believe that our dairymen will always have a market for every ounce of milk they can produce. For that reason I support the proposal of the honourable senator from Inkerman (Hon. Mr. Hugessen).

Hon. W. J. HUSHION: Honourable senators, I wish to say a word or two before this debate is closed. Coming from a large centre, I probably have a different

point of view from that of most honourable senators who live in the West and other country sections.

When a similar bill was brought in last year I voted against it. Since then I have made some effort to sound out public opinion through people whom I have met in Montreal, many of the ladies' organizations, a few labour organizations, and others, and I have not met one who had a word to say against oleomargarine. On the contrary, they would welcome it, especially since the nutritive value of oleomargarine is about equal to that of butter. Also I have been informed from one of the laboratories that the fats and other ingredients of oleomargarine make it a very good substitute for butter.

Some honourable senators seem to fear an unfavourable reaction from the dairy farmers of the country because the bill seeks to promote the manufacture of oleomargarine in Canada for Canadians. The main object is to have it available for our own use, not to export it. An honourable senator says it cannot be manufactured here. Well, if that cannot be done it will not be done. Another honourable senator has suggested that it would be a shame to take fats from European countries. I agree that what fats they have they are entitled to keep. I would draw to the attention of honourable senators that some farmers in this country have been smart enough to grow quantities of linseed for oil, and have done very well at it. This is a commodity which would be a very good basis or ingredient of oleomargarine.

There has been much talk about the dairy farmers. Well, I have a great respect for the farmers, as much indeed as has anyone here; but the farmers are not the only people in this country. Labouring men and other classes of workers are entitled to be considered. We in this chamber hear a great deal about "the farmer" this and "the farmer" that, but we seldom hear a word on behalf of the poor man who is struggling to maintain his family and keep his home together on an income of \$1,500 to \$2,000. The farmer does not need an exaggerated amount of sympathy, and I do not believe he is looking for it. Probably the co-operatives are responsible for a good deal of the opposition to this proposal; and incidentally, I have noticed a report that some investigation is proposed of certain co-operative movements,—whether or not it is suggested that they are making too much money, I do not know. Honourable senators may laugh, but I contend that men who have to work hard for a living deserve some consideration in this matter. If they cannot afford to pay 46 cents a pound for butter

they could probably pay 30 cents for margarine, and they should have the right to do so. I do not believe that the argument about protecting the farmer is anything more than a pretext.

A few days ago a prominent women's organization was making representations here to the effect that its members are worried about the danger of children not being able to get enough milk. The measure we are considering should not hurt the dairy business. I notice that more than \$200,000 is being expended for a check on production and distribution of milk in Ontario. Under these circumstances, why worry about the consequences of permitting the use of oleomargarine?

While I have been greatly interested in the discussion of this subject I think that, through the linking of it with world issues, it has covered too wide a range. Is it suggested that we must go to Geneva to get permission to make oleomargarine in Canada for Canadian consumption? I agree with what was said recently by a gentleman in the other place: "Never mind what they do in England or in various part of Europe. Let us attend to our own business." We do not have to ask anybody's permission to do that. To me it seems a lame argument to assert that the introduction of margarine might have damaging effects on a conference in London or Geneva. To me that is no argument at all.

Let me repeat, honourable senators, as one who has lived all his life in a thickly populated district, and has seen as much hardship as any honourable senator here, that to my mind those who oppose the use of margarine are acting unfairly and taking too narrow a view of the needs of the country. If oleomargarine will fill the shortage caused by lack of butter, and if it has the nutritive value which we are told it has, why should we not use it?

For these reasons, honourable senators, I am supporting the bill, and I hope that it will pass.

Hon. VINCENT DUPUIS: Honourable senators, I am sorry, but I shall have to put your patience to test for a few moments. I am opposed to this bill and I want to say why. It is because the interesting speeches that have been made in favour of the bill put all honourable members of this house in a false position. According to their contentions we have not been reasonable and we are shown to be against the poorer people of the country who want to have something to put on their bread. My honourable friend from Victoria (Hon. Mr. Hushion) appealed to the sentiment of his colleagues with all his habitual

qualifications. But there is something more than sentiment and emotion to be considered in debating legislation of this kind.

I think we are misplacing the question. If you will allow me, honourable gentlemen, I should like to answer my honourable friend from Victoria. It is true that in some quarters of this country we might be short of butter, but a high and well-informed official of the Department of Agriculture has told us that even if this legislation were passed we would not have the ingredients to make oleomargarine.

Hon. Mr. HOWDEN: What harm would it do?

Hon. Mr. DUPUIS: It has been said and nobody denied that.

Hon. Mr. LACASSE: Why oppose it so strenuously?

Hon. Mr. DUPUIS: It has been said that the purpose in opposing this bill is to protect the farmers. That is not the point at all. The main reason why I am opposed to this bill is that I prefer real butter to a substitute like oleomargarine.

Hon. Mr. EULER: You would not have to accept the substitute.

Hon. Mr. DUPUIS: It is all right for my honourable friend to say that, but I am thinking of the people of this country whom it is our duty to protect. The honourable senator (Hon. Mr. Euler) says, "You would not need to accept the substitute." That is exactly the point. It is very well to say that, but I am duty-bound to protect the citizens of this country against the falsification that will result if this bill were passed. Oleomargarine would be sold as butter on every market of this country, and the people would be abused as they were during the last war. I know something about the last war.

Hon. Mr. HUSHION: May I suggest to the honourable senator that oleomargarine cannot be handled in that manner any more, because it is now contained in sealed packages which are marked "Oleomargarine."

Hon. Mr. DUPUIS: The oleomargarine cover will be stripped off and another cover put on, as is done in the case of some other foods. What about the Food and Drugs Act? My honourable colleague from Inkerman (Hon. Mr. Hugessen), a distinguished lawyer, knows very well that laws are as freely violated in this country as in any other country of the world. I say again that we are misplacing the question. My good and distinguished friend from Inkerman said that we should not

interfere with the great project of international trade. Are we not to interfere to prevent this country from being fooled with false products? This is a free country. We shall be lauded for having prevented this bill from going through this house.

I am a Liberal, but I am not liberal enough to swallow everything that is done by my party. I believe the Liberal party made a mistake for some time in subsidizing to too great an extent dairy products like fluid milk and cheese. Those products were subsidized during the war so that they could be sent overseas to help our soldiers and allies. I was 100 per cent for that, but the war is over and we have no reason in the world now to subsidize fluid milk. But if butter is not produced in sufficient quantity today, why should we not subsidize its production for national consumption?

Hon. Mr. DUFFUS: Was the purpose of subsidies not to reduce costs for the people in the low income brackets?

Hon. Mr. DUPUIS: That is one of the purposes. Another was to encourage production, I am sure that if the farmers were encouraged to increase the manufacture of butter it would not take a month before we had a sufficient quantity.

I have not the statistics, but I am convinced that we are exporting a large quantity of butter overseas. If, as is contended by those who are in favour of this bill, oleomargarine were just as good as butter, oleomargarine would be made and manufactured in England, France, Belgium and other European countries. Why do they not manufacture it?

Hon. Mr. EULER: They do.

Hon. Mr. DUPUIS: Why do they not manufacture it in larger quantities? I will answer my own question, honourable senators. It is because people with common sense know very well that butter is 100 per cent better than oleomargarine. That is why other countries want to import our butter. Notwithstanding the contention of some chemists who claim that oleomargarine is just as good as butter, nobody in the world will convince me that butter does not contain more vitamins than oleomargarine. My honourable friend from St. Albert (Hon. Mr. Blais) is a good doctor and I shall leave the answer to him.

Honourable senators, when I rose to say a word it was only to give reasons why I am against the bill.

Some Hon. SENATORS: Question!

Hon. Mr. LACASSE: I beg to adjourn the debate.

Hon. Mr. HAIG: Let us get through with this now.

Hon. Mr. COPP: Honourable senators, now that we are discussing this matter can we not go on tonight and complete the debate? We should like to clear the order paper before the end of the week.

Hon. Mr. LACASSE: I am not prepared to go on tonight, although I do not want to leave the house with the impression that the arguments advanced this afternoon are unanswerable. I think we should have an opportunity of studying those formidable arguments before replying.

Hon. Mr. COPP: I only suggest to the honourable senator that, if we could carry on, we could clear the order paper this week.

Hon. Mr. LACASSE: Honourable senators will remember that last session a debate was adjourned for three months. I am just asking for an adjournment of twenty-four hours.

Hon. Mr. HAIG: Did my honourable friend say the debate was adjourned for three months last year?

Hon. Mr. LACASSE: I did not mean the debate on this issue. I meant a debate on another matter.

The motion was agreed to, and the debate was adjourned.

CANADIAN WHEAT BOARD BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Copp for the second reading of Bill 23, an act to amend the Canadian Wheat Board Act, 1935.

Hon. G. P. CAMPBELL: Honourable senators, I hesitate to enter into a discussion of the merits of this bill, particularly in the light of some remarks previously made. If I have not had experience in the agricultural industry to justify the remarks which I make, I trust honourable senators will bear with me and excuse my ignorance in anything I may say as to the merits or demerits of the proposed legislation.

I should like first to associate myself with the honourable member from Toronto (Hon. Mr. Hayden), who spoke yesterday in this debate, and to point out that I propose to vote in favour of second reading because I feel that there are many questions which I

should like to ask the officials when they appear before the committee to which the bill will be referred. Also, there are aspects of the bill to which I wish to give further consideration.

I assume that the bill has been introduced for the benefit of the wheat farmers of Western Canada, and that it is in the general interest of the dominion at large. It has government sponsorship, and I do not at all question the policy as being one which the government considers to be in the best interests of the agricultural industry and the country at large. But I feel that we should realize the nature of the legislation.

We hear a good deal today about free enterprise, socialism and other isms and controls. It has been the announced policy of the government to remove all controls as fast as can reasonably be done without interfering with the general economy of the country. We must appreciate that today the world is labouring under extremely abnormal conditions. The Dominion of Canada and the United States have the most ideal conditions, and the peoples of these two countries are enjoying life more than any other nation. Bearing that in mind, I do not think we should confine ourselves to the effect that such legislation may have upon Canada alone. It is the duty of the countries that have, to share with those who have not.

Speaking in this chamber a couple of years or so ago I made a statement which I should now like to repeat in substance, if not in words. It was to the effect that we were approaching the time when the allies would defeat a common enemy, and I expressed the hope that after that enemy was defeated the allied cause would not disintegrate and fall apart; that we would realize there was a greater enemy to fight—the enemy of poverty. Today Canada, the United States and other countries allied with her during the war, can see poverty on every hand. It is our duty to produce all we can to help to feed the people of the United Kingdom, Europe and the countries which need food so badly. I feel that ultimately we must reach the position where the great agricultural producing and exporting countries will be able to enter into an international agreement by which surplus food stocks, required by other countries unable to produce to meet their needs, will be distributed to them.

I make these preliminary statements because the question is now being faced at an international meeting in London, where an effort is being made to reach an agreement with respect to the price of wheat.

With the consent of honourable senators I should like to put on record part of an editorial which appeared in this morning's edition of the *Ottawa Citizen*. It reads:

A leading article in *The Times* of London recently outlined the specific objectives proposed for the Wheat Council. They are, it says, prices "fair" alike to consumers and producers; supplies "adequate" at all times for world consumption at "reasonable" prices; "adequate" stocks against all contingencies; the avoidance of "burdensome surpluses"; "security for efficient producers," but "increased opportunities" for sources which can supply wheat "most effectively"; replacement of wheat-growing on unsuitable land by the cultivation of more appropriate products; and the promotion of wheat consumption, "paying attention particularly to the nutritional programmes of signatory governments."

I suggest to honourable members that a great deal depends upon the outcome of the conference taking place in London; and in considering this proposed legislation we should bear in mind that that conference in due course will reach a decision which may be in direct conflict with the provisions of this bill. If agreement is not reached this year it may be reached at a subsequent period before the legislation now proposed terminates under the provisions of the bill. I feel that the matter should be considered in committee, and some evidence should be adduced to show what would be the effect of an agreement entered into at London upon the bill now before us; and if an agreement is concluded in London for a world price, whether this proposed legislation would not have to be amended.

The nature of this legislation, I am sure, troubles all honourable members of this house, and it no doubt presented problems to members of another place. One must realize that its provisions amount to nationalization of the grain trade of Canada. One hears the argument that the nationalization of the grain trade of this country is in the best interests of the agricultural industry as a whole. On the other hand we hear statements by agricultural representatives that the legislation is not satisfactory to the grain-growing farmers of the West.

I do not propose to express my own opinion, because I do not know enough about the subject; it is impossible for me to reach any decision with respect to it. But I would point out that the nature of this legislation means that the grain trade of this country is to be nationalized, that we are to have the continuance of controls and the regimentation which follow the nationalization of any such industry. Private enterprise is to be eliminated, and the freedom of the individual engaged in the production and merchandising of wheat inter-

ferred with. It also means, I submit, the destruction of the facilities which have been used during past years for the marketing of grain. The grain trade of this and other countries has been a highly specialized business. From time to time it has been subjected to investigation and inquiry by royal commissions and other tribunals. I submit that we in Canada still believe in free enterprise, yet we are nationalizing the grain trade at the same time that, in the great country to the south there continues freedom of trade and a system of merchandising carried out through the channels which were formerly used in this country. What effect this may have upon our ability to sell our grain at large in the future is very difficult to see.

In passing this legislation we shall vest in the Canadian Wheat Board the power of merchandising wheat, not only domestically but throughout the world, on a competitive market in which at all times there has been the keenest competition. I do not believe that this board is any more capable of foreseeing the future trend of prices of wheat than is any honourable member of this chamber. Anyone who has ever had anything to do with the grain business realizes that it is impossible to foresee the trend of grain prices, because it is affected so seriously by weather, the crops from other countries, and surplus stocks which are available for export from one place to another. We must realize that what is being done by this legislation is to put in the hands of a board responsible to the minister the entire problem of buying and selling wheat for domestic and export purposes.

Hon. Mr. MacLENNAN: It is more than that. It is for the purpose of benefiting the farmers, if possible. Is not that an object of the bill?

Hon. Mr. CAMPBELL: I answered the honourable senator's question when I said that I assumed that the purpose of the bill was for the benefit of the farmers, and I suppose that it is considered to be in the best interests of the farmers that such a board should have very wide powers. But if that is so, let it be noted that we are setting up a board with these extraordinary powers to continue in force irrespective of what may happen to the wheat agreements with the United Kingdom, and that, irrespective of the provisions of the agreements, the board is enabled to function until 1950.

I think there has been some doubt as to the meaning of these agreements, and possibly as to the real purpose of this legislation. If we are to accept the preamble as indicating the purposes of the legislation, it simply means

that the intention is to continue in force until the end of the present crop year, regulations made under the National Emergency Transitional Powers Act to provide for the carrying out of the sale and delivery of wheat by the Government of Canada to the United Kingdom. If we turn to the provisions of the agreement, which is contained in Treaty Series 1946, No. 30, we find that there is a firm agreement to sell certain specified quantities of wheat at prices stipulated to be: \$1.55, for the crop year 1946-47; \$1.55, for the crop year 1947-48; not less than \$1.25, in respect of wheat bought and sold in the crop year 1948-49; and not less than \$1 for wheat bought and sold in the crop year 1949-50. But the clause which warrants some consideration is sub-paragraph (b) of paragraph 2 of the treaty, which I should like to put on *Hansard*:

The actual prices to be paid for wheat to be bought and sold within the crop year 1948-49 shall be negotiated and settled between the United Kingdom government and the Canadian government not later than the 31st December, 1947, and prices for wheat to be bought and sold within the crop year 1949-50 shall be negotiated and settled not later than the 31st December, 1948. In determining the prices for these two crop years, 1948-49 and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in the 1946-47 and 1947-48 crop years.

If I interpret correctly the provisions of that agreement, we have a firm contract for the sale of grain for the crop years 1946-47 and 1947-48 at \$1.55 per bushel. But it is provided in this agreement that before December 31 of this year, 1947, the governments of the United Kingdom and Canada must settle the price at which wheat will be delivered for the subsequent crop year 1948-49. I submit that at that period the contract will be completely open. Assuming that as of December 31 of this year the world price of wheat is, for example, \$2.50 per bushel, or anything over \$1.25, the obvious intention of the agreement is that the United Kingdom government should pay not only a reasonable price, to be negotiated at that time, which I submit should be something approaching the world price, but in addition thereto, something to compensate for the low price that has been paid to date, in view of the fact that the world price has gone to over \$3 a bushel.

Hon. A. L. BEAUBIEN: May I ask the honourable senator a question? That is over and above the \$1.25 minimum specified in the contract.

Hon. Mr. CAMPBELL: Yes.

Hon. Mr. HORNER: Have the words "have regard" and so on any legal meaning, or do they merely signify that there will be a "thank you" for past services?

Hon. Mr. CAMPBELL: I always felt that the words in any agreement meant something. I shall answer the honourable senator from Blaine Lake (Hon. Mr. Horner), by saying that those words cannot bind the United Kingdom Government. That is what disturbs me, that we are asked to pass legislation which is going to carry on until 1950 although, as a matter of fact, these agreements may be terminated by reason of an agreement having been reached at the international conference in London, or by reason of the parties being unable to get together.

Honourable senators might have regard to these clauses:

6. It is mutually understood that matters arising from, or incidental to, the operation of this agreement may at the instance of either party become subjects of discussion between the parties to this agreement.

7. Having in mind the general purposes which this agreement is designed to serve, the two governments have agreed that its terms and conditions shall be subject to any modification or amendment which may be necessary to bring it into conformity with any international agreements or arrangements hereafter entered into to which both governments are parties.

From the general provisions of that last clause, it is quite obvious that it is contemplated between the parties that this agreement may have to be changed prior to 1950. What position shall we be in if this legislation is passed and the contract comes to an end entirely.

Hon. Mr. A. L. BEAUBIEN: Does not that clause signify, as I have interpreted it, that if an international wheat agreement is arrived at, the contract expires? The argument presented in the House of Commons by the Minister of Agriculture was along that line.

Hon. Mr. CAMPBELL: With all respect to the Minister of Agriculture, I think the words in the agreement show clearly that it has been agreed to amend the provisions of this agreement in order to bring it in line with the international agreement that is entered into between these two governments.

An Hon. SENATOR: Are we talking about the international trade agreement to be made in Geneva?

Hon. Mr. CAMPBELL: It does not stipulate whether it is an international wheat agreement or a trade agreement.

Hon. Mr. A. L. BEAUBIEN: I understand it is the international wheat agreement, which the delegates in London are discussing at the present moment.

Hon. Mr. CAMPBELL: I submit that this is one of the questions that should be brought to the attention of the officials in the committee, and we should be satisfied what will happen should these agreements terminate for one reason or another, or if it should be necessary to amend the agreement.

Hon. Mr. HAYDEN: Is that provision not intended to cover the situation arising out of the conference at London, that there may be multilateral agreements which will possibly require a change in the present agreement?

Hon. Mr. CAMPBELL: That may very well be. I was dealing with the question of the wheat price. One of the things that concerns me is the provision of this agreement that by December 31, 1947, the parties to the agreement must settle the price at which the grain is to be delivered for the subsequent crop year. With all respect to the representatives of the United Kingdom, I say that they are recognized as the shrewdest traders in the world, particularly when dealing in cereals, grain, flour and so forth; and I think it has been the policy of the British people at all times to buy their wheat and other cereals from the market where they can get it the cheapest. It may be of interest to honourable senators to see what the Minister of Food, Mr. Strachey, has to say on this very subject. It shows that the present government is following the same practice that the United Kingdom has adopted for many years.

With leave of the Senate I should like to read from the debates of the British House of Commons under date of December 11, 1946, column 1156, oral answers during the question period of the house. The subject under discussion was Danish produce, and particularly the prices. Lieut.-Colonel Bromley-Davenport asked the Minister of Food:

Whether he is aware of the continued dissatisfaction of the Danish people with the prices paid by this country for Danish agricultural produce; and whether, in view of the adverse effect which this is having on their ability and willingness to buy British goods, he proposes to review the position in the near future with a view to some modification of the existing arrangements.

Here is the minister's reply, with a further question and answer:

Mr. Strachey: I know the Danes would like to be paid more under the agreement of July, 1946. That agreement, however, gave Denmark solid assurances of a large share in the British

market for her products for the next three years, and provided for a review of the prices at reasonable intervals. I do not see why the arrangements laid down in the agreement should be modified. We cannot ignore the repercussions which would follow if we paid Denmark prices for her agricultural produce entirely out of relation to those paid to other suppliers, such as the Dominions.

Mr. Snadden: Can the Right Hon. gentleman explain how this policy of buying agricultural products below cost of production in the country of origin, squares with the Hot Springs Resolution, which this Government supported?

Mr. Strachey: We buy agricultural products at the lowest price we can get them in the world, and if we deviated from that policy I am sure the house would censure us very severely indeed.

I submit, honourable senators, that that is a perfectly sound stand for the British Government to take in an open market. Let us consider what may develop by December 31, 1947, when representatives from both countries sit around a table to settle the price for the subsequent crop year. The United States is a very large producer of wheat, and from all we hear, their crop conditions seem very favourable. The Argentine is a very large producer of wheat. France will again enter the market and may have exportable surpluses, and it is assumed that the United States will offer wheat for sale. But we are now committed to the provisions of the agreement, and are obligated to sell certain specified quantities of wheat to the United Kingdom government, at a price agreed upon between the parties to the contract. I submit that with the floor price of \$1.25 stipulated it is not reasonable to expect that the British government is likely to agree to pay a dollar more than the world price at the re-negotiating time, should the price be more than \$1.25, as we all hope and expect it will be. The provisions of the agreement that the United Kingdom government will have regard to any difference between the prices fixed by this contract and the world price, I submit, will not likely have any effect upon the price to be agreed upon at that time. We shall then find ourselves forced to meet the world price because we at this time sold—and I submit sold short—a very substantial quantity of wheat upon which the farmers lost considerable money.

Whether or not this bill represents a good business transaction I am not here to argue. I simply point out that as a farmer I could not have a great deal of confidence in the ability of a board vested with such wide powers to merchandise my grain, and get the highest possible price on the world market, when we find a situation such as exists today. Bearing that in mind, should we not most carefully consider the necessity for

this legislation? We must, however, realize that a contract has been entered into; it is binding upon us, and we must have the machinery for carrying out its provisions. If it is necessary to enact legislation for that purpose, we must do so.

Hon. Mr. ROEBUCK: May I ask the honourable gentleman a question? Why is it necessary to do so? Is that the constitutional situation? Do I understand that when an executive enters into an agreement of that kind it is taking a chance on whether or not parliament will support it?

Hon. Mr. CAMPBELL: I think that parliament has approved this treaty and the agreement has been entered into.

Hon. Mr. ROEBUCK: Parliament has not approved it; the House of Commons has.

Hon. Mr. CAMPBELL: I think that it has the full authority of the Parliament of Canada by reason of the fact that the authority under which the contract was entered into was a valid order in council and therefore the contract to all intents and purposes, is a contract which has been entered into with full authority from the Parliament of Canada. I of course would not suggest for one moment that we should not carry out the contract. Having entered into it with perfect good faith, and possibly not being able to anticipate the future world price at any given date, we must carry out the contract. From all indications the farmers' representative organizations were quite satisfied with the terms of the contract and with the stipulated price they were to get over the ensuing four years.

I merely draw to the attention of honourable members that if a board is vested with wide powers, and by legislative authority is given complete control over the grain trade of this country, we are going a very long way towards taking the first step in socializing the grain trade of Canada. The fact that the bill is limited as to time does not satisfy me at the present moment. I have some slight knowledge of the provisions of the Canada Grain Act and the Canadian Wheat Board Act, and have gone into the powers of the board. I feel that the board, without such drastic legislation, has the power now, with a few amendments to the bill, to carry out the provisions of this agreement, and to pay the farmers the amount of \$1.35 to which they are entitled.

I do not wish to take up further time of this honourable house, but I point out that the observations I have made are probably preliminary to a more thorough canvass of the

legislation. I say to honourable senators that the provisions of part II of the bill are entirely unlimited in time, and have the effect of placing the elevator storage and mill facilities in Western Canada under the control of the board. If I interpret the legislation correctly, it gives the Governor in Council power to extend controls over elevators in the eastern division and covers grain produced in Ontario.

I draw the attention of honourable members to these provisions, and submit that in some respects this legislation is *ultra vires* of this parliament. As an illustration, assuming that the legislation is passed granting the Governor in Council authority to extend the area and include the province of Ontario, the board would then have power over elevators, mills and facilities in this province if they are so designated. It would mean that a grower of wheat in Ontario, who has his wheat milled in that province, is controlled by this legislation. I say without much hesitation that that is *ultra vires* of this parliament. It represents a purely domestic transaction, wholly within the powers of the province of Ontario, in that particular case.

Other provisions in the bill I feel are questionable as to whether or not they are *intra vires*. It is the duty of this house, I submit, to see that we do not pass legislation that is *ultra vires*. Legislation of this character should be carefully studied and watched, that it may not be a forerunner of more socialistic policies to be introduced in another place at a later date.

Honourable senators, in closing I submit that we should examine this particular legislation most carefully and make sure that it is not *ultra vires*; that it is in the best interests of the farmer and of trade and commerce; that it is advantageous to the Canadian taxpayer, and in the interests of free enterprise and true Liberalism; and that we are not yielding to the forces of socialism in this country, which is one of the last two countries of the world to enjoy free enterprise.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. TURGEON moved the adjournment of the debate.

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. ASELTINE moved the second reading of the following bills:

Bill K3, an Act for the relief of Lillian May Alsop Mackenzie.

Bill L3, an Act for the relief of Robert Crawford Kirk.

Bill M3, an Act for the relief of Robert Thomas Jackson.

Bill N3, an Act for the relief of Ernest Wright.

Bill O3, an Act for the relief of Theresa Sherpitis Morganti.

Bill P3, an Act for the relief of Omar Montpetit, Junior.

Bill Q3, an Act for the relief of Harold Robinson.

Bill R3, an Act for the relief of Margaret Cote Truax.

Bill S3, an Act for the relief of Netta Cheyne Lee.

Bill T3, an Act for the relief of Bessie Letovsky Silverman.

Bill U3, an Act for the relief of Percy Coleman Stuart.

Bill V3, an Act for the relief of Pearl Vesta Fields Hollenbeck.

Bill W3, an Act for the relief of Adele Kuznetz Lesser.

Bill X3, an Act for the relief of Joseph Alexander Oswald Mercier.

Bill Y3, an Act for the relief of Michael Maturjiw, otherwise known as Michal Matwijow.

Bill Z3, an Act for the relief of Eugenie Beatrice Smith Ricketts.

Bill A4, an Act for the relief of Hilda Mary Charlotte Kelly Smith.

Bill B4, an Act for the relief of Eileen Louise Thomas Bleakney.

Bill C4, an Act for the relief of Eugenia Drake Armstrong Newell.

Bill D4, an Act for the relief of Muriel Ailson MacKeage Fewtrell.

Bill E4, an Act for the relief of Evelyn Marie Elliott McGrath.

Bill F4, an Act for the relief of Mary Nellie McGurk Stone.

Bill G4, an Act for the relief of Cipoire Segall Wurmbrand.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the SPEAKER: When shall the bills be read the third time?

Hon. Mr. ASELTINE: With the consent of the Senate, I would move that the bills be now read a third time.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 27, 1947.

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

Prayers and routine proceedings.

TOURIST TRAFFIC

REPORT OF COMMITTEE

Hon. W. A. BUCHANAN presented and moved concurrence in the second report of the Standing Committee on Tourist Traffic, as follows:

Your committee recommend that it be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada, and that the committee be authorized to send for persons and records.

The motion was agreed to.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. B. COPP presented the report of the Standing Committee on Transport and Communications on Bill H, an Act to incorporate Quebec North Shore and Labrador Railway Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 19, 1947, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. HUGESSEN: With leave of the Senate, I would move third reading now.

Hon. Mr. HAIG: Is that what is called "railroading a bill"?

Hon. Mr. HOWARD: "Railroading a railroad bill."

Hon. Mr. HUGESSEN: The motion is made only with the leave of the Senate.

Hon. Mr. HAIG: I am not objecting.

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

DIVORCE BILLS

FIRST READING

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill H4, an Act for the relief of Violet Olive Magdalene Allchin Clark.

Bill I4, an Act for the relief of Victor Reid Murray.

Bill J4, an Act for the relief of Agnes Jane Irwin Everitt Dixon.

Bill K4, an Act for the relief of Peter Samuel Rosen.

Bill L4, an Act for the relief of Rose Waselevsky Balakirsky.

Bill M4, an Act for the relief of Sophie Wener Finestone.

Bill N4, an Act for the relief of Norma Mary Sharp Chapman.

Bill O4, an Act for the relief of Douglas Wilson Bradshaw.

Bill P4, an Act for the relief of Muriel Amelia Dufty Rochet.

Bill Q4, an Act for the relief of Ethel Ornstein Pfeffer.

Bill R4, an Act for the relief of Hilda Katz Delnick.

The bills were read the first time.

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. ASELTINE: With leave, next sitting.

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY BILL

FIRST READING

Hon. Mr. COPP presented Bill S4, an Act respecting the Beauharnois Light, Heat and Power Company.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

DAIRY INDUSTRY BILL

MOTION FOR SECOND READING NEGATIVED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Euler for the second reading of Bill B, an Act to amend the Dairy Industry Act.

Hon. SALTER A. HAYDEN: Honourable senators, in the absence—

Hon. L. MORAUD: Before the honourable gentleman proceeds, may I restate a question which I asked yesterday of the honourable senator from Inkerman (Hon. Mr. Hugessen)? As my question appears in the official report it is not very clear. The question I intended to ask was this: Why take all the trouble of

giving this bill second reading and sending it to committee, if afterwards the government will have to bring in a bill to ratify the agreement that is made at Geneva?

Hon. A. K. HUGESSEN: I might answer my honourable friend in this way: It seemed to me that it would be of great interest to a standing committee of the Senate to examine the draft international trade convention which has been approved by the Preparatory Commission and is to be the subject of further discussion at the adjourned conference that is to meet next month.

Hon. Mr. MORAUD: Which work of course will have to be done again when we get the government bill?

Hon. Mr. HUGESSEN: Yes, that is so.

Hon. Mr. HAYDEN: Honourable senators, in the absence of the senator who adjourned the debate yesterday (Hon. Mr. Lacasse), I should like to say a few words. When the bill was before this chamber last session I spoke in favour of it from the viewpoint of the consuming public of Canada. My views have not changed. In the course of the debate a good deal has been said, pro and con, and to attempt to go through it again would be imposing beyond all proper limits upon the patience of this chamber. I listened with particular interest yesterday to the statements of the senator from Inkerman (Hon. Mr. Hugessen), and was much impressed by them. I also appreciate the position of those who are hesitant about giving this measure second reading and sending it to committee. They do not want to commit themselves at this time to the principle of the bill.

I recall that last year while dealing with the Foreign Exchange Control Bill, we adopted a practice that might be again followed in this instance. At that time a motion was made that the bill be not now read a second time, but that the subject-matter of the bill be referred to committee for consideration and report. After some consideration of that procedure I have come to the conclusion that it might be the solution to the present difficulties. Therefore at this time I move, seconded by the honourable senator from Gloucester (Hon. Mr. Veniot):

That this bill be not now read the second time but that the subject matter thereof be referred to the Standing Committee on Banking and Commerce for consideration and report.

By adopting this motion honourable senators will have an opportunity, without committing themselves to the principle of the bill, to hear evidence in committee from the consuming public of Canada, organized and otherwise, as

they wish to appear, and from the organized dairy industry. We shall also have a chance to consider the draft report and convention of the United Nations Conference on Trade and Employment. All that material will be before us in committee; and, I repeat, we shall be able to give consideration to it without having committed ourselves to the principle of the bill.

Hon. Mr. MURDOCK: Would it not be better and more appropriate to refer this bill to the Natural Resources Committee?

Hon. Mr. HAYDEN: I am in the hands of the Senate. I would amend my motion to provide that the bill be referred to the appropriate standing committee for consideration and report. If the motion is adopted we can then settle on the appropriate committee.

Hon. Mr. HOWARD: Speaking on a question of privilege, not on the question of the Dairy Industry Bill, may I say that I do not think it is good business to accept an amendment to the motion before second reading. The honourable member from Toronto (Hon. Mr. Hayden) quoted an instance of that having been done, but that was a special arrangement agreed to by all members of the Senate. This measure has been before the house on more occasions, possibly, than any other piece of legislation, at least since I have been a member. It was discussed fully last year, and it has been discussed fully again this year. We have heard the various reactions. I suggest that we now take a vote on the motion for second reading and dispose of the matter.

The Hon. the SPEAKER: There was an occasion last year when, during debate on the motion for second reading, the subject-matter of a bill was referred to a committee. At that time I took exception to the procedure, and it was only upon the request of the two leaders and at the desire of the Senate as a whole that I consented to the subject-matter going to committee before the bill had received second reading. At that time I indicated it was bad practice and I hoped it would not be resorted to again in this house. Undoubtedly parliament has found through experience that the time for such a reference is not before the second reading of a bill. Prior to second reading the principle of the bill is under consideration, and according to our rules and the rules of the House of Commons the only amendments which can be made are those of a delaying or obstructive character. I rule against this motion. I believe it would be unwise to adopt the practice. One can easily see that

it would provide an easy method of bringing about filibustering in matters of parliamentary procedure; and that is the reason, I believe, why it has never been admitted either in the House of Commons or the Senate. Last year, as the result of an investigation made by the Clerk and covering the period since Confederation, it was ascertained that the occasion I have mentioned was the first time that the subject-matter of a bill was referred to a committee before second reading. On these grounds, therefore, I rule against this motion.

Hon. Mr. HAIG: I remember very well that when we discussed the matter last year His Honour the Speaker voiced the same views as he has expressed today, but the house unanimously agreed that the subject-matter of a bill then before us for second reading should be referred to committee. By unanimous agreement the house may do anything it likes, but the Speaker may state that the action is wrong. If objection is taken, he must rule on it; and I submit that in this case his ruling is right. Last year I was one of those who requested that the subject-matter of the bill referred to should go to committee, and our group gave unanimous consent to that being done. The leader of the government (Hon. Mr. Robertson) took the same stand, the house unanimously agreed, and that is why it was done. But I object to the procedure that has just been proposed, and I think that the principle of this bill should now be voted on.

Hon. Mr. LAMBERT: If I may be permitted to offer—

Hon. A. L. BEAUBIEN: The ruling has already been given.

Hon. Mr. LAMBERT: I would like to comment. I am not at all objecting to the ruling.

Hon. Mr. HAIG: For the honourable senator to speak now is against the rules. The leaders can speak, but nobody else. That is the rule.

Some Hon. SENATORS: Question!

The Hon. the SPEAKER: Honourable members, the question is on the motion of the Honourable Senator Euler for the second reading of Bill B, an Act to amend the Dairy Industry Act. Is it your pleasure, honourable senators, to adopt this motion?

Some Hon. SENATORS: No.

Hon. Mr. MURDOCK: Let us have a vote.

The Hon. the SPEAKER: Those in favour of the motion will please say "Content."

Some Hon. MEMBERS: "Content."

The Hon. the SPEAKER: Those opposed to the motion will please say "Non-content."

Some Hon. SENATORS: "Non-content."

The Hon. the SPEAKER: In my opinion the "non-contents" have it.

An Hon. SENATOR: Division!

The Hon. the SPEAKER: Call in the members.

Hon. Mr. EULER: May I ask a question?

Some Hon. SENATORS: Order.

Hon. Mr. EULER: It is a matter of privilege.

The Hon. the SPEAKER: I put the motion and the vote has been taken. If my honourable friend desires to speak—

Hon. Mr. EULER: I am asking for information. Is this a vote on my motion for second reading?

Some Hon. SENATORS: Yes.

The Hon. the SPEAKER: Yes.

Hon. Mr. EULER: I thought I had the privilege of closing the debate before the vote was taken. If I am not mistaken, I desire to do that.

The Hon. the SPEAKER: I am sorry, because the honourable member had the right to close the debate. It was not my fault that he did not exercise his right. He had the opportunity to speak when the question was put.

Hon. Mr. EULER: May I ask the Honourable the Speaker, for whom I have the highest respect and regard, whether according to the usual practice in a case of this kind he notifies the Senate that the senator who makes a motion has the right of closing the debate? I wish to inform the house that I did not hear His Honour the Speaker put the question.

Hon. Mr. MURDOCK: Honourable senators, there were two or three gentlemen speaking and some of us did not know just what was going on. I fully expected the mover of the motion to close the debate, but he did not get a chance to do so, because several others were talking.

Some Hon. SENATORS: Order.

The Hon. the SPEAKER: I do not think there should be any doubt about it. The question was put on the motion for second reading.

Hon. Mr. EULER: Mr. Speaker, I still desire to protest, not against your ruling, but against the adoption by this house of steam-roller methods to shut off debate.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. COPP: I do not know what my honourable friend means by "steam-roller methods."

An Hon. SENATOR: It means only one thing.

Hon. Mr. COPP: So far as I am concerned, if it is the unanimous will of the Senate that the honourable gentleman should have the privilege of replying and making his closing speech in this debate before the vote is taken, I should say that this could be done. I myself am quite willing that he should speak on this motion, if he receives the unanimous consent of the house.

Hon. Mr. HAIG: So far as I and my group are concerned, we are quite willing that the honourable gentlemen may speak. I heard the Speaker ask for the division. He said: "All those in favour, say 'Content'"; and quite a few said so. Then he said: "Those opposed, say 'Non-content'"; and many answered "Non-content." A senator then got up and asked for a division. I would suggest to the senator from Waterloo (Hon. Mr. Euler) that the rules do not require the Speaker to notify the Senate that the mover of the motion has the right to close the debate. It is only when the mover rises to speak to close the debate that the Speaker makes that announcement.

I repeat that I am quite willing that the honourable gentleman may speak.

The Hon. the SPEAKER: Is it the unanimous will of this house that the honourable senator from Waterloo (Hon. Mr. Euler) may speak?

Some Hon. SENATORS: Carried.

Hon. Mr. EULER: Honourable senators, before proceeding with the debate on the bill itself, I should like to make this explanation in reply to what the leader opposite (Hon. Mr. Haig) has said. My impression was that some observations were made after the honourable the Speaker made his ruling, and that when he called for the "Contents" and "Non-contents," it was on the motion for reference of the subject-matter to committee. I am perfectly well aware that if I, as the mover of the motion for second reading, did not rise in time when the motion was put, I am out of order. I desire to thank the leader opposite (Hon. Mr. Haig) and the acting leader of the government (Hon. Mr. Copp) for agreeing that I may make some observations, although I am convinced that they will probably not result in changing the vote of a single senator.

In closing the debate I shall endeavour to confine myself pretty largely to an examination of the arguments of those who are opposed to the bill. Some of the speeches in the debate were informative, some were quite irrelevant, and none attacked the principle of the bill. It is indeed difficult to attack a sound principle. One of the surprising and rather discouraging things during the period of this debate has been the statement, made to me personally by some members of this house, that there could be no objections to the principle of the bill, yet they were going to vote against it.

Last evening I was reading a rather interesting book, in which I ran across a statement that particularly attracted my attention. It was to the effect that there are three strategies for obscuring an issue: First, the introduction of irrelevancies; second, the arousing of prejudices; and third, the exciting of ridicule. As I cogitated upon the matter I came to the conclusion that all three of these were present in the debate yesterday. Irrelevancies, for instance, were present in the speech of the senator from Peterborough West (Hon. Mr. Duffus), who ably discussed immigration and some other questions that are of importance in this country but have not the slightest relevance to the debate on margarine.

Hon. Mr. DUFFUS: Will the honourable senator allow me to interrupt him? I referred to housing, immigration and other matters when suggesting some things that could be done to help agriculture and the country in general. I submit those remarks were very much to the point.

Hon. Mr. EULER: Well, I have no reply to make to that interjection.

Then there was, as I thought, an attempt to create prejudice against oleomargarine in the speech of my friend from Rigaud (Hon. Mr. Dupuis), who seemed to hold to the long-exploded idea that margarine is not a wholesome product.

Thirdly, we had a rather naive remark, which contained an element of humour as well as of ridicule, in the speech of my friend from L'Acadie (Hon. Mr. Leger), who said he was convinced that butter is a better substance than oleomargarine, although he had never tasted oleomargarine.

Hon. Mr. LEGER: My statement was based on what I had heard.

Hon. Mr. CAMPBELL: Hearsay.

Hon. Mr. EULER: When I again bring a pound of oleomargarine here, which may be next session, I perhaps shall give my honourable friend an opportunity to taste it.

I want to deal with some observations that were made in the debate, particularly by the senator from Queen's (Hon. Mr. Sinclair). But first I should like to thank the senators from Queen's-Lunenburg (Hon. Mr. Kinley) and Peterborough West (Hon. Mr. Duffus) for their kind and generous remarks with regard to myself, although I am unable to follow the arguments made by either of these gentlemen. My honourable friend from Queen's-Lunenburg went into the history of oleomargarine in the United States. He showed that about forty years or so ago that country had a prohibitory law similar to ours; that an action was brought in the courts and the law was declared to be unconstitutional; and that it has ever since been legal to manufacture and sell oleomargarine in every state in the union. When my honourable friend was speaking I thought that if his argument meant anything, it was that we should take a lesson from the United States and make oleomargarine available to all provinces in Canada.

We heard an address by the senator from Kennebec (Hon. Mr. Vaillancourt). I regret very much I was unable to follow him in the French language; but later he turned very ably to the English language, and I literally "sat up and took notice" when he said that this bill was an abuse of liberty—whereas liberty is the very thing which this bill is trying to restore. I thought that perhaps the honourable gentleman was adopting the maxim that the best defence is offence. I recalled what Foch had to say at the Battle of the Marne, in the First Great War, when things were going rather badly. He declared: "My left is crumbling; my right is in retreat; I will attack with my centre". So my honourable friend attacks from the centre and attributes to the bill the very thing that it is designed to correct.

I come now to the argument presented by my honourable friend from Queen's (Hon. Mr. Sinclair). It attracted more attention than I expected; and candidly in my view, more importance was attached to it than it warranted. The senator explained that next month in Europe there will be a meeting of representatives of some twenty nations, including Canada and the United States, and that the purpose of the meeting is to remove obstacles of international trade, to reduce tariffs and in general to promote the mutual interests of countries taking part in the conference.

I am of course in sympathy with the objects of the conference, but I fail to follow my friend in the argument he put forth. He said in effect that if agreements are arrived at and if one clause of any agreement provides

that the prohibition against imports into various countries be removed, oleomargarine will automatically become available to the people of Canada. My friend shakes his head. Am I misquoting him? I am speaking from memory.

Hon. Mr. SINCLAIR: The honourable gentleman is quoting quite loosely. I understood him to say I suggested that all restrictions on imports would be removed. Permit me to say that I did not go that far. I said that certain undesirable restrictions on trade would have to be considered at the conference, and that the question of prohibition of imports would also be considered, which would bring the oleomargarine question before the government.

Hon. Mr. EULER: I think my honourable friend referred to a statement made in another place. And earlier in the session a remark was made in this house by the leader of the government (Hon. Mr. Robertson)—

Hon. Mr. SINCLAIR: That is right.

Hon. Mr. EULER: —to the effect that if agreements were concluded at the conference, oleomargarine might become legal in Canada.

Hon. Mr. SINCLAIR: The question might come before the Government of Canada.

Hon. Mr. EULER: The impression conveyed was that if the agreements were made effective it would be necessary for the Canadian Parliament to repeal its present prohibitory law against oleomargarine. As the senator from Inkerman (Hon. Mr. Hugessen) said yesterday, if this bill is voted down we may be placed in the anomalous position of voting next session, or the following session, or perhaps the session after that, for a bill which this Senate proposes now to turn down.

Hon. Mr. SINCLAIR: That would cover trade matters generally.

Hon. Mr. EULER: All right. I will go a little further. My honourable friend advanced the theory—because to my mind it is only a theory—that if we maintain the ban on oleomargarine our representatives at Geneva will have a weapon—or, I think he said, a bargaining power—to obtain concessions from other countries of the world. To that contention I attach no importance whatsoever; for this reason. That conference will have to deal with matters of infinitely greater importance than the more or less insignificant commodity known as oleomargarine. I question very much whether the word “oleomargarine” will even be mentioned in the negotiations. The only countries represented at Geneva that

might be interested in that commodity are the United States and Canada—the United States, perhaps, from the point of view of their ability to export a few tons of margarine to this country. I leave it to the judgment of honourable senators who know the hard-boiled proclivities of United States negotiators, whether it is at all reasonable to expect from them any substantial return for the slight concession which they might receive by way of permission to export margarine to this country. I am certain that this item does not bulk at all largely; in fact it will not appear at all in any negotiations at Geneva.

If indeed that conference should evolve an agreement which will make oleomargarine available to this country, by passing this bill now we shall merely be anticipating the very thing which the government will have to do next session, or the session after that. Again, in the not unlikely event—and I mean exactly what I say, knowing how difficult it is to arrive at agreements, and especially between twenty countries—in the not unlikely event that no agreement is arrived at, Canada will not have the benefit of oleomargarine, and we shall be exactly where we are now.

And I rather suspect that that is exactly what my friend desires.

Hon. Mr. HOWARD: But the senator smiles in saying it.

Hon. Mr. EULER: I might add, as an afterthought, that perhaps I or somebody else will be put to the unfortunate necessity of introducing this bill again next year or the year after that, or the year after that.

Freedom to export oleomargarine from the United States to Canada would not be, I hope, of any great benefit to that country, for the simple reason that surely it would be the desire of every member of the Parliament of Canada that the product be made in this country, not imported from the United States.

The senator from Inkerman (Hon. Mr. Hugessen), in a speech whose eloquence I acknowledge, although I do not agree with all he said, quoted from an address that President Truman made not long ago at a college in the United States—it was, I believe, Baylor University—and I should like to quote a little more from that same speech. The President said:

There was no intention to sacrifice one group to benefit another group.

I commend that sentiment to those who are opposed to the use of oleomargarine. The President continued:

Negotiations will be directed toward obtaining larger markets, both foreign and domestic, for the benefit of all.

Every one of us will agree with that. Then he goes on to say—and this is interesting:

No tariff rate will be reduced until an exhaustive study has been made, until every person who wishes a hearing has been heard, and careful consideration given to his case.

Can that possibly mean that negotiations will be completed at Geneva, in Europe? If the Americans intend to grant a hearing to anybody who wishes to be heard, those hearings will be in the United States; and I challenge anybody to maintain that they will be concluded in a few months—four months, six months, or even a year. They will last a great deal longer than that. But the President adds that even though an agreement should come about—

In every future agreement there will be a clause that permits this government—or any other government—to modify or withdraw a concession if it should result, or threaten to result, in serious injury to a domestic industry.

Is there anything to indicate that any agreement which might be made under these conditions would permanently restore to the people of this country the benefits of margarine?

I would conclude this part of my remarks with the statement, which I commend to senators who are in favour of Canadianism, if I may put it that way, that as a self-respecting Canadian and a self-respecting senator it is to me a humiliating thought that the mass of the consumers of this country are to be dependent upon a casual by-product of a conference of twenty uninterested countries, for the restoration of a right which we have not the courage—I was going to say the guts—to reclaim for ourselves. This bill, honourable senators, is based essentially upon a principle—the fundamental right of every citizen in a free country to produce, to sell, to buy any legitimate article of commerce, whether it be margarine, butter, axle grease, or anything else. Not a single opponent has attacked that principle, and all the side issues which have been dragged into this debate do not affect it. The claim that we cannot obtain the oils and fats in Canada, for instance, is beside the point. There may be a temporary scarcity because of controls, but I am authoritatively informed that these controls may not last much longer. Indeed, the fact that the capable chairman of the War-time Prices and Trade Board has given up his position may well indicate that he thinks his job is finished and that controls, or most of them, will be removed at an early date.

Hon. Mr. LEGER: I hope you are right.

Hon. Mr. EULER: I hope so too. In any case, the objection answers itself. If you cannot get the ingredients to make oleomargarine

in Canada, you cannot have oleomargarine. Then why worry? But remember that we are today exporting some of the ingredients of oleomargarine, products of this country, to Newfoundland, where they are made into excellent oleomargarine. Also it has been suggested to me that some of this oleomargarine finds its way back into Canada.

In insisting on the retention of this monopolistic prohibitory law the farmer is taking himself out of court. He must come in with clean hands. For years I, in common with other senators, have heard the farmer complain that he has to buy in a protected market and sell in a free market, all to his disadvantage. I wonder how in the future he can make any such protest, when he himself is the beneficiary of a law that is not only protectionist, but prohibitory, and that has established for him permanently—for it has lasted sixty years—a guarantee against competition, not from outside countries alone, but from within Canada itself. That undemocratic condition is not paralleled, I believe, in any other country with which we have to deal.

In another debate the leader opposite (Hon. Mr. Haig) criticized the prices that were being paid to our farmers for wheat under the agreement with Britain.

Hon. Mr. HAIG: You cannot refer to that here.

Hon. Mr. EULER: Well, I am referring to it.

Hon. Mr. HAIG: I rise on a point of order. The senator from Waterloo (Hon. Mr. Euler) is referring to the Wheat Board Bill, which is still before the house and cannot be referred to in this debate.

Hon. Mr. EULER: My friend does not wish to have my statement go on the record.

Hon. Mr. HAIG: You cannot put it on the record.

Hon. Mr. EULER: My friend is not the dictator which he would like to be here. Let us get a ruling on the point of order. If His Honour the Speaker rules against me, I shall be quite content.

The Hon. the SPEAKER: I am sure honourable senators are thoroughly familiar with the rule. What is said in an unfinished debate cannot be used directly or indirectly in a subsequent debate on a different subject.

Hon. Mr. EULER: While I did not hear the Speaker, I am quite content to abide by his ruling.

May I say that in another way? On a certain question I agreed with the leader opposite (Hon. Mr. Haig), but I also say to him that there is a good deal on the other side of the ledger. I do not desire to say anything of a recriminatory nature, and perhaps there is no great relevancy in my point, but it is true that the farmers have received several hundred million dollars in cash by way of subsidies on milk, cheese and butter—the butter subsidy being $8\frac{1}{2}$ cents a pound. The farmer goes free of tax on gasoline and many other supplies which he uses on the farm and on which the ordinary citizen is taxed. The farmer in western Canada has been paid millions of dollars on land which he did not crop and on areas on which he had a small crop. What other business in Canada has such government insurance against loss paid for by the taxpayers?

Hon. Mr. MORAUD: May I ask the honourable gentleman a question? I understood that all those subsidies were given to protect the consumer, not the farmer. If the farmer had been left alone he could have sold his products at much higher prices and the consumer would have been the loser.

Hon. Mr. EULER: Large sums, running into scores of millions were paid to the farmers of western Canada. Did those payments reduce the price paid by the consumer for anything the farmer produced?

Hon. Mr. MORAUD: That has nothing to do with butter.

Hon. Mr. EULER: Honourable senators, I do not desire to be placed in the position of criticizing the farmers, but I do think they are as a group as prosperous as and more independent than any other citizens of Canada. Unless this bill passes—and I rather expect that it will not—the farmers will continue to have a guarantee that nothing will compete with butter, even though they cannot supply it.

The honourable lady senator from Peterborough (Hon. Mrs. Fallis), for whom I have the highest regard and respect, also spoke in the debate.

Hon. Mrs. FALLIS: I was hoping the honourable gentleman would not leave me out.

Hon. Mr. EULER: I am not sure that the honourable lady desires to be left out.

In response to a question I asked, she stated it was to the everlasting shame of Canada the fact that Britain was giving us of her scant butter reserves some 12,000,000 pounds. I would have expected her to give a logical reply: Let Canadians have a little margarine to cover their butter shortage, and permit Britain to keep the butter of which she is in such great need.

Hon. Mrs. FALLIS: If the necessary oils and fats were available I would be quite willing to make that proposition, so as not to deprive the British people of butter. I thought I made that quite plain.

Hon. Mr. MURDOCK: The fats and oils are going to Newfoundland.

Hon. Mr. HAIG: No.

Hon. Mrs. FALLIS: Under world allocation.

Hon. Mr. EULER: I have already dealt with that matter and have not any real hope of convincing the honourable lady on the question.

Honourable senators, the present situation violates the fundamental principles of freedom of choice. Free competition without favour or preference is surely the very essence of our democracy. Disregard of these principles is, in my opinion, driving thousands of our people to the worship of strange gods which offer them something better. Secondly, we have established the fact that there is a great shortage of butter, a shortage of long standing and one, which I believe will continue far into the future. In the third place, it is certain that oleomargarine, a wholesome, palatable and nutritious substitute for butter, can be made available at a much lower price than butter. Last week in Philadelphia margarine sold at 32 cents a pound, while butter was 86 cents.

I would ask senators to bear these three points in mind and ask themselves: What is the logical thing to do? I believe that 90 per cent of the consumers of this country would say, "If you cannot give us butter, give us margarine to fill our needs." That is plain common sense.

Contrary to the views of one of the speakers on this side of the chamber, I think this bill should go to the House of Commons. But a senator says, "We must not embarrass the members of that house." One of those estimable gentlemen said not long ago that if this bill goes to the Commons it will be dynamite.

Hon. Mr. COPP: Does the honourable gentleman mean that was privately expressed, or in the house?

Hon. Mr. EULER: Privately expressed; I would not repeat anything said elsewhere.

I recall an incident which occurred when I was a member of another place and a member of the government. The Right Honourable Mr. Howe suggested, or introduced a bill to provide that the radio licence fee should be increased by a dollar or two. Some of the members of that chamber almost went into hysterics. They were afraid to go back to

their constituents, feeling that they would surely be defeated on that issue in the next election. The fee was raised, and most of us remember that at the next election there was never a word said about it.

I believe that this measure ought to go on to the House of Commons. Let that house act on its own responsibility, as the Senate ought to do. Since when have the members of this chamber become the protectors of the House of Commons? I cannot recall any particular solicitude on the part of the members of that body for the members here.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. EULER: Quite the contrary. If this bill goes to the other place the members there will have the responsibility of considering it; and if they do not wish to pass it they can do exactly what the Senate has a right to do, and perhaps will do—defeat the bill. In my opinion there is no justification—with this remark some honourable senators may not agree—for a Senate that is not reasonably free and independent in its judgments.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. EULER: By the very method of their appointment senators are peculiarly qualified to dispose of questions on their merits and in the interests of the Canadian people as a whole.

Hon. A. L. BEAUBIEN: May I ask the senator a question?

Hon. Mr. EULER: Certainly.

Hon. A. L. BEAUBIEN: Will those who vote against the bill have the same right of freedom as my honourable friend reserves for himself?

Hon. Mr. EULER: I say that senators ought to be free to vote as they like on any question, on its merits. We need not go far into the past to recall that the Senate has been strongly criticized. It has been said to be undemocratic. Probably there is something in that remark. It has also been described as useless.

Hon. Mr. LEGER: There is nothing to that statement.

Hon. Mr. EULER: The charge has been made that it serves the big interests and that it ought to be abolished. As a matter of fact, abolition of the Senate is a plank in the platform of one of the parties in this country.

Hon. Mr. DUPUIS: You are telling me.

Hon. Mr. EULER: These views have been somewhat modified in the last few years because the Senate has done good work. I

refer particularly to the activities of the Standing Committee on Banking and Commerce, the Committee on Immigration, which did a splendid job last year, and the Special Committees on Mining and Taxation.

I am profoundly convinced that if this bill is again rejected, when it is so clearly in the interests of the consumers—the mass millions of the consumers of this country—the prestige of the Senate will be seriously impaired.

An Hon. SENATOR: That is your opinion.

Hon. Mr. EULER: It has often been said that one of the functions of the Senate is to protect minorities. Is it not also the duty of the Senate to protect the majority of the consumers?

Finally, and most important of all, what do the millions of Canadian consumers think of this bill? Since this bill was introduced I have had many, many letters and communications from all classes and from all parts of Canada, and without exception they are supporting the bill.

Hon. Mr. SINCLAIR: There are some from the United States as well.

Hon. Mr. EULER: The senator is referring to a communication from the president of the National Dairymen's Union. I think that would be rather disconcerting to a dairyman in this country.

Hon. Mr. HAIG: It would not be if they knew about your friend.

Hon. Mr. EULER: It is too bad the leader opposite (Hon. Mr. Haig) did not give the benefit of his knowledge to the house.

Hon. Mr. HAIG: I did not think it was important enough.

Hon. Mr. EULER: I have detained the Senate for some considerable time, but I think I should place a few of these communications on record. The first is from the Minister of Knox United Church, Paisley, Ontario:

March 19, 1947.

Senator W. D. Euler,
Ottawa, Ontario.

Dear Sir:

I have been following with interest the fortunes of your bill to legalize the manufacture, sale and importation of oleomargarine. I want you to know that I am with you 100 per cent in this matter. I have no doubt that the great majority of the Canadian people are also with you, though the anti's may be more vocal.

It seems to me that this is the time to pass this bill. The dairy farmers of Canada are now unable or unwilling to produce sufficient butter at a reasonable price to meet the needs of the Canadian people. It is surely unjust to deny to us this product which is available to so many countries.

I am surprised to see that the Federation of Agriculture is opposed. The farmers have always taken the position that unnatural and artificial restrictions on trade are wrong—e.g., high tariffs. This law against the sale of oleomargarine is vicious sectional legislation of the worst kind. I sincerely hope that your bill will receive the support that it deserves, and will soon be passed.

Hon. Mr. SINCLAIR: Who is the writer of that letter?

Hon. Mr. EULER: The Reverend H. C. Linstead, B.A., B.D., Minister, Knox United Church, Paisley, Ontario. Another communication is from the Secretary of the Winners Bible Class, Wesley United Church, Toronto. It encloses a rather lengthy resolution, and I do not intend to read it. I merely say that it strongly supports the bill.

A letter from Mrs. C. D. Slater, in Hamilton, Ontario, reads as follows:

Senator W. D. Euler,
Ottawa, Ontario.

Dear Sir:

I am enclosing a letter I have written to the editor of the Hamilton *Spectator* in regard to the butter situation. I sincerely hope it brings you moral support for the stand you have taken in this matter. There is a great deal of feeling here, as elsewhere, about the injustice of a small group being able to dictate the policy of a government, but whether the people have the courage of their convictions remains to be seen. It is easy to talk; harder to do, of course.

I represent no group or party. I am just an indignant housewife who thinks that we should back up someone who is trying to right this situation.

Here is a letter from Montreal:

March 20, 1947.

Dear Sir:

Allow me to congratulate you on your stand regarding the producing of margarine in Canada. While appreciating the dairy and farm attitude, I feel that the struggling poorer people should have encouragement. The price of butter is beyond many of them and anyway we never have enough to go around. The producers *must* observe the Golden Rule and stop being "dogs in the manger." Keep up your good work.

Sincerely yours

(Miss) E. M. Davidson.

Dr. J. C. Johnston, of the Mountain Sanatorium at Hamilton, Ontario, writes:

March 19, 1947.

Dear Sir:

I am enclosing a copy of a letter to the Editor, Hamilton *Spectator*, March 18, 1947, which speaks for itself. I wish to state that I am in complete accord.

It is desired to point out that aside from the economics of the introduction of margarine, that it has all the health giving qualities of butter and can be further improved if need be, in its manufacture.

We have heard, and hear, much about cartels—the dairy industry may not be one in strict definition, but the selfishness it exerts is similar to the monopolies usurped by cartels.

Please accept my support in your struggle for common sense in this matter.

An Hon. SENATOR: What is the name of the writer?

Hon. Mr. EULER: I gave the name at the beginning. It is Dr. J. C. Johnston, Mountain Sanatorium, Hamilton, Ontario.

I have another letter, of which I shall only read the last paragraph because the letter is unsigned. It is from a housewife:

Here's to every success in your undertaking. You have the housewives behind you one hundred per cent.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. EULER: The following letter is from Doctor G. W. Carrow, M.D., M.S., F.R.C.S.(C), 2700 Dundas Street West, Toronto:

March 14, 1947.

Senator W. D. Euler,
Parliament Buildings,
Ottawa, Ontario.

Dear Sir:

The purpose of this letter is to inform you of what you undoubtedly know, that by your continued and repeated proposition of the manufacture, sale and importation of margarine, you are espousing the cause and interest of the forgotten man, the consumer. In our daily life now, all one hears is of the interests and rights of the miner, auto-worker, labourer, farmer and now of the dairy interests, but not a word of the consumer, the largest group in the country. During the war and even yet, the populace as a whole is suffering from a shortage of fats. This makes it even more advisable that margarine be made available. I wish you well in your endeavours and hope that your words and efforts will not find barren ground in governmental circles but rather fertile soil so that your labours shall be rewarded by an enactment which will make available this very necessary food element in the nutrition of man.

The workers have declared for this bill by resolutions of their organizations. So have the returned men. The housewives, as you will appreciate, are all for it. With the exception of the resolution passed by the Federation of Agriculture and the Dairymen's Association not one of the communications I have received has been unfavourable to the bill.

I think newspapers may also be regarded as fairly representative of the opinions of their readers. There has been half-hearted opposition by one paper in this city—not the *Citizen*—but so far as I know every other newspaper that has discussed the oleomargarine question in such cities as Vancouver, Calgary, Winnipeg, Windsor, Hamilton, Toronto, Montreal, and right down to Halifax, has been in favour of this bill.

Hon. Mr. DUFFUS: Not the Toronto *Star*.

Hon. Mr. EULER: I am not sure of its editorials, because I do not read the *Star*

regularly, but in that newspaper there certainly have been some telling letters advocating the use of oleomargarine.

Someone has said that the time is not opportune for the passing of this bill. Apparently it was not opportune last year. The prohibitory law has been on the statute books for the last sixty years.

I am afraid I have taxed the patience of honourable senators unduly, and I thank them for having been so tolerant. The reason I have taken up so much time is that I feel very strongly as to the rightness of this bill. It is supported both by principle and common sense. I feel that in the light of popular demand the Senate will stultify itself if it again rejects this bill. I would have had no objection to sending it to a committee. That would have been a sound practice, it seems to me, in keeping with what the Senate has done before. However, that proposal has been defeated.

If this measure should carry, the Senate will have vindicated the principle of liberty, of freedom of choice and opposition to class privilege. The measure will injure no one and may well establish a new Canadian industry, which will benefit the farmer himself. It will make available to the Canadian people a nutritious, palatable and inexpensive substitute for butter, which is in such short supply. Finally, it will remove from our statute books a law which has shackled the millions of consumers for more than a generation, and remove a class discrimination that is not suffered by any other country in the world.

The Hon. the SPEAKER: Honourable senators, I was pleased that by unanimous consent an opportunity was extended to our honourable friend the mover of this motion (Hon. Mr. Euler) to exercise, as mover, his right and privilege of closing the debate. We were in the process of taking the vote: I called for the contents and non-contents, and expressed my opinion that the non-contents had it. Some honourable senators having risen, the order for calling in the senators was given. I now repeat that order.

The motion for second reading was negatived on the following division:

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Hon. Mr. HOWDEN: Honourable senators, I was paired with the honourable senator from Vancouver (Hon. Mr. McKeen). Had I voted, I should have voted for the bill.

CANADIAN WHEAT BOARD BILL

MOTION FOR SECOND READING— DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Copp for the second reading of Bill 23, an Act to amend the Canadian Wheat Board Act, 1935.

Hon. GRAY TURGEON: Honourable senators, it seems my lot to inflict myself upon you once again. I am rising to speak in the debate on Bill 23 for various reasons. One of them is that during the ten years I was in the other chamber I represented the district of Cariboo, which contained all the great grain-bearing area of the Peace River country of British Columbia. Previous to that, when I was a member of the Alberta Legislature, many years ago, I represented a district that was entirely devoted to farming. Therefore because this bill deals so deeply with agricultural products, particularly wheat, I feel it an imperative duty to lay some of my views before the Senate.

I am much afraid that I am going to make some statements that will appear to be directly contrary to one another, and I intend to close by making a suggestion that perhaps honourable senators will not accept. But I know that whether or not they accept it they will give it due consideration.

I am an absolute individualist. I am positively against all forms of Socialism. There are many strong anti-socialists in this house, many as strong as I, but none stronger.

I do not like government control except in those cases where it is completely essential. I can go farther than many of the men and women in public life in Canada, in that I feel that governmental industrial operations should pay taxes just as private industrial operations do.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. TURGEON: On the other hand, I must join with the honourable senator from Toronto (Hon. Mr. Campbell), in the warning he threw out yesterday to the effect that we are approaching the time when there will be a direct conflict between individualism, or liberalism—call it what you like—and Socialism. I must add to that general warning the thought that a great deal of Socialistic feeling comes from a confusion of thoughts; and that this confusion arises from a mixture of the desire for social reform with the desire for pure Socialism, under which the government would operate everything.

Having said that, I want to state that I am going to support this bill. I think that under the circumstances confronting Canada, Great Britain, and the world today, it is essential to have this bill passed and become enacted into law as soon as possible. Like many senators I have had the experience, as I have said before, of visiting the United Kingdom and many European countries during the last fifteen months. And I am once more warning every individual here that of all the men and women I met who were representatives of other countries, not more than four or five had not something of what I might call "the taint of Socialism". When talking with them you could see that there was some confusion as to what was good for the common people; the thought of what was good for individuals was mixed up with the thought as to how that should be carried out by economic interference or industrial operations of the state.

I make another declaration of policy. Speaking generally, I am one of those in favour of the operation of the Winnipeg Grain Exchange. I may be wrong but, taking everything all in all, I think Canada would be better off with futures trading. But again I say something that is directly contrary—that at this moment, provided we are going to confirm the agreement made between the Canadian government and the government of Great Britain with respect to wheat we cannot permit futures trading in wheat on the Winnipeg

Grain Exchange. It must remain closed if we are going to carry out properly the agreement concerning the sale of wheat by Canada to Great Britain.

Another thought that I wish to leave with honourable members is, indirectly, at least, related to the question of futures trading in wheat. Canada is a country of small population and of wide areas that are naturally adapted to the production of wheat and other grains. Canada produces wheat that cannot possibly be absorbed in her domestic market. The wheat produced in the United States can to a much larger extent be absorbed in the domestic market of that country. Canada is utterly dependent upon export markets. It is not necessary to call attention of senators to the destruction of all European export markets between the first Great War and the last one. That destruction was brought about in large degree deliberately by actions of governments of European countries, not because they were antagonistic to Canada and the United States or any other country that produces grain, but largely because of the fear that if war came again they would be deprived of food unless they themselves produced wheat. So wheat production was encouraged through the payment of subsidies to producers, through the imposition of import duties on wheat, and in other ways. The net result was that Canada's wheat producers, dependent almost entirely upon export markets, found themselves with wheat that they could not sell at any price whatever.

I might be told that that will not happen again. But I must call attention to the fact that those same European countries, which after the first World War decided that they needed all the foreign exchange and currencies that they could secure, are face to face with the same situation again.

Hon. Mr. PATERSON: May I ask the honourable senator to name a date when wheat could not be sold? I have been in the market for thirty years, and not once during that time did I experience an occasion when wheat could not be sold.

Hon. Mr. TURGEON: Perhaps I should have said when wheat could not be sold at a price that would permit the prairie farmers to live in decency. That is truer in fact than the expression that wheat could not be sold. Many senators sitting near me in this chamber saw wheat produced in Alberta and Saskatchewan that could not be sold at a price high enough to enable the people to live in decency.

Hon. Mr. LAMBERT: May I ask the senator if he is now referring to the years 1930, 1931 and 1932?

Hon. Mr. TURGEON: I refer to those years and to some previous years as well.

Hon. Mr. LAMBERT: Surely my friend does not refer to the period from 1921 to 1929?

Hon. Mr. TURGEON: The same condition with respect to export markets of wheat existed in 1930 to 1935. I do not know just what the senator from Ottawa (Hon. Mr. Lambert) has in mind. Does he doubt the accuracy of my statement that part of the trouble inflicted upon the producers of wheat was due to the inability to sell on the open markets?

Hon. Mr. LAMBERT: I should like my honourable friend's opinion in connection with his statement that wheat could not be produced profitably in certain years. I am attempting to get him to identify the years. I believe the year in which the price reached an all-time low was 1932, when it went down below 40 cents a bushel. I should like him to develop the question of the cause a little more.

Hon. Mr. TURGEON: There were many causes, and I would be glad to develop the subject; but at the moment I am dealing strictly with the bill that is before the house. I am thankful to the honourable senator for his invitation to express a thought on that subject. There are of course other causes than poor markets or lack of markets.

I have listened with rapt interest to most of the speeches during this debate. The first question I believe is one which concerns the taxpayers. The government may have accepted the costs, losses, expenses—call it what you will—that accompanies the agreement between Canada and the United Kingdom. There is a further question, as to whether the receipts in the form of participations paid by the board should not be distributed annually, rather than at the end of the four-year period. Also, would it be wiser to have the proposed legislation expire at the end of 1948, with the provision that it may be continued by Order in Council.

Part II of the bill, dealing with permits and quotas, gives direct authority to the wheat board to make regulations and to a large extent to interfere with the freedom of action on the part of individuals, railway and elevator companies. Part IV gives certain definite authority to the board with respect to inter-provincial and export trade in wheat.

I should like to dwell for a moment on the provisions of Part II. But first I say again that some of my opinions may appear to clash

with others. Since I am a declared individualist, honourable senators may be surprised by my statement, that I believe conditions which now exist will continue as long as we are engaged actively in carrying out the provisions of the wheat agreement between Canada and the United Kingdom, and that therefore there is a necessity for all of the authority given to the board respecting quotas and permits.

I have referred to the Peace River wheat-growing district in British Columbia; but it must be remembered that there is a greater Peace River wheat-growing area in Alberta. I know positively of many individual farmers who, because of the lack of use of existing facilities, would not have been able to sell their wheat during the war, had the wheat board not been authorized to issue permits and arrange for quotas. Some of the wheat producers in the Peace River area are a hundred miles from the railway. There are only twenty-four miles of rail in that part of British Columbia. I have had many requests and urgent appeals from farmers and elevator companies in the area of Dawson Creek and Pouce Coupé for assistance because of the serious shortage of elevator and railway facilities.

This problem naturally affected the wheat producer, and the difficulties in respect to railway rolling stock affected the elevator companies. Had there not been a body authorized to fix quotas and require railway cars to go to the end of steel instead of stopping at intermediate points to be loaded and return to Edmonton, all that part of British Columbia would have been without facilities for the storage and transportation of wheat. Many of the farmers in that area live a considerable distance from the railways and elevators, and in consequence their wheat had to be trucked as far as 75 miles. Had they brought their grain in on their own they would have found the elevator company, with perhaps the utmost goodwill in the world, unable to provide storage facilities.

The Canada Grain Act has been amended several times through the years—the honourable gentleman from Thunder Bay (Hon. Mr. Paterson) will correct me if I am wrong—because of bookings for cars, limiting the number that any company, individual or group of individuals could be provided with, so that others might also have available to them transportation for their grain to the elevators, whether they were selling it to the company or on their own.

I mention these things simply to explain why I, a profound individualist, am not only ready to accept, but anxious to have, this sort of

authority vested in the Wheat Board for the period during which there is a shortage of facilities and while the wheat agreement with the United Kingdom is under execution. I am not sure whether wheat agreements of this nature should be made directly between governments, as has been done in this case, or left entirely to private individuals. Ordinarily, I am for the latter course. However, I am not certain whether the wheat-producing business is of such a nature as to permit either individual wheat producers or groups of wheat producers or companies to make a deal of this kind, although I would much prefer that it be done by them if that were possible.

But under the circumstances of the moment I feel that the Government of Canada took the best possible course in making this agreement with Great Britain. To my mind the agreement will be of high value to Canada, but will be of even greater value to the people of the United Kingdom. As has been pointed out in this chamber over and over again, practically everybody in Canada wants to do everything possible to help the sorely afflicted people of the United Kingdom. So far as I am concerned, while I detest Socialism, when thinking of the people of the United Kingdom I do not envisage them in terms of the political-social-economic nature of their governments; I am thinking, as I believe other senators are, only of the agreement between Canada and the United Kingdom which will assure them of a supply of wheat at a price that their resources will permit them to pay.

This brings us back to the question whether the Government of Canada should provide all the costs brought about by the implementation of these wheat agreements. Considering everything, I am ready to support that feature of the bill, in addition to others. Speaking as one who represented for many years a wheat-growing district, I recognize that the taxpayers of Canada provide the means for carrying into effect the Prairie Farm Assistance Act, and for the work which has been done for many years under the Prairie Farm Rehabilitation Act. I have advocated for a long time that the benefits of the Prairie Farm Rehabilitation Act should be extended to all Canada, and not confined to the southern portions of the three Prairie provinces. In any event, it falls upon the taxpayers as a whole to defray the cost of helping in these directions those engaged in a particular industry in a particular place, and I am wholly in favour of this being done.

These operations and many others, which I shall not occupy time in mentioning, must be taken into consideration in their bearing on cost, if a loss occurs. Without question, with

prices of wheat as they are today, there will be a loss. Those who produce and those who deal in wheat could secure a better price for wheat today than they will obtain through this agreement between Canada and Great Britain. That statement will hold true even when the participation accounts are all squared up. But suppose that during the last two years of that agreement, namely the crop years of 1948-49 and 1949-50, world prices of wheat should fall, then the other side of the picture would turn up and the farmers' position would be much improved. However, I realize the seriousness of trying to forecast the future and this perhaps is the weakest ground upon which I am standing today. But, taken all in all, remembering that we are making certain of a market for all our wheat—because, while this agreement does not cover all the wheat, it embraces so large a percentage of it that a full market will be possible—

Hon. Mr. ASELTINE: Only fourteen bushels to the acre.

Hon. Mr. TURGEON: Well, some years I have not seen much more than that produced.

Hon. Mr. ASELTINE: And that is not on the full acreage; that is on just the basic acreage.

Hon. Mr. TURGEON: I know. That is all there is in this agreement.

Hon. A. L. BEAUBIEN: Wheat averages only about fourteen bushels to the acre in Western Canada.

Hon. Mr. ASELTINE: But this is only on the basic acreage, not on the full acreage. The board takes fourteen bushels to the acre, not on the full acreage, but only on the acreage you are allowed to market from.

Hon. Mr. TURGEON: I know that the senator from Rosetown (Hon. Mr. Aseltine) is an authority on wheat. My point is that, as the farmers are assured for four years of a definite market at a profit for this percentage of their wheat, they can be practically certain of having a market for all they can produce, unless—which is possible, though I do not think it is probable—the world goes berserk again. Apart from that eventuality, with a considerable percentage of wheat production assured of a market for a period of four years, those who toil in order that Canada's wheat production shall be well maintained will enjoy more assurance during the term of this agreement than they would have enjoyed if the agreement had not been made.

The question has been raised whether part IV of the bill, which will automatically expire at the end of 1950, should not be ended in

1948. The only objection I have to this suggestion—and it applies generally in a reverse manner to some of the powers at present assigned to the wheat board by order in council—is that it takes away the legislative authority and assigns to purely government authority, exercisable by order in council, the right to do things which I feel should not be done in ordinary circumstances except by parliamentary sanction through the processes of legislation.

Part II of the bill merely puts into the form of legislative enactment the powers and authority exercised by the wheat board in the last four, five or six years. Part IV, conferring upon the board the sole authority to deal with interprovincial movements of wheat, goes further than existing provisions and is naturally subject to further consideration. In this relation I want to point this out—speaking purely through the Senate—to the Minister of Trade and Commerce and members of the Wheat Board. In the great wheat-producing areas the provincial boundaries are not marked: Trading across the boundary is as simple an affair as crossing the floor of this chamber; and in connection with the regulatory powers of the board, I think farmers living on the borders of Saskatchewan and Alberta, or Saskatchewan and Manitoba, should be permitted to deal without interference either with themselves or with a miller, even though resident in different provinces. I pass on that suggestion to the minister and the wheat board.

Honourable senators, in closing I have a suggestion to make to you, although, as I remarked at the beginning, I am doubtful whether you will accept it. Having heard of the fine work done by some Senate committees, particularly the committee that dealt with immigration, I resolved to make a suggestion in this house that would be materially constructive.

I suggest that this bill, instead of being sent to one of the standing committees, be dealt with by the Senate in Committee of the Whole. In this way, any amendments desired by honourable senators may be adopted.

We are dealing with matters that are largely within the competence and knowledge of the members of this house. Very few of these matters require explanation by the minister or departmental officials. I therefore suggest that the bill be considered in the Committee of the Whole, and that the Senate direct one of the following standing committees—the Committee on Natural Resources, the Committee on Finance, or the Committee on External Relations—or a special committee to study the question of trading in wheat, grains and other agricultural products.

By hearing witnesses and asking questions this house might be able to determine, for instance, whether the wheat agreement with the United Kingdom can be carried out at the same time that the Winnipeg Grain Exchange is carrying on its futures trading. At the moment I am of the opinion that it could not be, but that is one question that could be determined by honourable senators. We could also decide whether we desire to dispense with the wheat board entirely and permit our Canadian producers and elevator companies to enter into free trading transactions with other countries. We could decide on prices, and inquire into and report upon the problem of agricultural production and marketing that has been disturbing Canada since the First Great War. Commission after commission has been set up to study this question, in particular, yet today we remain divided among ourselves as to what authority should be engaged in the transaction of this business.

The reason I am asking that this be done by a committee which has nothing to do with Bill 23, with which we are now dealing, is this. I should like to see the whole question of governmental and individual action dealt with in the special or standing committee's report. With all due respect to honourable senators, I do not think we—I include myself—can study that kind of thing when dealing directly with a government bill. Those of us who, when dealing with a government bill in committee, are anxious to see that the government's policy is sustained, are to some extent prejudiced. Those who are opposed to the government's policy and naturally desire to see that policy defeated, are also to some degree prejudiced. If we sit down around a conference table already prejudiced with respect to a proposed piece of legislation, we are not going to give the principle involved the proper study and consideration.

Those are the reasons why I suggest that this study be undertaken by the Senate body, apart altogether from any proposed government legislation. I feel we should send this bill to the Committee of the Whole, where it can be dealt with by way of amendment, if and when desired, as is done so often in the other chamber, and ultimately and quickly passed into legislation.

I close with the thought that has been expressed so forcefully in this house, that this legislation should die of itself at the end of 1948. I do not see much prospect of that at the moment, but if a special committee can convince itself and then convince the Senate that the legislation ought to expire in 1948, we

could, during the session of 1948, bring in an amending act causing it to expire at any date we wished. In the meantime, the government of Canada will have full authority and power to carry out the agreement that has been entered into between this country and the United Kingdom.

Hon. Mr. PATERSON moved the adjournment of the debate.

The motion was agreed to.

AGRICULTURAL PRODUCTS BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

Hon. A. B. COPP moved the second reading of Bill 25, an Act to provide for the Sale and Export of Agricultural Products.

He said: Honourable senators, this is entirely an agricultural bill. I have asked the honourable gentleman from King's (Hon. Mr. McDonald) to explain the bill, and he has consented to do so.

Hon. J. A. McDONALD (King's): Honourable senators, I feel certain that in this house there are others—especially among the senior members, and among the junior members also—who could explain the bill much more satisfactorily than I can. However, I shall endeavour to do my best.

Discussion on the motion for second reading of the bill occupied considerable time in another place, as is evidenced by this folder that I have before me, and I hope to bring out some of the main points. Perhaps others here who wish to help could answer some of the questions that may be asked, and details could later be studied in committee.

One of the saving features of this proposed legislation is that it has a time limit. The bill, if passed, will expire on December 31 next, if there is a session of Parliament in November or December. If there is not another session this year, then the bill will expire on the sixtieth day after Parliament re-assembles next year. I should think, however, that because of the nature of existing contracts this legislation will be up for review and extension at the next session.

The outstanding commitments which have been made are as follows. We have contracted to ship 350 million pounds of bacon to Britain at prices of about \$27 per hundred pounds, Grade A Wiltshires. These agreements provide for minimum quantities down to the end of 1949. The prices have been agreed to down to the end of 1948.

We have also contracted to ship 120 million pounds of beef annually. These agreements also specify quantities down to the end of

1949 and the price down to the end of 1948, at \$25.25 per hundred pounds, choice quality carcasses.

There is also a contract to ship 10 million pounds of mutton and lamb at prices ranging up to \$31.25 per hundred pounds to the end of 1947.

The three contracts I have mentioned come under the jurisdiction of the Meat Board.

Hon. Mr. LEGER: May I ask what the figure 400 million refers to?

Hon. Mr. McDONALD: Bacon and hams for Great Britain.

The fourth contract calls for 83 million dozen eggs, at a price as high as 47.75 cents per dozen, covering a two-year period ending in 1948. The contract is under the Special Products Board, of which Mr. A. M. Shaw is chairman.

The fifth contract is for 125 million pounds of cheese at a price of 20 cents a pound, plus the subsidy now being paid, and will continue to May, 1948.

Contract number six has to do with evaporated milk products, financed down to the end of March, 1948, calling for 600,000 cases per year at a price of \$4.95 per case. The chairman of the Dairy Board is Mr. J. F. Singleton.

The responsibility for purchasing, storing and selling surplus agricultural products for the purpose of fulfilling United Kingdom contracts is exercised by commodity boards under the direction of the Minister of Agriculture. Supplies available for domestic consumption are controlled by a regulation to ensure equitable distribution, and the surplus is channelled to fill British requirements. In some instances it has not been possible to ship the full quantities specified in the contract; in others, the United Kingdom has taken in excess of the contractual minimum. The aim has been to ship to Britain as much food as possible without unduly restricting domestic consumption. At times it has proved necessary to requisition supplies of commodities under regulations made by order in council, but on the whole the producers and processors have co-operated to carry out the programme of exports to the United Kingdom.

The powers contained in this bill are, generally speaking, similar to those exercised since 1939 under the emergency powers legislation. The Minister of Agriculture is empowered to purchase and sell agricultural commodities to the governments of other countries, and to make contracts for storing and processing. These functions and powers may be delegated to commodity boards established by the Governor in Council, which operate under the

direction of the minister. Advisory committees are to assist the minister in the administration of the act. By amendments accepted in the House of Commons, both the commodity boards and the advisory boards would include adequate representation of the producers concerned. In the debate in another place it was pointed out that the functions under this act could not very well be exercised by the provincial marketing boards, except in the case of apples, as this is the only commodity for which provincial marketing boards exist in all the producing provinces.

After listening to much of the debate on the motion for second reading in another place, I am convinced that if we are to continue the aid that we agreed to give the British people, this legislation is necessary. They need our help in food supplies as much now as they did during war years.

It is only fair to state that our farmers have given outstanding service in supplying necessities to our harassed friends in Britain. They have done this with much less labour than would be employed in normal times, and I think all will agree that they have not been too generously paid for their products. Had it not been for the subsidies paid by the government, we could not have produced nearly as much food as we have produced since 1939.

I feel sure that I am expressing the views of most, if not all, of the farmers of Canada when I state that they are very grateful for the help given by the government, and the financial assistance in the marketing of many farm products in recent years.

Frankly, this is not the kind of marketing legislation we willingly support. The marketing legislation that would be best for our country and the government is a natural products marketing act, such as I dealt with at some length on March 21, a little more than a year ago, in the debate on the address in reply to the Speech from the Throne.

Such legislation would place the authority for the marketing of agricultural products in boards appointed by the farmers, where it properly belongs, rather than in the minister and commodity boards set up by him. It will not be long, I trust, before the government will introduce such a measure. I feel confident that the complained-of shortage of farmers' boards to handle the situation will be overcome when an overall marketing bill is passed. Although a number of farm products boards have been established throughout Canada, it has been said in another place that there are not enough to handle the present supplies in the way they would be taken care

of by an overall marketing bill such as was suggested by the Canadian Federation of Agriculture.

Hon. Mr. LAMBERT: Would my honourable friend explain further the proposed overall marketing board? I presume it would be of federal character.

Hon. Mr. McDONALD (King's): Yes.

Hon. Mr. LAMBERT: And each province would have a marketing board which would dovetail in with a federal marketing board for each commodity that would be affected. Is that the thought my friend has in mind?

Hon. Mr. McDONALD (King's): That is the idea. Every province in Canada has, I believe, a marketing board, provided for by provincial legislation. In the fruit industry, to which I have referred, there are apple marketing boards set up in the apple producing provinces. It was therefore not difficult for the dominion Department of Agriculture to deal with the provincial boards in the sale of apples during the war years. But the fruit growers were what might be termed war casualties, because a large percentage of their product could not be marketed in Great Britain, as had been done before the war.

Hon. Mr. LAMBERT: The overall marketing board would not have power or authority to function without the provincial marketing boards.

Hon. Mr. McDONALD (King's): At the present time provincial marketing boards can market only within the province; they cannot operate in respect to interprovincial or export trade. Canada requires a federal board to function in co-operation with the provincial boards, and to have authority to supervise marketing not only within the provinces but in interprovincial and export trade as well.

Hon. A. L. BEAUBIEN: The federal legislation would have to be dovetailed in with the provincial laws?

Hon. Mr. McDONALD (King's): Yes.

Hon. Mr. DAVIES: Is that the plan my honourable friend is advocating now?

Hon. Mr. McDONALD (King's): That is the plan I advocated a year ago in my remarks on the address in reply to the Speech from the Throne.

Hon. Mr. LAMBERT: This measure does not do that yet.

Hon. Mr. ASELTINE: It never will do that.

Hon. Mr. McDONALD (King's): I might mention that when this bill was under discussion in another place the minister was asked if the overall marketing bill, which had been suggested a few days before, would not do what he wanted done at the present time; and he stated that it would not, that the bill which had been suggested by the Canadian Federation of Agriculture could not be made to do this emergency job, and that the bill we are now considering was necessary for that purpose—that is, to help him to funnel the agricultural products as to which he has made commitments to the Old Country, for this year and probably for the next two or three years.

Hon. Mr. LAMBERT: I am sorry to interrupt again, but in all these agreements now in force are the prices for each commodity determined ahead?

Hon. Mr. McDONALD (King's): Yes.

Hon. Mr. LAMBERT: The prices are established?

Hon. Mr. McDONALD (King's): Yes. A very important amendment was made in committee in another place, by adding subsection (b) to section 5 of the measure, making it possible for the government to continue the co-operation which it has given to our apple marketing boards under the war measures and emergency legislation since 1939 in disposing of our apple crop.

So that honourable senators who are not familiar with the marketing of our apples may understand it better, may I explain that before the war 85 per cent of Nova Scotia apples were marketed in Britain. A smaller percentage of the British Columbia crop also went overseas. In other fruit-growing provinces most of their supplies found a market at home. It will be readily understood that, had we not been able to market the large quantity which we did market in Britain, it would have been impossible for Ontario, Quebec and New Brunswick to market their apples at home, because British Columbia and Nova Scotia would have over-loaded the home markets.

In the first year of the war, when shipping was most difficult, that portion of our apple crop that was sold abroad had to be disposed of as processed apples, that is either dehydrated or canned; but as shipping has eased we have been gradually getting more and more of our green fruit on the English market, until last year 600,000 barrels were sold in Britain from Nova Scotia alone.

It had been our earnest hope that Britain could take a like quantity again this year. Then the balance could have been marketed

at home. But recently our fruit-marketing board, which had been endeavouring to arrange an agreement for this year, received word that the British Government was desirous of spending their limited means for more concentrated food products.

At the present time, however, our government officials are reopening negotiations. Since this country contributed a billion dollars, besides lending another billion, to Britain, and in view of the fact that our apples would give their people a welcome change in diet—which should also strengthen their morale—we sincerely trust that they may change their decision.

Should these negotiations between the British and Canadian Governments break down, or a decision not be arrived at within the next few days which would guarantee our fruit growers the cost of production, the situation would indeed be very serious and would seem to justify a continuation of government financial assistance for the marketing of this year's crop.

It is important that the fruit growers know within a few days that they will receive cost of production, for the first spraying, which is so important in growing a good crop of fruit and in controlling some of the pests, must be applied very soon; in fact, it should be already under way in British Columbia.

I say this because I know from experience that it is going to be very difficult to protect orchards and the money that has been invested by the government during the war years to save this valuable industry, unless the fruit growers know that they are assured of a fair return on the considerable investment which is required in successfully growing a crop of apples. Our fruit growers properly argue that the unfortunate situation in Great Britain is not of their making, but is a direct result of the war.

The criticism has been raised that the minister ought not to be empowered to enter into new agreements without the ratification of parliament. The minister indicated that it was not the intention of the government to enter into new agreements except as to apples. The power is necessary in order to make revisions from time to time in the terms of existing agreements. Obviously, it would be impractical to insist that no agreement come into force unless ratified by parliament; the long delays which would result from such a provision would leave the producers in doubt as to the market for their commodities, and make intelligent advance planning of their market production impossible.

Finally, it has been argued that the commodities concerned could be sold at much higher prices elsewhere, and that the farmer is, in effect, subsidizing cheap foodstuffs. There is some truth in this contention; but it must be realized that to open the American market to our farm products, for instance, would make it impossible to hold down food prices in this country, and would cause Britain hardships which might prevent her recovery as our best long-term market for agricultural produce. It would be a short-sighted policy, I submit, for the farmers to sacrifice the British market for immediate gains. If a world food surplus develops in a few years, the generous treatment now being afforded the United Kingdom should pay handsome dividends to the producers of this country.

Detailed criticism of this bill might perhaps be dealt with more adequately in committee, where the proper officials can supply full information on the various points which may be brought up for discussion.

Hon. Mr. DAVIES: I am seeking information, and I know that the honourable senator who explained this bill to us is well informed on all these agricultural matters. As I understand it, only the dominion Marketing Board can ship to Britain. Is that correct?

Hon. Mr. McDONALD (King's): That is right.

Hon. Mr. DAVIES: I want to know whether any thought has been given to sending perishable fruits overseas by air. I have often wondered why we do not try to transport by air some of our Canadian peaches to the British market, so that they would compete with other peaches which some of us saw there, and which were selling at very high prices. I believe a valuable market is available in Britain for the Canadian fruit grower. Could the honourable senator tell me anything about that?

Hon. Mr. McDONALD (King's): I suppose that the determining factor in that situation would be the almost prohibitive cost. The fruit packages are quite bulky, and I am afraid that enough could not be transported by plane to make the enterprise profitable, unless the peaches were sold at a tremendously high price in the Old Country.

Hon. Mr. DAVIES: When we were there last year, peaches were selling as high as \$1 and \$1.50 apiece, which seemed to me a pretty good price.

Hon. Mr. LAMBERT: Would the senator think it possible to attach to that bill an appendix showing the agreements that are being effected by it?

Hon. Mr. McDONALD (King's): I should say yes; but I might add that they are to be found in pamphlets which have been printed. I have in my office a pamphlet showing the various contracts that have been entered into and the ones now in existence.

Hon. Mr. LAMBERT: I wondered if a schedule of information—not a detailed report—could be attached to the bill. That is a small matter that could be attended to in committee.

Hon. Mr. McDONALD (King's): Information on quantities and prices may be found in the Commons *Hansard*.

Hon. Mr. LEGER: I move the adjournment of the debate.

The motion was agreed to.

UNITED NATIONS BILL

THIRD READING

Hon. NORMAN P. LAMBERT moved the third reading of Bill F, an Act respecting Article Forty-one of the Charter of the United Nations.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, March 28, 1947.

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

Prayers and routine proceedings.

DIVORCE COMMITTEE

BUSINESS

On the Orders of the Day:

Hon. W. M. ASELTINE: Honourable senators, for the information of the house I should like to make a statement on the work done by the Divorce Committee so far this session. The number of petitions presented to date is 399, all from the province of Quebec. Your committee has sat continuously four days a week during the month of March, and has dealt with and recommended 132 petitions. Seven petitions have been withdrawn, and 260 are still to be heard. It will therefore be seen that the committee has dealt with about one-third of the total number received.

Hon. Mr. SINCLAIR: Has the time yet passed for the receipt of petitions?

Hon. Mr. HAIG: Yes, it has passed.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, presented the following bills:

Bill T-4, an Act for the relief of Emilienne Grinsell Daoust.

Bill U-4, an Act for the relief of Alice Hamilton Peck Stevenson.

Bill V-4, an Act for the relief of Doris Victoria Bellisle Page.

Bill W-4, an Act for the relief of Sydney Beaver.

Bill X-4, an Act for the relief of Gladys Kathleen Wilkins Todd.

Bill Y-4, an Act for the relief of Norma Elizabeth Jane Murray Hanko.

Bill Z-4, an Act for the relief of Bernadette Mayford Roy.

Bill A-5, an Act for the relief of Ellen Irene Gertrude Preston Hastie.

The bills were read the first time.

SECOND READINGS

Hon. Mr. ASELTINE: With leave of the Senate, I move that these bills be read the second time now.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. ASELTINE: With leave, I move that the bills be read the third time now.

Hon. Mr. HAIG: Honourable senators, I might explain the reason why the Divorce Committee would like to have these bills passed today. The Chief Clerk of Committees interviewed us this morning and said that if this were done the printing bureau could get to work on them and have them all ready for the House of Commons when that house resumes its sittings after the Easter recess. If the bills were not put through the Senate before we adjourned for Easter, there would be a long delay in the printing.

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

CANADIAN COMMERCIAL CORPORATION BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented and moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill C2, an Act to amend the Canadian Commercial Corporation Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 20, 1947, examined the said bill and now beg leave to report the same with the following amendments:

1. Page 1, line 11. After "supplies" delete "and" and insert "for, and to".

2. Page 1, line 12. After "by" insert a comma.

The motion was agreed to.

THIRD READING

Hon. Mr. COPP moved the third reading of the bill.

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

CANADIAN WHEAT BOARD BILL

MOTION FOR SECOND READING—FURTHER CONSIDERATION POSTPONED

On the order:

Resuming the adjourned debate on the motion for the second reading of Bill 23, an Act to amend the Canadian Wheat Board Act, 1935.

Hon. Mr. PATERSON: Honourable senators, as I have not been able to complete the data which I wish to give to the house, I beg leave to move that this order be postponed and placed on the Orders of the Day for the first sitting after the Easter recess.

The motion was agreed to and the order was postponed.

AGRICULTURAL PRODUCTS BILL

MOTION FOR SECOND READING—FURTHER CONSIDERATION POSTPONED

On the Order:

Second reading of Bill 25, an Act to provide for the Sale and Export of Agricultural Products.

Hon. Mr. HAIG: Honourable senators, in the absence of the honourable gentleman from L'Acadie (Hon. Mr. Leger) I move that this order be postponed and placed on the Order Paper for the first sitting after the Easter recess.

The motion was agreed to and the order was postponed.

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY BILL

MOTION FOR SECOND READING

Hon. A. B. COPP moved the second reading of Bill S4, an Act respecting the Beauharnois Light, Heat and Power Company.

He said: Honourable senators, the purpose of this bill is to authorize the Governor General in Council to grant the application of the

Beauharnois Light, Heat and Power Company for the right to divert for power purposes from the St. Lawrence River, through the company's power canal, all the surplus water available over and above the amount required for navigation and for other companies holding leases to water rights on this section of the river. At the present time this company and three other companies are authorized to divert a total of 167,472 cubic feet of water per second, and I am informed by the departmental engineers that 240,000 cubic feet per second can be diverted without in any way interfering with navigation on the river. The right to use water was first given to the Beauharnois company in 1931. The procedure is that parliament authorizes the Governor General in Council to grant rights to these diversions after careful investigation as to whether they will interfere in any way with navigation. It is reported to me that the Department of Transport, under whose jurisdiction this matter comes, has made certain investigations and is of opinion that the diversion applied for by the Beauharnois company can properly be made. The bill does not confer any powers on the company; it merely authorizes the Governor in Council to permit the additional diversion if investigation shows that it would not interfere with navigation on the river.

Hon. Mr. MORAUD: Did this bill originate in the Senate?

Hon. Mr. COPP: Yes.

Hon. Mr. MORAUD: I assume that it will be referred to a committee. I recall that the last time that it was proposed to grant additional water to this company the bill was referred to our Committee on Banking and Commerce, to whom representations were made by the Canada Steamship Lines, among other interests, to the effect that the granting of the additional water would cause navigation to be impeded.

Hon. Mr. COPP: That is so.

Hon. Mr. MORAUD: It is my impression that we inserted in that bill a clause reserving to the Canada Steamship Lines the right to claim damages from the Beauharnois Light, Heat and Power Company if the diversion interfered with the navigation of their ships from Kingston to Montreal through the rapids.

Hon. Mr. MURDOCK: Why is this bill not on the Order Paper? Even the Clerk has not received a copy of it.

Hon. Mr. COPP: It is on my copy of the Orders of the Day.

Hon. Mr. MURDOCK: But why is the bill not before us?

Hon. Mr. HAIG: It has not yet been printed.

Hon. Mr. MURDOCK: Then, why should we consider it? We heard something yesterday about "steam-roller methods." If this is not an example of "steam-roller methods," I do not know what it is.

Some Hon. SENATORS: Order.

Hon. Mr. COPP: I do not object to the suggestion of the honourable senator from La Salle (Hon. Mr. Moraud) that after second reading the bill be referred to a committee. I assure the honourable senator from Parkdale (Hon. Mr. Murdock) that I am not trying to use any "steam-roller methods." The bill was on the Order Paper; and, as we hope to adjourn in the near future, I thought it would be well to advance it another step.

Hon. Mr. MURDOCK: Have we not the right to see the bill?

Hon. Mr. COPP: Certainly.

Hon. Mr. MURDOCK: Very well, then. Do not talk about it.

Hon. Mr. COPP: Thank you. I do not think I have burdened the house with unnecessary talk while I have had the responsibility of carrying on as acting leader. In any event, I have no desire to press this matter unduly. The proposal is simply that the bill be advanced one step today.

Hon. Mr. HAIG: I will move the adjournment of the debate, because I have not yet seen the bill.

The Hon. the SPEAKER: The second reading, then, will stand.

Hon. Mr. MORAUD: Let it go to second reading.

Hon. Mr. HAIG: No. I move the adjournment of the debate.

Hon. Mr. COPP: On second reading.

Hon. Mr. MURDOCK: Honourable senators, we should not have second reading of a bill that we have not seen, and of which even the Clerk has not got a copy.

Hon. Mr. COPP: I do not press for second reading. The leader opposite (Hon. Mr. Haig) moved the adjournment of the debate.

Hon. Mr. MURDOCK: You moved the second reading of this bill.

Hon. Mr. COPP: The leader opposite has moved the adjournment of the debate.

Hon. Mr. MURDOCK: I object.

The Hon. the SPEAKER: I think the point of the honourable senator from Parkdale (Hon. Mr. Murdock) is well taken. We should not proceed with the motion for second reading of a bill until copies have been distributed. My honourable friend was a little late in making his objection. If he had made it before the motion was put, the order for second reading could not have been proceeded with.

Hon. Mr. MURDOCK: I made my objection as soon as I could get to my feet. This is another instance of the steam-roller methods that are being used in this house.

Some Hon. SENATORS: Order.

The Hon. the SPEAKER: The honourable senator from Winnipeg (Hon. Mr. Haig) has moved the adjournment of the debate, and this motion is now in order.

The motion of Hon. Mr. Haig was agreed to, and the debate was adjourned.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. ASELTINE moved the second reading of the following bills:

Bill H4, an Act for the relief of Violet Olive Magdalene Allchin Clark.

Bill I4, an Act for the relief of Victor Reid Murray.

Bill J4, an Act for the relief of Agnes Jane Irwin Everitt Dixon.

Bill K4, an Act for the relief of Peter Samuel Rosen.

Bill L4, an Act for the relief of Rose Waselesky Balakirsky.

Bill M4, an Act for the relief of Sophie Wener Finestone.

Bill N4, an Act for the relief of Norma Mary Sharp Chapman.

Bill O4, an Act for the relief of Douglas Wilson Bradshaw.

Bill P4, an Act for the relief of Muriel Amelia Dufty Rochet.

Bill Q4, an Act for the relief of Ethel Ornstein Pfeffer.

Bill R4, an Act for the relief of Hilda Katz Delnick.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. ASELTINE: With the consent of the Senate I move that the bills be now read the third time.

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

BUSINESS OF THE SENATE

Hon. Mr. COPP: Honourable senators, I wish to make a short statement as to some matters in which we are all interested. It had been hoped that the Senate would adjourn today for a three weeks' vacation, but we shall only be able to do this if we receive the supplementary and interim supply bills this afternoon or evening. It has always been the practice to delay the sending of supply bills to us—perhaps I should say, rather, that that has been the practice ever since I have been a member of the Senate. I have never been close enough to the different governments in power to learn just why these measures are delayed to almost the very last minute. This is not said in any spirit of criticism at all, because there may be some very good reasons for this delay. It has been quite a number of years since I was a member of the government and familiar with the inside workings.

I was in communication with the Minister of Finance this morning and was led to believe from him, as well as from a statement in the press, that he was to introduce the supplementary and interim supply bills in the other house at the opening of this afternoon's sitting. He hoped that if the debate there was not prolonged the bills could be sent over to the Senate by five or six o'clock, or probably a little later. It is expected that that house will not sit tonight, but that it will adjourn at six o'clock, for a reason not disclosed to me.

Hon. Mr. HAIG: I can tell the honourable gentleman why.

Hon. Mr. COPP: I hope we shall receive the bills in time to have the Royal Assent this afternoon or early in the evening. I therefore suggest that the Senate adjourn during pleasure, to resume at the call of the bell.

Hon. Mr. HAIG: I can tell the acting leader (Hon. Mr. Copp) that a very important meeting is to be held tonight, starting at seven o'clock. I might also inform him that I said to the acting leader of the opposition in another place: "You will either get the bills over to the Senate today or starve to death." I think we can rely on his assurance that they will be sent over to us today.

The Senate adjourned during pleasure.

The sitting was resumed.

Hon. Mr. COPP: Honourable senators, the interim and supplementary supply bills have not yet been received, but they are expected in the course of a few minutes. I suggest that we adjourn during pleasure.

The Senate adjourned during pleasure.

The sitting was resumed.

Hon. Mr. COPP: Honourable senators, I have to make another explanation to the house. A few minutes ago word came to us that the other house was going to meet at eight o'clock and finish the bills, and then send them to us. The Speaker of that house had left the chair, but he has now returned. For the time being all that we can do is take a further recess.

Hon. Mr. JONES: Shall we meet again at eight o'clock?

Hon. Mr. COPP: We hope to be able to complete the business this afternoon.

The Hon. the SPEAKER: May I ask if it is expected that this bill will come over to us this afternoon?

Hon. Mr. COPP: That is the understanding now.

Hon. Mr. DAVIES: Should we not adjourn to a definite time?

Hon. Mr. COPP: In the circumstances it is not possible to do that.

The Senate adjourned during pleasure.

The sitting was resumed.

Hon. Mr. COPP: Honourable senators, the supply bills have not yet been passed in the other house, which I understand is going to remain in session until 8 o'clock. I would now suggest that His Honour the Speaker call it six o'clock, and that we reassemble at eight o'clock. I understand that the Deputy of the Governor General will be in attendance at 8.30 to give the Royal Assent.

At 6 o'clock the Senate took recess.

The Senate resumed at 8 p.m.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Honourable Patrick Kerwin, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 8.30 p.m. for the purpose of giving the Royal Assent to certain bills.

APPROPRIATION BILL NO. 1

FIRST READING

A message was received from the House of Commons with Bill No. 107, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1948.

The bill was read the first time.

SECOND READING

Hon. Mr. COPP moved the second reading of the bill.

He said: Honourable senators, I have no explanation of this bill to give. We all know the nature of it; it is a perennial that comes to us every year before the end of March. I trust it will be acceptable to the house.

Hon. Mr. WHITE: Honourable senators, in my capacity as representative of the opposition I am not prepared to take exception to the measure. I assume that the customary procedure will be followed; that is, that later on we shall have an opportunity of criticizing any of the items of the bill.

Hon. Mr. COPP: I can assure my honourable friend that it will be open to any senator who so desires to criticize the bill.

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

THIRD READING

Hon. Mr. COPP moved the third reading of the bill.

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

APPROPRIATION BILL No. 2

FIRST READING

A message was received from the House of Commons with Bill No. 108, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1947.

The bill was read the first time.

SECOND READING

Hon. Mr. COPP moved the second reading of the bill.

He said: Honourable senators, this bill votes supplementary estimates for the fiscal year ending March 31, 1947. The amount required is about \$55,000,000.

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

THIRD READING

Hon. Mr. COPP moved the third reading of the bill.

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

BUSINESS OF THE SENATE

Hon. Mr. COPP: As I understood the terms of the letter which has been communicated to us, the representative of His Excellency the Governor General will be here at 8.30 p.m. to assent to certain bills. That being so, I suggest that we take recess until that time and resume at the call of the bell. We have completed the business that it was necessary to do before the Easter adjournment. I now move that when the house adjourns tonight it stand adjourned until Tuesday, the 22nd of April, at 8 o'clock in the evening.

The motion was agreed to.

THE ROYAL ASSENT

The Honourable Patrick Kerwin, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following bills:

- An Act to amend the Customs Act.
- An Act to amend the Militia Pension Act.
- An Act to amend the Department of National Defence Act.
- An Act to amend the Canada Grain Act.
- An Act to amend the Feeding Stuffs Act, 1937.
- An Act to amend the Fertilizers Act.
- An Act respecting Supplemental Payments on Rural and Land Mail Contracts.
- An Act for granting to His Majesty certain sums of money for the public service of the financial year ending March 31, 1947.
- An Act for granting to His Majesty certain sums of money for the public service of the financial year ending March 31, 1948.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

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

THE SENATE

Tuesday, April 22, 1947.

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

Prayers and routine proceedings.

INSPECTION AND SALE BILL

CONCURRENCE BY COMMONS IN SENATE AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 8, an Act to amend the Inspection and Sale Act, 1938, and to acquaint the Senate that they have agreed to the amendments made by the Senate to this bill, without any amendment.

MILITIA BILL

CONCURRENCE BY COMMONS IN SENATE AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 14, an Act to amend the Militia Act, and to acquaint the Senate that they have agreed to the amendments made by the Senate to this bill, without any amendment.

NATIONAL WILD LIFE WEEK BILL

FIRST READING

A message was received from the House of Commons with Bill 2, an Act respecting a National Wild Life Week.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave, next sitting.

EXPORT AND IMPORT PERMITS BILL

FIRST READING

A message was received from the House of Commons with Bill 11, an Act respecting export and import permits.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: Thursday next.

PATENT BILL

FIRST READING

A message was received from the House of Commons with Bill 16, an Act to amend the Patent Act, 1935.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: Thursday next.

GOVERNMENT EMPLOYEES COMPEN-
SATION BILL

FIRST READING

A message was received from the House of Commons with Bill 105, an Act respecting compensation for government employees.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, tomorrow.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. SINCLAIR, on behalf of the Chairman of the Standing Committee on Divorce, presented the following bills:

Bill B5, an Act for the relief of Marjorie Winnifred Bearman Smeall.

Bill C5, an Act for the relief of Mary Winifred Joyce Dick Dunford.

Bill D5, an Act for the relief of Eileen Ardis Locke Thompson.

Bill E5, an Act for the relief of Margaret Hamilton Wilson Bergeron.

Bill F5, an Act for the relief of Norma Marzitelli Rudzik.

Bill G5, an Act for the relief of Eileen Millar De Levi.

Bill H5, an Act for the relief of Hilda Constance Caroline Mosley Dwyer.

Bill I5, an Act for the relief of Louis Marcel Frigon.

Bill J5, an Act for the relief of Florence Nancy Maria Haworth Stewart.

Bill K5, an Act for the relief of John Bernth Jones, otherwise known as John Berth Jones.

Bill L5, an Act for the relief of Patricia Violet Puttock Bromby.

Bill M5, an Act for the relief of Dorothy Hawkins Myers.

Bill N5, an Act for the relief of Evelyn Deltoff Moore.

Bill O5, an Act for the relief of Eveline Hache Groulx.

Bill P5, an Act for the relief of Annie Lucy Hurteau.

Bill Q5, an Act for the relief of Evelyn Alice Lancaster Chenoweth.

The bills were read the first time.

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. SINCLAIR: With leave of the Senate, next sitting.

PRIVATE BILL

FIRST READING

Hon. Mr. ROEBUCK presented Bill R5, an act to incorporate Workmen's Circle of Canada.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROEBUCK: Thursday next.

PORT ALBERNI HARBOUR
COMMISSIONERS BILL

FIRST READING

Hon. Mr. COPP presented Bill S5, an Act to incorporate the Port Alberni Harbour Commissioners.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

PRIVATE BILL

FIRST READING

Hon. Mr. BISHOP presented Bill T5, an Act respecting the Ottawa Electric Railway Company.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. BISHOP: Thursday.

SASKATCHEWAN NATURAL
RESOURCES BILL

FIRST READING

Hon. Mr. COPP presented Bill U5, an Act to vary the Saskatchewan Natural Resources Agreement.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

CANADA EVIDENCE BILL

FIRST READING

Hon. Mr. COPP presented Bill V5, an Act to amend The Canada Evidence Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

PRINCESS ELIZABETH

BIRTHDAY FELICITATIONS TO HER ROYAL HIGHNESS

On the Orders of the Day:

Hon. A. B. COPP: Honourable senators, yesterday we had the great pleasure of hearing from South Africa, where the Royal Family has been sojourning for the last few weeks, a broadcast in connection with the celebration of the twenty-first birthday of Her Royal Highness Princess Elizabeth. A message of congratulations was sent to Her Royal Highness by the Governor General, and yesterday afternoon the other house associated itself with this message. I feel sure that the Senate also would wish to place itself on record as joining in the expression of hearty and loyal felicitations and good wishes to Her Royal Highness.

Hon. SENATORS: Hear, hear.

Hon. G. V. WHITE: Honourable senators, in the unavoidable absence of our leader on this side (Hon. Mr. Haig), I desire on his behalf to associate all our colleagues here with the expression of hearty and loyal congratulations to Her Royal Highness Princess Elizabeth.

Hon. SENATORS: Hear, hear.

Hon. THOMAS VIEN (Translation): Honourable senators, on behalf of all the French-speaking members of this house, I am happy to support the remarks made by the acting leader of the Government (Hon. Mr. Copp). We rejoice most heartily at the coming of age of our most gracious Princess Elizabeth. We are proud to associate ourselves with the leaders of the Government and of the Opposition in extending to Her Royal Highness, with our respectful homage, our most sincere wishes that she may enjoy health, prosperity and happiness and, in due course, a long and auspicious reign over her peoples, amongst whom none are more loving or more faithful than the French Canadian people.

We pray that Providence may grant her in abundance the gifts of the Holy Ghost, wisdom, intelligence and knowledge, to help her to discharge the heavy duties of her exalted office with the dignity, zeal and devotion at all times exemplified by our gracious Sovereigns and their forebears.

We join with the leaders of the Government and the Opposition in offering to Her Royal Highness our warmest good wishes on the occasion of her twenty-first birthday. We earnestly hope that in the not too distant

future we may have the pleasure of greeting her in Canada and of manifesting to her in person our respect, our affection and our enduring loyalty.

Hon. GUSTAVE LACASSE: Honourable senators, I claim the honour and privilege of associating myself with the sentiments that my distinguished colleague from the province of Quebec (Hon. Mr. Vien) has voiced so eloquently; and, on behalf of all my compatriots throughout Canada, I join in the felicitations and good wishes that he has so ably offered to Her Royal Highness Princess Elizabeth.

Hon. C. P. BEAUBIEN: Honourable senators, I support all that has been said on this matter. May Divine Providence enable Her Royal Highness to remain faithful to the traditions of the Royal Family. Those of us who followed closely the spectacular tour of our country by Their Majesties, a few years back, were moved by the manner in which the King and Queen carried out their duties, without regard for their own fatigue or inconvenience. That was in accord with what I consider the finest tradition of the English Royal Family. Whenever the Royal Family accepts a duty it fulfils it faithfully and with serenity.

It is my wish that our future Queen may be endowed with all the qualities of her forebears. I wish particularly that she may possess the smile of her mother, a smile that won the hearts of Canadians from sea to sea.

The Senate adjourned until tomorrow at 3 p.m.

 THE SENATE

Wednesday, April 23, 1947.

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. ANTOINE J. LEGER presented and moved concurrence in the report of the Standing Committee on Miscellaneous Private Bills on Bill Z1, an Act to incorporate Canadian Nurses' Association.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 20, 1947, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 4, line 17. After the second "the" insert "unincorporated."

2. Page 4, line 24. Delete the words "of the" and insert "formed under Article VI of the by-laws of the unincorporated."

I may say that the purpose of these amendments is simply to clarify section 7 of the bill. The amendments make no substantial change in either the meaning or the form of the bill.

The motion was agreed to.

THIRD READING

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

Hon. Mr. LEGER: With leave of the Senate, I move that the bill be read the third time now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K. HUGESSEN presented the report of the Standing Committee on Miscellaneous Private Bills on Bill E2, an Act respecting Guaranty Trust Company of Canada.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 21, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. HUGESSEN moved the third reading of the bill.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. HUGESSEN presented the report of the Standing Committee on Miscellaneous Private Bills on Bill J3, an act respecting The Woman's Auxiliary to the Missionary Society of the Church of England in Canada.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 25, 1947, examined this bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. HUGESSEN: Honourable senators, with leave I move the third reading of the bill.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. HUGESSEN presented the report of the Standing Committee on Miscellaneous Private Bills on Bill D2, an Act respecting certain patents owned by Toronto Type Foundry Company Limited.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 25, 1947, examined this bill, and now beg leave to report the same without any amendment.

I should perhaps say that a considerable amount of opposition to this bill developed in committee. I suggest—

Hon. Mr. LEGER: Order, order.

Honourable senators, I do not think that the chairman of any committee is allowed to make a dissertation as to what happened on the consideration of a bill in committee. That is the reason I asked for order.

Hon. Mr. HUGESSEN: Honourable senators, if I am out of order, I respectfully apologize to the house. However, inasmuch as it appears that there may be some considerable discussion on this bill, I would suggest that the motion for third reading be not made until tomorrow afternoon.

I wish to make it clear that, though as chairman of the committee I am presenting this report, I shall feel under the necessity of voting against the bill on third reading.

DIVORCE BILLS

SECOND READINGS

On the Orders of the Day:

Hon. Mr. HAIG: Honourable senators, may I ask the indulgence of the house to have Order No. 9, for the second reading of a number of divorce bills, taken up first?

Hon. Mr. COPP: That would be all right.

Hon. Mr. HAIG moved the second reading of the following bills:

Bill B5, an Act for the relief of Marjorie Winnifred Bearman Smeall.

Bill C5, an Act for the relief of Mary Winifred Joyce Dick Dunford.

Bill D5, an Act for the relief of Eileen Ardis Locke Thompson.

Bill E5, an Act for the relief of Margaret Hamilton Wilson Bergeron.

Bill F5, an Act for the relief of Norma Marzitelli Rudzik.

Bill G5, an Act for the relief of Eileen Millar De Levi.

Bill H5, an Act for the relief of Hilda Constance Caroline Mosley Dwyer.

Bill I5, an Act for the relief of Louis Marcel Frigon.

Bill J5, an Act for the relief of Florence Nancy Maria Haworth Stewart.

Bill K5, an Act for the relief of John Bernth Jones, otherwise known as John Berth Jones.

Bill L5, an Act for the relief of Patricia Violet Puttock Bromby.

Bill M5, an Act for the relief of Dorothy Hawkins Myers.

Bill N5, an Act for the relief of Evelyn Deltoff Moore.

Bill O5, an Act for the relief of Eveline Hache Groulx.

Bill P5, an Act for the relief of Annie Lucy Hurteau.

Bill Q5, an Act for the relief of Evelyn Alice Lancaster Chenoweth.

The motion was agreed to, and the bills were read the second time, on division.

CANADIAN WHEAT BOARD BILL

SECOND READING

The Senate resumed from Thursday, March 27, the adjourned debate on the motion of Hon. Mr. Copp for the second reading of Bill 23, an Act to amend the Canadian Wheat Board Act, 1935.

Hon. NORMAN McL. PATERSON: Honourable senators, statistics and figures are as a rule tiresome, but I have some to present to the house today which I think you may find informative and perhaps interesting. The first wheat shipment out of the Canadian West was in the year 1872—less than one thousand bushels. As production was increasing rapidly each year, an effort was made in 1883 to establish a common trading market. This did not succeed till 1887, by which time the West was producing fourteen million and exporting approximately 10,500,000 bushels of wheat. The first president of the Winnipeg Grain Exchange was D. H. McMillan, afterwards Sir Daniel McMillan, Lieutenant-Governor of Manitoba. In his remarks at the first meeting of the exchange in 1887—just sixty years ago—he said:

By regularly meeting, we have already done much to secure a regularity in the methods of purchase, sale, shipment and delivery of grain and by general consultation and discussion we have made possible if not easy the prompt settlement of disputes. I think that our association has been eminently successful in facilitating the efficient rapid transaction of business between its members and shows in marked contrast with the difficulties formerly experienced when those engaged in this business were scattered over the city without any general resort or time of meeting. The benefits of the exchange are not confined to those doing business in the city and, that persons engaged in the flour and grain

trade throughout the province appreciate its advantages, is established by the fact that we have twenty-one non-resident members.

The exchange had as its object then, as now, the following. I quote from its constitution:

(a) To compile, record and publish statistics and acquire and distribute information respecting the grain trade, to promote the establishment and maintenance of uniformity in the business, customs and regulations among the persons engaged in the grain trade, to inaugurate just and equitable principles in trade and generally to secure to its members the benefit of legitimate co-operation in the furtherance of their business pursuits.

(b) To organize, establish and maintain an association, not for pecuniary profit or gain, but for the purpose of promoting objects and measures for the advancement of trade and commerce respecting the grain trade for the general benefit of the Dominion of Canada.

As the wheat acreage grew, so did the exchange. Let me give this honourable body some amazing figures. For the first three decades the wheat crop only is given, as no record is available of the coarse grains till 1910. The crop for Manitoba, Saskatchewan and Alberta of wheat only was:

	Bushels
1880	1,154,000
1890	17,884,000
1900	23,457,000

From 1910 on the figures are available for the total crop, including coarse grains.

	Wheat (Bushels)	Total crop, including coarse grains (Bushels)
1910	110,000,000	232,000,000
1920	234,000,000	605,000,000
1930	397,000,000	784,000,000
1940	513,000,000	840,000,000
1942	565,000,000	1,343,000,000

Those figures are really amazing.

1946	400,000,000	834,000,000
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The Winnipeg Grain Exchange grew with the tremendous responsibility of handling this huge crop; and the gathering together of elevator interests, brokers, ship charterers, grain and vessel insurance officers, government grain inspectors, Board of Grain Commissioners, wheat pool officers, telegraph offices, weather reporting bureaus, etc., necessitated the building of what at one time was the largest office building in the British Empire, only exceeded in floor space by the Sun Life Building, Montreal. It still remains the second largest, I am informed. The membership of the exchange numbers about 429 and represents every class of business directly and indirectly connected with the grain trade. During the open market almost instant wires could be sent and received from New York, London, Paris, Berlin and Buenos Aires. The machinery of grain hand-

ling comprised the collection of grain from the grower at country points, the loading into railway cars and transferring to mills and/or terminals or storage elevators, the shipment by rail or steamer to seaboard and, finally, shipment abroad, and the covering by insurance at each point. All of this movement required huge bank credits, as cash must be paid to the producer.

In 1933, at the world's grain conference in Regina, Mr. R. A. Ramsey, then Assistant General Manager of the Bank of Commerce, said:

I should like to emphasize the importance of the part which the grain exchange takes in the way of facilitating the financing of the marketing of our grain crop. The exchange is a highly organized and efficient body which through the operation of its associate company, the clearing association, serves to protect the trade, the banks and the community at large, especially the farmer. By reason of this protection, it is possible for the trading companies to operate on a capital, small in relation to the magnitude of the transactions involved, with a saving which is felt by all parties from the farmer to the consumer.

I mention these incidents as I go along to show the use and value of collective trading.

Investigations into the grain trade were made in 1897 by a special committee of the House of Commons; in 1899, by a royal commission to investigate the marketing of grain; in 1906, by a second royal commission on the marketing of grain. Neither of these two royal commissions reported adversely on the Winnipeg Grain Exchange. In 1907 the late Judge Phippen gave a clean bill of health to the exchange. In 1909 the Manitoba government entered the grain business. It bought and operated a large number of country elevators, thus applying the principle of public ownership and operation to the grain trade for the first time in Canada. The venture was not prosperous and the elevators were sold back to the trade. In 1921 the Dominion government created a royal inquiry commission to investigate the handling and marketing of grain. It is a noteworthy fact that not one of the commissions, either provincial or federal, that investigated the grain trade, reported adversely on the Winnipeg Grain Exchange. In 1925 the Royal Grain Inquiry Commission presented the Turgeon report—and by the way, the author of that report is a brother of the senator from Cariboo—and it found the grain exchange and futures trading to be of great benefit by facilitating transactions and saving costs to the producer. The next royal inquiry commission, known as the Stamp Commission, concluded its report by saying:

However, in brief our answer to the questions submitted is that in addition to the benefits reflected to the producer in furnishing a system

of insurance for the handling of his grain, and in providing an ever-ready and convenient means for marketing the same, futures trading, even with its disadvantages of numerous minor price fluctuations, is of distinct benefit to the producer in the price which he receives.

In the report of the Royal Grain Inquiry Commission appointed June 27, 1936, Commissioner W. F. A. Turgeon reported in part as follows:

Whatever attractions a compulsory government board may present at first sight, its practicability, in my opinion, will not stand analysis, either from the point of view of overseas markets or that of domestic conditions.

I have no doubt that the creation by Canada of such a compulsory board, that is, a complete selling monopoly of Canadian wheat, would be regarded abroad as a further restriction upon the freedom of trade and commerce, coming at a time when our efforts should rather be directed toward the removal of such restrictions. Within the ambit of the grain trade itself, that is, in the eyes of millers, merchants, etc., it would of course be considered as an attempt or a design to revert, in more intensified form, to the situation which existed, and which came in for unanimous criticism overseas, in the last years of pool marketing and under stabilization. It would meet, I am sure with antagonism, at least passive, and perhaps even active in some places. There can be no doubt that our overseas customers dislike and distrust monopoly, in itself, and also because there is no saying where successful monopoly might lead, and they will certainly not contribute to making a success of it. We would consequently be going into diminished markets, among many free competitors, under a great handicap; because goodwill is in itself a considerable aid in business and its importance in our grain trade is greater now than ever before. Besides, the technical position of such a board would be most delicate. The great volume of its holdings would add to its difficulties, because it would be under constant observation, and its actions in times of uncertainty would have a magnified effect upon the market. In regard to its difficulties, these have already been touched upon. Not the least of them is the fact that there could be no bargaining in Canadian wheat as there is now and as there would continue to be in respect of other wheats. There being only one seller, there could be only one price to all buyers instead of a number of merchants and agents, all dealing in our wheat, but on a competitive basis by reason of their different positions, as was exemplified in the evidence given in London and quoted in chapter IV.

The situation at home would also be disadvantageous to the producer, in my opinion. This opinion is held by many whose experience qualifies them to express well-considered views. Mr. John I. McFarland, who gave so much of his time and ability to handling stabilization and who was the first Chief Commissioner of the Canadian Wheat Board, did not favour the closing of the Winnipeg Exchange, nor did Mr. J. R. Murray, who succeeded Mr. McFarland as Chief Commissioner. Mr. McFarland thought that our best policy for the future was to continue the futures market, under supervision, with the present wheat board in operation, but he was opposed to a compulsory board except in case of emergency.

Whenever world conditions cause a fall in prices, there are always voluble agitators who blame the exchange and want it closed.

When the present wheat agreement was under consideration, no doubt the minister had in mind the possibility of a rapid fall in prices influenced by the stricken nations going back to increased crops and being unable to buy and pay cash. In case this consideration influenced the short sale of six hundred million bushels, let us look at what happened after the first war. It is reasonable to think history will repeat itself.

Trading in grain was prohibited by order of the board effective September 1, 1917. The price of wheat, fixed by the board from September, 1917, to August, 1918, one northern basis Fort William, was \$2.21; from August, 1918, to August, 1919, one northern basis, Fort William, was \$2.24½. The market was opened July 21, 1919, and by July 29, 1919, it had advanced to \$2.45. The market was then closed by order of the government. It had been open only six days and was closed in a somewhat peculiar way. The government called a conference in Ottawa on July 28, without the exchange being represented. No apparent investigations were made of the transactions that had taken place while the market was open. No questions were asked of the amount of trading done or the quality of the trading. No provisions were made with regard to such trades as had been negotiated. It is suggested that the increase in price was what led the government to change its plan. It had been stated that farmers were in favour of closing the markets and of the government undertaking to buy and sell the wheat. But there was no evidence whatever that the producers of grain at that stage asked the government to close the markets. On July 31, 1919, the government issued an order in council under the War Measures Act providing for the marketing of the wheat crop during the coming twelve months. The Canadian Wheat Board came into operation. The system adopted by the government was as follows:

The government commandeered the wheat after it had been shipped from the farm and taken to the elevator or railway. Then, after having commandeered the wheat, the government acted as agent or commission merchant for the producer. The government gave the producer an advance and a promise of a balance at the end of the year. The advance, which was set at \$2.15 per bushel, amounted in reality to a fixed minimum price. But as the price of wheat in the international market would vary during the year, the government

did not pay each farmer the full price of the wheat as based on the international price at the time he delivered his wheat. What the government received over \$2.15 per bushel was divided at the end of the year among the farmers, according to the grade and weight of their wheat. During this period while wheat prices were controlled by the Canadian Wheat Board, the producer received from August 16, 1919, to August 17, 1920, for one northern wheat, a cash payment of \$2.15; on July 9 an interim payment of 30 cents per bushel, and on November 4 an interim payment of 18 cents; a total of \$2.63 per bushel.

The market was again re-opened by the government on August 18, 1920. The price at the close that day was \$2.73½, and climbed to \$2.77½ by the end of August.

It would be easy to go back over the record—beginning in 1920, with the increase in tariffs in the United States, and carrying through to the Ottawa treaties of 1932—to show that, far from being a time of free trade, the 1930's marked the culmination of swiftly rising protectionist policies the world over. This was indeed the hey-day of bilateral deals like the present wheat agreement; of quotas; of embargos; of exchange devaluations and restrictions; of arbitrary valuations for customs purposes; of prohibitive *ad valorem* and specific tariff duties. France in 1920 had a tariff on wheat in Canadian money of 11 cents per bushel. In 1935 it was 85 cents per bushel, but in the years of extremely low prices it had been \$1.70 per bushel. Germany in 1922 had imported wheat duty free. In 1935, the tariff was \$2.27 per bushel. Italy had no tariff in 1921, and in 1935 a rate of \$1.07 per bushel. The United States had admitted wheat in 1921 at 10 cents per bushel; in 1935, at 42 cents per bushel. The United Kingdom had put in a fixed domestic price and import restrictions. What happened in the 1930's was that Canada's export surplus of wheat fell upon a restricted world market, which was unable to sustain it. The market was restricted, not because this was the hey-day of free enterprise, but for the opposite reason. Freedom was the one thing lacking. This was the hey-day of state interference with trade. This will show more than anything else the cause of falling prices: not the free and open market, but just the reverse. But in any case prices did not fall till 1930, or sixteen years after the war was over.

The wheat dollar of 1939 is worth in goods today just 79 cents so the price negotiated for our wheat of \$1.55 is not what it seems, but on this basis will buy only \$1.22½ worth of

goods; and if prices rise further in the goods the producer buys, the negotiated price for wheat may look worse.

Let us look at the situation today. First, let us look at what happened in England. As England is a country of approximately forty million people and their estimated requirements are six bushels per capita, their requirements normally would be 240,000,000 bushels. In 1938 Great Britain and Northern Ireland grew 73,000,000 bushels of wheat off 1,930,000 acres. For the following years the figures are:

Year	Bushels	Acres
1939	61,000,000	1,770,000
1940	61,000,000	1,810,000
1941	75,000,000	2,270,000
1942	96,000,000	2,520,000
1943	129,000,000	3,460,000
1944	117,000,000	3,220,000
1945	81,000,000	2,270,000
1946	69,000,000	2,070,000

In 1942, it was a matter of life or death to grow grain on account of lack of shipping to import, and the government gave very high bonuses. Since the war is over the land has been put back to grazing for much needed live-stock and partly because the miller is not very fond of English wheat. They will not encourage increased production again until they find it impossible to get credit or dollars to import.

World wheat production in 1946 was 100 million below the 1935-39 average, and in 1945 it was 700 million below the 1935-39 average. The bogey of over-production is not yet at our door, and the world price in the free market hovers around \$3 per bushel for our wheat, basis Fort William.

Great efforts are being made to get the western producer to deliver his wheat to country elevators, but he is very slow in doing so, at the lower guaranteed price. The elevators at Fort William have a capacity of 90,867,000 bushels, and since last fall have not been one-third full. The same is true of elevators at stations in the country.

This short sale of 600 million bushels over four years means the closing of the Winnipeg Grain Exchange for four years more and in that time the magnificent machinery developed over sixty years may in great part be destroyed. Already, the realization is growing in England that government officials and ministers are incapable of showing the foresight and judgment of private traders who, in competing with one another and animated by the profit motive, are corrected constantly by the fear of loss and by the continual elimination of the inefficient. Mr. Churchill recognized this principle when he said in the British House of Commons on March 12, 1947, in part:

The wanton and partisan . . . destruction of the Liverpool Cotton Exchange will be forever held against the distinguished record of the President of the Board of Trade as an act of folly and of pedantry, amounting to little less than bad citizenship.

An example of the effect of government control is that memberships in the Winnipeg exchange sold at \$25,000 each in 1929 and are now valued at \$2,500, just one tenth. Through tax exemption the co-operatives have taken full advantage of their preferred position and cut deeply into the business of the members. For your information I would like to give you a few more figures. Under private initiative, partly government and co-operative, there has developed in Western Canada perhaps the finest system of grain storage and cleaning elevators in the world. In the three prairie provinces the country elevators number 5,451, with capacity of 191,536,000 bushels. The terminals at the head of the lakes number 28, with storage capacity of 90,867,000 bushels. The elevators in eastern Canada have a capacity of 85,100,000 bushels. The total licensed storage capacity of elevators in the eastern and western divisions in Canada, not including temporary storage, is about 423,339,000 bushels, and to close the market and nationalize the grain trade requires the most careful consideration.

At this point might I quote from our respected Ambassador from the United States, the Honourable Ray Atherton, who said in an address before the Canadian Lumbermen's Association in Montreal:

The economists and other experts discuss state trading in technical and beautiful language; no constellation of words, however, can alter the fact that government monopoly in external trade cannot for long exist except in combination with government monopoly in domestic business. You can start at either end, if you decide to substitute government control for private freedom of enterprise. Again, I believe that North Americans will start at neither end. But let no man deceive himself that state trading is not starting at one end. IT IS. We North Americans believe in freedom of choice. But let us be clear as to what our method, our idea, is, what it has done for us and what it will continue to do for us. I refer, of course, to the Canadian-American idea of the trade of free men. This idea has worked out pretty well. It has created a volume of international trade unmatched by any other system or combination of systems. Applied internally it has created within each of our two countries greater prosperity than any other idea has ever created anywhere at any time in history. This idea may not be perfect, but how much do you expect of an idea, anyhow? Cannot weak and mortal mankind be excused for respecting and cleaving to an idea which is demonstrably the best one yet, even if it is, equally demonstrably, not perfect?

To follow this up, the government has now issued orders controlling all coarse grains except rye, which, by the way, is quoted currently at \$2.85 per bushel of 56 lbs.

This bill, honourable members, must be looked at very closely. Part II has no time limit and it puts under direct control all elevators, steamships, railways and every facility concerned with the grain trade. It must, therefore, be apparent to this honourable body that this bill should be carefully considered by a committee. Every effort should be made to get all the best information possible, as certain things which might happen—perhaps further inflation, or buyers' inability or unwillingness to carry out this deal—may make it of very little value; and in any case powers should certainly not be granted beyond the fixed price date now decided on, namely 1948. To the best of my knowledge, no exporter or member of the exchange has been so far consulted about the deal; and a short sale of 600 million bushels should have had consideration and advice from all parties to be affected. This matter in another place was not referred to a standing committee where witnesses could be called.

The bill raises many and serious questions. For example: whether the public should underwrite this colossal and unprecedented sale of wheat futures; whether the pool period should be an annual or a five-year period; whether the legislation should expire in 1948, with the provision that it may be continued by order in council; whether part II, with the board's permanent control over elevators, mills and railways, is necessary; whether part IV, with its prohibition of interprovincial trade, goes further than need be and strikes a new history-making blow at freedom of trade between the provinces. Truly these are grave questions.

Part II gives the board an all-embracing control, and for all time, upon elevators, mills, grist-mills and railway transportation in so far as it is related to the grain industry. I am convinced that these controls are excessive and dangerous and entirely unnecessary to enable our government to carry out its obligations under the United Kingdom wheat agreement.

As I read section 121 of the British North America Act, which says:

All articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the Union, be admitted free into each of the other provinces,

I consider the spirit which moved the Fathers of Confederation, and I feel that they will turn over in their graves upon the day this parliament sets up barriers to interprovincial

trade in Canada. Let us try every other means before we split this dominion into nine watertight trading compartments. Particularly I am aghast at the idea that this chamber should now pass this bill and then, if study convinces us that we were wrong in not making provision for its earlier termination, should bring in a new bill next season to take care of today's haste and carelessness. I cannot be a party to such procedures.

In my view a committee of the whole chamber will effectively shut us off from enlightening information and is precisely the opposite of what is required. What is wanted are facts, and then debate upon facts, not debate alone. In another place legislators did not have the advantage of the assistance of board officials and other witnesses. I believe the board officials—knowing them as I do to be the capable and efficient gentlemen that they are—will concede that the bill goes further than they require.

We require to be satisfied that the controls of this bill are essential. We should be derelict in our duty and abandon the prime function of this chamber if we approved this far-reaching bill in its present form before we were satisfied, after reasonable inquiry, that to do so was our clear duty. If our inquiry convinces us that amendments to the bill are in the public interest, we must not shirk the effort of study which will lead us to the proposing of such changes.

Some Hon. SENATORS: Hear, hear.

Hon. T. A. CRERAR: Honourable senators, we are deeply indebted to our colleague who has just spoken to the house on this important measure, labelled "Bill 23." To those of us who come from Western Canada, and who are familiar with the development of grain growing and marketing, the useful information he has given is not new, but it is of very definite value to us in our consideration of this measure.

In a few weeks the war with Germany will have been over two years; and the war with Japan, twenty months. It seems to me strange that after this lapse of time we should still be considering legislation based on a state of emergency arising out of the war. By any test that we wish to apply, this bill is an extraordinary measure. It is particularly so when we consider that we have been at peace for almost two years.

The underlying principle of this bill is simply to make the business of handling and marketing of grain a completely rigid state monopoly. The bill in its effect goes even further than that.

The government of 1935, headed by the Right Honourable Mr. Bennett, now Viscount Bennett, passed the Canadian Wheat Board Act. The board was made to a considerable extent an independent body. By the provisions of the bill now before us the board is given extraordinary powers and is made an agent of the Crown in the business of marketing Canadian grains produced over a large area in Canada. This bill provides that a farmer cannot sell his grain on the prairie provinces, a railway company cannot transport it, nor can a grain elevator handle it without the permission of the wheat board and in accordance with its regulations.

I do not wish to be unduly critical of this proposed measure, but it is worthy of note that by the existing order in council under which the wheat board is operating, the board—and it is not going too far to say this—is simply a branch of the Department of Trade and Commerce.

In effect, this legislation puts the whole business of marketing grain in western Canada in a strait-jacket from which there is no escape. For instance, if I am a farmer in Manitoba I cannot buy a hundred bushels of seed wheat from a farmer in Saskatchewan without permission of the wheat board; and if in the ordinary course of my business I send a truck across the provincial boundary to Saskatchewan to buy or take delivery of a hundred bushels of wheat, and bring it back to my farm for seed purposes, I can be haled before the regular courts, and, as I understand it, can be fined or even imprisoned. Another illustration of unusual power is that no one can import breakfast foods from the United States or elsewhere without authority from the board.

Apart from the wisdom or lack of wisdom of the wheat agreement, these are surely extraordinary powers that are not necessary to vest in a wheat board for the purpose of delivery of 600 million bushels of wheat to Great Britain over a period of four years. The senator from Thunder Bay (Hon. Mr. Paterson) has given the house an idea of the magnitude of the operations in grain. It is an industry dealing with hundreds of millions of dollars worth of property and scores of thousands of individuals. But the effect of making the wheat board an agent of the Crown is that if any agent of the board at any place or at any time does something that works an injury to an individual growing grain or handling grain through an elevator, that individual cannot sue in the ordinary courts to seek compensation: his only recourse is to come, hat in hand, to

the Attorney General of Canada at Ottawa, get permission to sue the Crown, and then plead his case before the Exchequer Court. Surely a provision of that kind is not necessary for carrying out the simple object of the wheat agreement with Britain.

There are many other restrictions and limitations in this bill. I wish to make a protest against the principle that seems to guide the framers of legislation these days. For example, if it is sought to give some board or other authority certain powers by Act of Parliament in order that certain things may be done, there is a tendency to make these powers as all-embrating as possible, instead of restricting them to what is necessary for carrying out the immediate purpose. I submit to the house that this is not a sound principle of legislation. This wheat board or any other public authority that may be set up under any other act should not be given any more than the minimum power necessary to carry out the purposes for which it was brought into being.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CRERAR: I wish simply to register that as my strong view on the principle.

What has occasioned this bill with these extraordinary powers? It is the wheat agreement negotiated last summer between the government of Canada and the government of Britain. Under that agreement, which I dare say all honourable senators have read, the Canadian government sells and undertakes to deliver to the British government in the period commencing August 1, 1946, and ending July 31, 1950, 600 million bushels of wheat. If I wished to be really facetious about this I might say that it is one of the greatest short sales ever known in the history of the world. In the first two years of this transaction the Canadian government agrees to deliver 160 million bushels each year at a price of \$1.55 f.o.b. Fort William. In the third year it agrees to deliver 140 million bushels at a price of \$1.25, subject to further negotiation; and in the fourth year at a price of \$1, also subject to further negotiation. I think that under this agreement the British government is obliged to take these quantities of wheat at the prices I have mentioned for those respective years. It is true that in December of this year there are to be further negotiations between the Canadian and British governments to consider a revision upward of the price for the third year, but that is going to be difficult to arrange, because they are to meet in December of 1947 to consider what price should

be charged seven months later. Who will know what sort of crops will be produced in that period? Who can tell what situation will develop in international grain trade? I can foresee for the Canadian negotiators considerable difficulty in endeavouring to get our English friends to pay a higher price than \$1.25.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. CRERAR: They are usually very shrewd bargainers in matters of this kind. The fact is that, while the British government is paying \$1.55 for wheat out of the 1946 crop, which is now being marketed, the farmers are receiving only \$1.35 a bushel. In other words, the purpose of the agreement quite obviously was to ensure the farmer a price of \$1.35 a bushel over a four-year period. Therefore, the extra 20 cents per bushel received now, plus the much higher prices received for grain sold outside the agreement to other countries, will go into a pool fund and be available to be drawn on in the final years of the contract should wheat values at that time have declined to, say, \$1 a bushel.

However, in working that out there will be some injustices. For instance, as everyone knows, in Western Canada we are subject to drought periods over large areas of the country. A farmer who in the years 1946 and 1947 has a good crop, may have a very light crop or no crop at all in 1948 and 1949. Under this plan such a farmer would be deprived of the privilege of getting the world price for his wheat when he had wheat to sell. Although I have not checked it recently, I think the world price today is something of the order of \$2.80 a bushel. Take another actual case—I am basing these points on facts within my own knowledge, and not on anything theoretical. A Manitoba farmer produced a good crop of wheat in 1946 and sold it for \$1.35 to the Wheat Board, taking his chance that at the end of the four-year period he may get something back from the pool. However, he has since sold his farm and moved off it, and someone else is farming the land. He does not produce any more wheat during the contract period. What position is he going to be in at the end of the four-year period, when perhaps the pool may be required—this is possible, though not likely—to supplement the lower prices in the final years to bring it up to the average of \$1.35? If that should happen he would get no more than \$1.35 for his wheat, whereas if he had been able to sell it in the ordinary fashion, independently of these controls, he might have realized \$1.75 or \$2 or \$2.45 a bushel.

I mention these things, not particularly in criticism but as an indication of the immense

difficulties that always arise when governments get into this sort of business. It does seem to me that, while proponents of the agreement may have a fair argument to justify it on the larger grounds, they must admit that in many individual cases—yes, in thousands of individual cases—hardship is going to be worked.

This bill, which I described in opening as an extraordinary bill, is necessary if the wheat board is to be given the powers to carry out the terms of the agreement, because the National Emergency Transitional Powers Act shortly lapses. When the agreement was made, the order in council giving the wheat board the extra powers necessary to enable it to carry through the terms of that agreement was passed under the National Emergency Transitional Powers Act. Not only that, but as late as April 3 this year an order in council was passed for taking over all the stocks of barley and oats in western Canada, wherever they were, from the head of the lakes west. Quite obviously some injustices were done there. For instance, I think it is quite an arbitrary act to expropriate grain that a merchant has paid for—perhaps a merchant residing outside of Canada—and to deprive him of the opportunity to use it as he intended.

Be that as it may, what I want to point out is that this order in council was passed under the so called emergency condition. I read from the preamble of the order in council:

Whereas it is necessary, by reason of the continued existence of the national emergency arising out of the war against Germany and Japan, for the purpose of maintaining, controlling and regulating supplies and prices to ensure economic stability and an orderly transition to conditions of peace, to make provision for—

Then follow the terms of the order in council.

Now, is there in Canada today any emergency that justifies the use of that legislation? How long is the emergency going to last? It seems to me inconceivable to argue that there is today a national emergency that justifies the government in passing an order in council which completely monopolizes the handling of grains in western Canada.

Hon. Mr. HARDY: Hear, hear.

Hon. Mr. CRERAR: I cannot understand it. And in the preamble to this bill the same thing is cited. But where in this country was the national emergency that justified the passing of a measure to validate a wheat agreement with another country? Was there a shortage of foodstuffs in Canada? Was there any shortage of flour? Was there any shortage of any cereal product? Was there not a distribution of all these things?

Hon. Mr. MacLENNAN: There was a shortage in Britain.

Hon. Mr. CRERAR: The honourable senator from Margaree Forks says there was a shortage in Britain. That is true. But how can you justify dealing with an emergency in Britain under legislation that can only deal with a national emergency in Canada? I say the procedure was wrong. The government had other ways of implementing this agreement with Britain. There is no doubt that it could have gone into the open market and purchased the wheat for Britain. The United States Government is following that procedure today. It was not necessary to resort to this type of legislation to carry out the terms of the agreement. The National Emergency Transitional Powers Act, passed a year ago last autumn, will soon expire. It seems to me an extraordinary use of the powers under that act to pass an order in council, which we are now asked to validate, creating a complete government wheat monopoly in this country.

Honourable senators, I speak with some conviction on this subject, because I deplore the tendency everywhere today to increase the powers of government and give it more authority over the people. If under the National Emergency Transitional Powers Act, the measure now before the house is justifiable, it would be just as reasonable for the government to ask that the lumber manufacturing business or the export and sale of pulpwood and paper within Canada be placed under a board similar to the wheat board.

I wish to emphasize strongly that no emergency existed in Canada to justify this proposed measure. Because of the shortage of food an emergency may have existed in Great Britain, and Canada quite properly should attempt to assist in relieving that condition, but that does not constitute an emergency in Canada. I am not a lawyer—and I am sometimes thankful for it—but it does seem to me to be stretching the National Emergency Transitional Powers Act a great deal to make it a basis for this legislation.

The agreement has been made and, no matter what I may think of it, I believe the honour of the country is committed to it. If the government of our country makes an agreement, rightly or wrongly, with Great Britain or any other country, on any matter that is not subject to ratification by parliament, I believe that we are obligated to carry through the terms of that agreement.

Hon. Mr. MacLENNAN: The honourable gentleman is not alone in that view.

Hon. Mr. CRERAR: I am sure that is the view of all honourable senators. This bill should go no farther than to give the government the powers necessary to carry out the terms of the agreement. I therefore make the suggestion that the bill be sent to a committee. The honourable gentleman who explained the bill (Hon. Mr. Johnston) suggested that it be referred to the Standing Committee on Natural Resources. I believe that the bill has to do with a matter of commerce, not with the production of wheat; and banking also may be rather remotely related to it. For that reason I think the bill should go to the Standing Committee on Banking and Commerce.

I have gone through the bill twice rather carefully, and some sections are not at all clear to me. For instance, section 2 (3) (d) gives the board power to acquire, hold and dispose of real and personal property. Does that extend to the point of empowering the board to acquire elevators to store and trucks to deliver grain? The same subsection provides for the operation of elevators. I should like some clarification as to why power to operate elevators either directly or by agents is required.

Section 2 (3) (j) empowers the board:

to act as agent for or on behalf of any minister or agent of His Majesty in right of Canada in respect of any operations that it may be directed to carry out by the Governor in Council.

Those are some features which require clarification. Honourable senators, we should not take the passing of laws in a light manner. We have no more important duty than to see that the laws put on our statute books are, as far as we are able so to make them, fair and just.

One further provision of the bill appears to me to require some explanation. Section 18 (1), on page 9 reads as follows:

The Governor in Council may, from time to time, empower the board to make inquiries and investigations to ascertain the availability of delivery and transportation facilities, supplies of grain and all matters connected with the interprovincial or export marketing of grain, and for such purpose empower the board and the several members thereof to exercise the powers of commissioners or a commissioner, respectively, under Part I of the Inquiries Act.

Should the Board of Grain Commissioners have a difference with one of the elevator companies, or a transportation company, it would seem rather an extraordinary procedure to appoint one party as a commissioner to investigate the dispute. But as I interpret the subsection, that could be done.

There is another point, which to my mind I think is most important. I want to know whether or not this bill would give whatever

government may be in power, say, in the early part of 1950, authority to negotiate a new agreement for a five-year period. That point should be definitely cleared up. In part III of the bill there is a section indicating that these powers are intended to be carried beyond the year 1950. I have no hesitation in saying that I would be utterly opposed, in a situation anything like the present, to extending powers of that kind to any government. If we are going to move into the business of state trading, let the government of the day, whatever it is, tell parliament frankly what it proposes to do, and get the judgment of parliament on the powers it seeks.

It seems to me that the penalties imposed under this act need some scrutiny. For instance, under section 34 no farmer can deliver a bushel of wheat to an elevator without a permit book. That is the authority from the Wheat Board for the farmer to deliver the grain, and the elevator agent to accept it. If some police officer or inspector of the Board thinks that a farmer has done something wrong, he can require the farmer to surrender his permit book, and it can be held for fifteen days, during which period the farmer cannot deliver a bushel of grain to an elevator. If the regulations are violated in certain ways, the farmer can be deprived of his permit book for a year. I am not here to excuse or defend any wrongdoing of any individual under the law, because I am sure I am in agreement with all my colleagues in the house when I say that even if a law is a bad one it is the duty of the citizen to observe it and work to have it changed. However, a section that provides a fine or imprisonment for what may be relatively small offences should be studied before a committee in order to see what justification there is for the penalty.

Honourable senators, I have taken up more time than I intended. The bill is very far-reaching in its implications. I see no national emergency in Canada that justifies this legislation, which to my mind is extraordinary legislation. I repeat that if it is within the powers of parliament to enact this bill, then next week or next month a measure could be brought in to do precisely the same thing to the lumber and the pulp and paper industries, and to any other industry in this country that exports or carries on interprovincial trade. I hope that those in authority will reflect upon the vast field to which the door is opened by this legislation. If we are headed for a socialistic and authoritarian state, let us proceed with our eyes open; let us have the matters discussed by the Canadian people.

I am as convinced that, as surely as I am standing here addressing you this afternoon, an overwhelming majority of the Canadian people are against the principle embodied in this measure. The bill should be considered by a committee, and improved, if possible. It should limit the board's powers to those necessary for carrying out the terms of the agreement. We should have a definite and clear understanding that no subsequent agreement will be made under any powers given by this measure unless first brought before parliament for ratification and approval.

Some Hon. SENATORS: Hear, hear.

Hon. A. B. COPP: Honourable senators, I had no intention of taking part in this discussion. My honourable friend from Thunder Bay (Hon. Mr. Paterson) placed on our records a great deal of information in regard to the grain trade in the West, and I feel that from an oratorical standpoint the discussion on this bill has been a very pleasant one. I have had no experience whatsoever in connection with the grain trade and would not for a moment attempt to offer my views in opposition to those of my honourable friend from Churchill (Hon. Mr. Crerar). In reply to his argument that the bill should be studied, I might say that no one has said that this should not be done. He suggests that certain things may be wrong and that we should know all about them. We hope to have the bill referred to a committee and to have present for our enlightenment various departmental officials. I have no doubt that officials of the wheat board and the Department of Agriculture have given this matter serious thought. This bill was discussed in the other house for some weeks, and was finally passed and sent over to us. As you are all aware, I am not very closely allied with the government and I do not know anything about the inside workings of the cabinet. During the time I have had the privilege of carrying on in my inadequate way as acting leader of the house I have felt that we should give this bill full consideration, and I would point out that there has not been one word of opposition from anybody in this chamber to a reference of the bill to committee. The proper officials will come forward in committee and give my honourable friend from Churchill the most detailed information he may desire. No one has uttered a single word against anyone giving him and all other senators all the information available. I say to my honourable friend that while we have enjoyed his talk very much indeed, the very argument he made has been offered for the last two or three weeks.

Hon. Mr. CRERAR: I should not want my honourable friend to get any impression that I doubted whether the bill would go to a committee or not. My suggestion was that the Banking and Commerce committee was more appropriate than the Committee on Natural Resources.

Hon. Mr. COPP: The honourable senator made that suggestion, but there was no motion in regard to it.

Hon. Mr. CRERAR: That is right, but I did not for a moment intend to convey the impression that I thought there was resistance to sending the bill to committee.

Some Hon. SENATORS: Question!

The Hon. the SPEAKER: Honourable senators, the question is on second reading of Bill 23, an Act to amend the Canadian Wheat Board Act, 1935. Is it your pleasure to concur in the second reading of this bill?

Some Hon. SENATORS: Carried.

Hon. Mr. HAIG: On division.

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

REFERRED TO COMMITTEE

Hon. Mr. COPP: Honourable senators, I would move that the bill be referred to the Standing Committee on Banking and Commerce for consideration and study, and to report back to the house as soon as possible.

Hon. Mr. HAIG: May I ask the honourable gentleman when the bill will be considered in committee?

Hon. Mr. COPP: I do not know what committees are meeting tomorrow.

Hon. Mr. HAIG: Representatives of the board and other interests will be coming to Ottawa and will not want to wait around. I would suggest therefore that we fix a day next week for hearing in committee, so that people who come here from some distance may be heard.

Hon. Mr. COPP: That suggestion is quite agreeable to me.

The motion was agreed to.

AGRICULTURAL PRODUCTS BILL

SECOND READING

The Senate resumed from Thursday, March 27, the adjourned debate on the motion of Hon. Mr. Copp for the second reading of Bill 25, an act to provide for the Sale and Export of Agricultural Products.

Hon. ANTOINE J. LEGER: Honourable senators, the honourable senator from King's (Hon. Mr. McDonald), in explaining this bill on the motion for second reading, dealt with it from his own point of view and as such acquitted himself admirably. He will excuse me if in the discussion of the bill I take an altogether different view and therefore do not meet his arguments. The difference arises from the fact that he has accepted the gratuitous assertions contained in the preamble, whilst I join issue on practically every one of them.

The preamble reveals that the government has entered into agreements with other governments for the sale and export of food products and supplies, and that these agreements will continue in force. No one can take exception to this, so long as it does not interfere with the rights and liberties of the people. But the context discloses that the government wishes to fulfil these agreements by requisitioning all kinds of needed agricultural products, except wheat, anywhere, at any time, in its own way, at its own price and from anybody. To accomplish this wonderful result the government proposes to establish commodity boards and advisory committees, appoint professional, technical and other officers—your guess is as good as mine as to who they will be—employ clerks and others. The number of each group and the salaries to be paid are not revealed.

We are told, however, that this body of men will be paid out of money appropriated by the Parliament of Canada and out of the Agriculture Products account established under the provisions of this bill. This would suggest that the government expects to make profits out of the requisitioned goods.

Disobedience to or non-compliance with any of the provisions of the bill, or regulations yet to be made, will be subject to criminal prosecution.

A definite period of duration, which may become indefinite, is mentioned in the bill.

That, in my view, is a brief analysis of the objects and purposes of the proposed legislation, apart from the possibilities that may arise from its broad language and as yet unframed regulations.

On the whole, this bill displays some of the ingenuity and dexterity prevailing in some of the departments of the government since the beginning of the recent war and used constantly to create an excessive bureaucracy and to centralize everything into one system under the control of the federal government.

Although the Allies have enforced "unconditional surrender" upon the hostile nations,

the preamble of this bill avers that the powers sought to be obtained are still necessary to assist in the "more efficient prosecution of the war." A war where and with whom, we may ask.

The preamble further reads:

... in order to assist in the relief of suffering and the distribution of food supplies the Government of Canada entered into agreements for the sale or export of food supplies to other governments or agencies thereof, which agreements still continue in force;

It continues:

... it is necessary by reason of the existing national emergency ... to continue to sell and export food supplies to distressed countries ...

The two dominant positions advanced by the government are the national emergency and the agreements for sale or export of food supplies. My first contention is that the government cannot create a national emergency by just mentioning it in the preamble of a bill. Such a condition must exist as a matter of fact, and the government must prove that the non-delivery of these food supplies would affect in some detrimental way the whole country as a nation actually engaged in the settlement of the peace of the world, before it can oust the jurisdiction of the provinces or encroach upon their rights in the matter of property and civil rights. I need not mention the position we occupy in the settlement of the peace of the world.

The government must further establish that it has tried to obtain these food products in the regular way, and that it has failed to do so. I submit that if the government is willing to pay the usual and prevailing prices it can thereby acquire more food supplies than by any means of direction, requisition, compulsion or punishment as provided by this bill.

May I ask, has the government in any way sought the aid of the provinces before trenching on one of the subject-matters entrusted to the provincial legislatures under the British North America Act? If not, I say that this bill must be considered not only as *ultra vires* but also as premature, not necessary and against public policy. While I shall admit that it will be easier to acquire these food supplies by the regimentation, direction, requisition, compulsion and punishment provided in this bill, yet under our constitution that does not constitute a justification for the infringement of the provincial prerogatives.

Some may say that the government has now to fulfil its obligations. The government knew or should have known before it entered into these agreements that no national emergency such as contemplated by section 91 of the British North America Act existed, and that it had therefore no control over property and

civil rights. I claim that the proper and only way to deal with such a matter was either to pay the prevailing prices or else to seek the aid of the provinces. This bill is not only unnecessary but it is unreasonable, as a measure more severe, stringent, imperative, autocratic and against all rules would not be framed even for a people in flagrant default and in open disobedience. And, would you believe it, it has the suave and virtuous title of "The Agricultural Products Act." What a farce!

I assert that this bill is against public policy because it encroaches upon a class of subjects which is exclusively assigned to provincial legislatures by Section 92 of the British North America Act. It is an abuse of power because it compels, without legal authority and without affording sufficient protection, the arbitrary delivery of food supplies to the government for resale and thereby restrains a man's liberty to carry on his trade or occupation in his own way.

For instance, suppose a man has contracted in advance for the sale of the food supplies which he controls, and then the government comes along and says to that man, "We have requisitioned these food supplies and you must deliver them to us." He would be in this dilemma, that if he does not deliver these food supplies to where they were contracted for in the first instance he will be liable to an action of breach of contract; and, on the other hand, if he does not deliver the same food supplies to the government he is liable to prosecution under this bill. So you can see in what position the agricultural class might be placed under this bill.

I do not want to convey the impression that this bill, if it becomes law, will be tyrannically enforced; but all sorts of possibilities are created under this legislation, and good laws make good government.

My conclusions are: that this bill is not necessary, as the government can obtain the agricultural supplies which it needs by paying the usual and prevailing prices, and hence there is no need of compulsion; that the bill presupposes an emergency that does not exist; that it is against public policy; that it is *ultra vires* of the Dominion government; that the title is irrelevant to this bill; that the preamble has no foundation in fact—that it is just a make-believe in a desperate attempt to acquire jurisdiction—and that the bill has no merit *per se*, as the obligations sought to be imposed are directed against that class of people who are the least favoured and the least organized, the agricultural class.

Hon. SALTER A. HAYDEN: Honourable senators, I have just a few words to say on this bill. I am not prepared to go as far as the honourable senator who has just spoken (Hon. Mr. Leger), but I gather from his remarks that he can find no virtue whatsoever in this bill.

May I point out that the greatest single virtue that I find in the bill is that it provides—an exceptional thing in legislation coming forward to us—for its own early demise. To that extent I think it is commendable. It recognizes the extraordinary feature of the compulsion part of the bill, and that it should receive an early termination as soon as it has served its purpose.

I am not too concerned at the present time about the suggestion that the bill is unconstitutional, because fortunately we have law courts. If the government and the proponents of this bill, under the guise of national emergency, are attempting to enact something that is not constitutional, then the citizens who are affected by a law of that kind have their remedy in the courts to question its constitutionality. In considering approval of such a bill as this, honourable senators might very well find it advisable to give not only their own consideration but to get the opinion of our Law Clerk as to the constitutionality of the measure, because I do not think we want deliberately to give our approval to a measure as law, if we feel reasonably certain that it is not constitutional. However, the question of constitutionality, in the circumstance that there is a very short life to the bill, does not give the same concern to me as do some other measures that have been before us. I might point out, however, that the purpose of the bill is to enable the government to complete and carry through to conclusion certain agreements that were entered into in a time of real emergency. Some of them were entered into during the period of the prosecution of the war and still have some time to run. It is the desire of the government to complete these agreements, and I think, as a previous speaker said this afternoon in relation to another bill, if our country is committed to an agreement we must find some way of keeping our obligation under that agreement. However, whether or not we approve of the principle that the government, in order to carry out its obligation under an agreement, may by compulsion confiscate or commandeer agricultural products, wherever they may be found in the country, at prices not greater than the prices to which they have committed themselves in the sale of these products, is another question. When the

government commits itself to an agreement to sell agricultural products at a specific price, shall we thereafter put our stamp upon a law by which supplies can be commandeered from people in the country at a price which will enable the government to fulfil its agreement?

Hon. Mr. BENCH: On this very interesting point, I wonder if the honourable senator can tell us what is provided by the existing orders in council under which these agreements are being carried out?

Hon. Mr. HAYDEN: I cannot answer that question with any too great definiteness. I can say that I think the bill is an attempt to put in legislative form an authority that is already provided by order in council. In other words, it is an attempt to make legislative what is now in force by order in council. What leads me to that conclusion is that it is provided that the commencement date of this bill, even after it has been passed by both houses, shall be the date on which the National Emergency Transitional Powers Act ceases to have any force and effect.

Hon. Mr. BENCH: Do I understand the honourable senator to say that this bill does not extend the powers of the Governor in Council beyond those assumed under the National Emergency Transitional Powers Act?

Hon. Mr. HAYDEN: I understand from the honourable senator who explained the bill (Hon. Mr. McDonald, King's) that in only one respect does it extend the powers beyond those that have been exercised by order in council and continued by the National Emergency Transitional Powers Act. That one respect applies to the handling of the apple crop.

May I say that the real principle involved in this bill is whether the government, having committed itself to an agreement, is willing to purchase agricultural products at the prevailing market prices from those who produce them, or whether parliament is to give the government legislative power to commandeer those products at an arbitrary price, having regard to its commitments under the agreement.

For the purpose of voluntary purchasing the government has ample authority to act now under two statutes passed by the Parliament of Canada in 1944 and 1946. They provide that the things contemplated under this bill could be done, without any element of compulsion. For instance, the Agricultural Prices Support Act, passed in 1944, provides all the power required for the government to purchase and export products to meet its contract. That act is found in the Statutes of

Canada, 1944-45, Chapter 29. The board set up under that act was given power under section 9 (1) (g) as follows:

To purchase at market or contract prices and export any agricultural product under any contract between His Majesty in right of Canada and any other government or agency thereof and to do all things necessarily incidental thereto.

So by an existing statute of Canada the government has the power it may require under these agreements, except for the feature of compulsion.

Under the Canadian Commercial Corporation Act, passed in 1946, Chapter 40 of the Statutes of Canada, a corporation was set up to be operated by the government. Section 4 of the act provides for the establishment of the corporation for the following purposes:

- (a) to assist in the development of trade between Canada and other nations, and
- (b) to assist persons in Canada
 - (i) to obtain goods and commodities from outside Canada; and
 - (ii) to dispose of goods and commodities that are available for export from Canada.

So under that statute of 1946 the government has all the power necessary to carry through to a completion its obligation under these agreements except, the power of requisitioning products in a compulsory fashion and at an arbitrary price to be determined by the government.

The word "extraordinary" has been used so frequently that it has become almost commonplace in talking about legislation. Section 3 of this bill is an empowering section, and sets out the powers of the minister, subject to any regulations that may be made by the Governor in Council. Having regard to the section which I read from the Agricultural Prices Support Act, honourable members will note the provisions of section 3 of this bill.

Paragraph (a) provides that the minister may:

sell or export agricultural products to the government of any country or any agency thereof pursuant to any agreement made by the Government of Canada with the government of such country or with such agency and for those purposes may purchase agricultural products and make such arrangements for the purchase, sale or export of agricultural products as he considers necessary or desirable;

There are more words in this paragraph than in the one which I read from the Agricultural Prices Support Act, but one will observe that the substance of each is the same. Section 3 (a) of this bill gives the minister power to do certain things. Strangely, the compulsory feature of this bill comes in the power to make regulations. This strikes me as an unusual feature, and honourable senators may think so too.

I wish to read section 5, but before doing so, may I make the general observation that, as I understand them, regulations are for the purpose of implementing the authority and power granted under statute; they provide machinery, like bylaws in a company, for the purpose of making workable the authority and power granted under the act. Section 5 (1) of the bill reads as follows:

The Governor in Council may make regulations for carrying any of the purposes or provisions of this Act into effect and, in particular, but without limiting the generality of the foregoing, may make regulations requiring the shipment or delivery to or to the order of the minister or the storing for future delivery to the minister of such agricultural products as the Governor in Council considers necessary for the fulfilment of any contract for the sale or export by His Majesty of the said agricultural products to the government of any other country or any agency thereof and determining the prices to be paid for or in respect of any of the said products so shipped, delivered or stored, which prices shall be based on the appropriate contract price and shall bear a proper and reasonable relationship thereto.

Hon. Mr. HUGESSEN: Would the honourable senator clarify my mind on the meaning of the last few words of that paragraph? I cannot make head or tail out of them.

Hon. Mr. HAYDEN: The only conclusion I can come to as to their meaning is that the government is committed to agreements with other governments, and is obligated to supply certain agricultural products at stipulated prices. The regulations require the owner of agricultural products to deliver them at the order of the minister, who may determine the price which shall be paid for the products when they are expropriated. In fixing the price, regard must be had to the contract price at which the government has committed itself to deliver the products to other governments. That is the only interpretation I can give to those words. Whether they are susceptible to any other interpretation I do not know.

Honourable senators, I think that of necessity, bills involving such principle of compulsion should go to committee, in order that we may learn the why and wherefore of presenting legislation in this form. I am assuming that there will be a reference to committee, and therefore have confined myself to a discussion of the principle of the bill.

Hon. JOHN T. HAIG: Honourable senators, the stand of the party of which I have the honour to be leader in this house has been very well stated by the honourable senator who first spoke on this side (Hon. Mr. Leger).

I heartily agree with all he said, but I wish to give to the house briefly the impression that the bill has left with me.

First, it is a direct encroachment on the jurisdiction of provincial legislatures of this country. Second, it is a direct compulsion on the agricultural producers of this country. Third, it is substituting a fixed price for a negotiated price.

There is a little history behind this legislation. If one looks up the record of another place in the session of 1935, he will find that the government of that day introduced a bill dealing with wheat, in which this same principle was involved. It provided for a compulsory wheat board that could take grain at a fixed price. The leader of the opposition of that day, now leader of the government of this country, objected to that principle in very clear and unequivocal language. With deference to that objection the then Prime Minister referred the bill to a seven-man committee of that house, composed of four men from the government and three from the opposition. The result of the investigation was a voluntary bill.

Co-operatives, wherever they have been successful, have been on a voluntary basis. For instance, the great English co-operatives are built on a voluntary basis. I am wholeheartedly behind the co-operative principle, but it must have no compulsory features.

This bill is an attempt to take away provincial powers, something which we as members of this house should vigorously protect. One of our strongest obligations is to see that the Parliament of Canada does not encroach upon provincial rights. Secondly, the bill evidences the increasing determination of officials to take over the arbitrary control of goods, on the ground that they can sell them better on the world market than the producers acting through free agents. If that is the principle that the majority of the people of this country want, well and good, but I personally do not like it. I am much more strongly opposed to this bill than to the Canadian Wheat Board Bill. But, as was pointed out by the honourable senator from Toronto (Hon. Mr. Hayden), the last section of this bill provides that the Act shall expire on the 31st of December this year, if parliament is meeting in November or December; otherwise it will expire not later than the 31st of March next year, though by resolution of both houses it may be extended for one more year. This means that the Act will die. That very section convinces me that the bill is not needed at all. By purchasing on the open market the government could obtain all the commodities it requires to carry out its contracts.

The bill has these three bad features: First, the encroachment on matters within the jurisdiction of provincial legislatures; second, compulsion on farmers; and third, the fixing of arbitrary prices by officials. I am opposed to all three features. As was stated last session or the session before by the honourable senator from Lincoln (Hon. Mr. Bench), there seems to be a feeling that permanent officials at Ottawa are better able to judge what the country needs than are the people themselves. In these matters the difference between an official at Ottawa and a business man is that the official is gambling with other people's money. That is a very important difference. We as senators have on our shoulders a tremendous obligation to see to it that the freedom of the individual to carry on his own business is not interfered with except in cases where it can be shown beyond a shadow of a doubt that interference is in the interest of the whole community.

Throughout all the years of the war I did not raise my voice against any legislation brought down by the government or any order in council. I had no way of knowing whether everything that we were asked to approve was necessary for the winning of the war, but I trusted the government. But now that the war is over we as senators should be very zealous to protect the rights of the people to carry on business in their own way. If we are not, there is no telling how far controls may be extended. Today we are dealing with restrictions on the sale of agricultural products, but tomorrow restrictions may be proposed on the sale of fish, and the next day on the sale of pulpwood, and the next day on the sale of men's labour. I should like to see this bill referred to a committee, and I imagine that will be agreeable to the government. But I want to repeat a warning, that as the war is over there should not be any further encroachment on the liberty of the individual.

The Hon. the SPEAKER: Honourable senators, the question is on the motion for the second reading of Bill 25, an Act to provide for the sale and export of agricultural products. Is it your pleasure to concur in the second reading of this bill?

Some hon. SENATORS: Carried.

Hon. Mr. HAIG: On division.

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

REFERRED TO COMMITTEE

Hon. Mr. COPP: Honourable senators, I would now move that the bill be referred to committee, but I do not know what com-

mittee my honourable friend from King's (Hon. Mr. McDonald) would prefer.

Hon. Mr. HAYDEN: I would suggest the Banking and Commerce Committee, to which the Wheat Board Bill was referred.

Hon. Mr. McDONALD (King's): That would be satisfactory.

Hon. Mr. COPP: Then I will move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

SASKATCHEWAN NATURAL RESOURCES BILL

SECOND READING

Hon. A. B. COPP moved the second reading of Bill U5, an Act to vary the Saskatchewan Natural Resources Agreement.

He said: The purpose of this bill is to confirm the agreement between the government of the Dominion of Canada and the government of the province of Saskatchewan in regard to wild life and natural resources in that province. I presume that my honourable friend the leader opposite (Hon. Mr. Haig) has read the bill.

Hon. Mr. HAIG: I have read it.

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

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: 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.

CANADA EVIDENCE BILL

SECOND READING

Hon. A. B. COPP moved the second reading of Bill V5, an Act to amend the Canada Evidence Act.

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

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. LEGER: As this bill has only been distributed today, I think we should stand it over until tomorrow so that we may have a chance to study it.

Hon. Mr. COPP: That is all right.

GOVERNMENT EMPLOYEES COMPENSATION BILL

SECOND READING

Hon. A. B. COPP moved the second reading of Bill 105, an Act respecting Compensation for Government Employees.

He said: My honourable friend from Toronto (Hon. Mr. Hayden), has kindly consented to explain this bill.

Hon. SALTER A. HAYDEN: Honourable senators, there is nothing contentious in this bill. Since the year 1918 we have had legislation providing for compensation for government employees. You will notice that the last clause of the bill provides for the repeal of the act that is now in force, which is found in the Revised Statutes of 1927.

I would say that the main differences between this bill and the original act are made necessary because of situations that have developed by the setting up of boards and Crown companies, and such things as that, and the movement of government employees outside Canada into positions of danger or where they might be injured. These situations were provided for during the period of war by order in council, and now are being taken care of by a government employees compensation bill. Workmen's compensation is, of course, a matter of provincial jurisdiction except as to Dominion government employees. In these cases government employees who suffer accidents are paid compensation by the Dominion government in accordance with the workmen's compensation laws of the province in which the accident occurs. The scale of compensation is determined by the provincial board, except in Quebec, where I understand the system is somewhat different.

The main provisions of this bill are as follows. First, it continues the government employees compensation act as it now stands. Secondly, it provides compensation for cases of industrial diseases according to the prevailing provincial laws; and thirdly, it extends compensation to employees of government corporations and boards. In addition, it provides for compensation to employees in the Northwest Territories, according to the laws of the Yukon. It also provides for compensation to employees temporarily working in the Yukon and the Northwest Territories, according to the laws of the province in which they ordinarily reside. It provides, too, for compensation to government employees who are injured in the course of their work outside Canada, and it empowers

the Governor in Council to make regulations for providing compensation to government employees who contract pulmonary tuberculosis in government hospitals.

Hon. Mr. KINLEY: How is the rate of compensation determined when the employee is outside Canada?

Hon. Mr. HAYDEN: The basis is still the provincial law dealing with compensation in the province where the employee is ordinarily a resident. The provincial board determines the sum according to its usual procedure, and when the amount of compensation to be paid has been ascertained and the award made, then the Minister of Finance is under this bill authorized to pay the compensation out of the Consolidated Revenue Fund.

If it is the desire of the Senate, as I think it possibly is, that the bill should be referred to a committee, I suggest that 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

Hon. Mr. HAYDEN: I would now move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, April 24, 1947.

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

Prayers and routine proceedings.

IMMIGRATION

BUSINESS OF COMMITTEE

On the Orders of the Day:

Hon. Mr. MURDOCK: Honourable senators, this morning the Standing Committee on Immigration and Labour had to stop work at 12.35, but it decided to resume this afternoon when the Senate rises, if there is time, in order to hear the Rev. Ian MacKay, who until recently was in Germany and has some very interesting information to give to the committee. I think that other senators besides members of the committee might like to hear what he has to say.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. HAIG: Honourable senators, I want to congratulate the Clerk of the House upon having had the order for the third reading of a number of divorce bills placed first on the order paper. This makes it possible to have these bills disposed of promptly without having to be taken out of turn. I now move the third reading of the following bills.

Bill B5, an Act for the relief of Marjorie Winnifred Bearman Smeall.

Bill C5, an Act for the relief of Mary Winifred Joyce Dick Dunford.

Bill D5, an Act for the relief of Eileen Ardis Locke Thompson.

Bill E5, an Act for the relief of Margaret Hamilton Wilson Bergeron.

Bill F5, an Act for the relief of Norma Marzitelli Rudzik.

Bill G5, an Act for the relief of Eileen Millar De Levi.

Bill H5, an Act for the relief of Hilda Constance Caroline Mosley Dwyer.

Bill I5, an Act for the relief of Louis Marcel Frigon.

Bill J5, an Act for the relief of Florence Nancy Maria Haworth Stewart.

Bill K5, an Act for the relief of John Bernth Jones, otherwise known as John Berth Jones.

Bill L5, an Act for the relief of Patricia Violet Puttock Bromby.

Bill M5, an Act for the relief of Dorothy Hawkins Myers.

Bill N5, an Act for the relief of Evelyn Deltoff Moore.

Bill O5, an Act for the relief of Eveline Hache Groulx.

Bill P5, an Act for the relief of Annie Lucy Hurteau.

Bill Q5, an Act for the relief of Evelyn Alice Lancaster Chenoweth.

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

PRIVATE BILL

MOTION FOR THIRD READING

Hon. SALTER A. HAYDEN moved the third reading of Bill D2, an Act respecting certain patents owned by Toronto Type Foundry Company Limited.

Hon. A. K. HUGESSEN: Honourable senators will recall that as chairman of the Private Bills committee I presented the committee's report on this bill yesterday and stated that I was unable to support the

measure. I now wish to give the house in a few words the reasons why I intend to vote against the motion for third reading.

The bill was brought forward on behalf of the Toronto Type Foundry Company Limited, as the owners of certain Canadian patents relating to printing machinery. Honourable senators know that a patent is an exclusive right granted to an inventor, for a period of eighteen years, to manufacture and use his invention to the exclusion of everyone else. Two of the patents to which this bill refers have expired, and a number of others will expire in the course of the next two or three years. The bill seeks to revive the two patents which have expired and to continue the life of other patents which have not yet expired, in both cases for an additional six-year period.

The reason given for seeking the revival and extension of the life of these patents is that the owners were unable to use them during the period of the war, and that they suffered loss on that account. They contend that it is only fair that they should be given the right to have the exclusive use of these patents continued for a period roughly equivalent to the period of the war.

May I at once say, honourable senators, that I have no criticism of the promoters of this bill. I think that in committee they proved their case that during the war they were unable to use these patents, at least to their full extent, and that as a result they suffered loss.

Hon. Mr. DAVID: What patents could they not use?

Hon. Mr. HUGESSEN: All the patents are enumerated in the bill. They relate to printing machinery.

My opposition to the bill is based entirely on general grounds of public policy. In that connection may I say to honourable senators what the practice is in the two countries with which we are most closely associated, Great Britain and the United States?

In Great Britain general legislation is provided under which any owner of a patent who claims he was unable to use his patent during the war and on account of war conditions, may apply to a court; and upon proper proof of his case the patent may be extended for a period of five years, and in some cases ten years.

Hon. Mr. QUINN: Can the same thing be done in Canada?

Hon. Mr. HUGESSEN: No, it cannot. I shall presently deal with that feature.

There is a good deal of reason and justice in the contention that a man who was unable to use his patent during the war, particularly in

Great Britain, where the whole industry of the country was diverted to war purposes for a period of six years, should have the life of the patents extended.

On the other hand, similar legislation was proposed in the United States, but the Congress refused to adopt it. That country has followed the policy of refusing to allow any extension of patents by reason of claims for inability to use them during the war. There are good reasons, no doubt, for that policy too. I suppose the reasons would go something like this: A patent is an exclusive right given to a man against the whole world. It is a right which has to be strictly construed, and a man accepts it subject to any conditions or events—including war—that may occur during the period that his patent runs. After all, one can conceive of many other circumstances than war which might prevent a man from using his patent as effectively as he wished while it was valid.

Those are the practices adopted respectively in Great Britain and the United States, and, as I have suggested, there is something to be said for each. But I submit that there is little, if anything, to be said for the practice to which we should give our sanction if we were to adopt this bill. That would be the practice of introducing a private bill in every case where a man desired the duration of his patent to be extended, and of having Parliament deal with every individual case on its merits. I suggest to honourable senators that they consider what that would involve. I suppose there are hundreds, if not thousands, of patent owners in this country who could claim with more or less justification that they had been prevented in some degree from using their patents as a result of war conditions. I put it to the house that if we pass this bill we are likely to be inundated during the next two or three years with similar private bills from a large number of patent owners.

I suggest that it is not the function of parliament to consider every single one of these cases on its merits. As I have said, in Great Britain a man who seeks to have the term of his patent extended on the ground of inability to use during the war, may apply to the courts.

Hon. Mr. QUINN: We cannot do that in Canada? We have no recourse to the courts in this country?

Hon. Mr. HUGESSEN: I am going to come to that, if the honourable senator will permit me.

There is this further consideration. If we adopt the policy of allowing each individual case to be decided upon a private bill brought before parliament, shall we not be doing an injustice to the patent owners who have not sufficient resources to bring their cases before parliament? The wealthier patent owners could afford the not inconsiderable expense of coming here and making an application to parliament, but it would be a far different thing for a man of moderate means who had to come here from, say, Halifax or Vancouver.

Hon. Mr. MORAUD: May I interrupt the honourable senator? For the benefit of those who were not at the committee meeting will he, before he finishes, give us the opinion of the departmental officers?

Hon. Mr. LEGER: I entirely object to that suggestion. Nothing that took place in the committee should be discussed in this house. The rule forbids it.

Hon. Mr. HUGESSEN: I had no intention of referring to a memorandum which had been submitted by the officers of the department. I agree with my honourable friend from L'Acadie (Hon. Mr. Leger), because the Senate can reach its own conclusion on this matter without the benefit of any outside opinion.

Hon. Mr. MORAUD: Then what was the use of having these experts appear before the committee?

Hon. Mr. LEGER: To give information to the committee.

Hon. Mr. BENCH: I should like to hear cited the rule upon which the honourable gentleman from L'Acadie (Hon. Mr. Leger) bases the assertion that no reference can be made in this chamber to what has taken place in a committee.

Hon. Mr. LEGER: If the Clerk will hand me *May's Parliamentary Practice* I think I shall be able to find the rule in a few seconds.

Hon. Mr. HUGESSEN: This question does not arise in connection with my remarks, as I have no intention of referring to what took place before the committee. The basis of my objection to the bill is that it attempts to deal by private legislation and for the advantage of one applicant with a matter which, if it is to be the subject of legislation at all, should be the subject of general legislation for the benefit of all.

Hon. Mr. DAVID: It would be interesting to know when the patents were acquired and if they were exploited before the war.

Hon. Mr. HUGESSEN: I think there is no question that they were exploited.

It may be that any one of three courses is open to a senator who opposes the third reading of the bill, as I do. One would be to move for reference back to the committee. It seems to me that that is not necessary in this case, because the question presented by the bill is one of general policy, as to which the Senate itself should decide. The second would be the time-honoured device of moving that the bill be read the third time this day six months, but I do not know that it is necessary to indulge in that technicality. The third course, and the one that I propose to follow is to vote against the motion for third reading.

I do suggest to my honourable colleagues that they give careful consideration to my point that it would be a very serious matter to attempt to deal by private legislation with a matter which, if it is to be dealt with at all, should form the subject of public legislation.

Hon. Mr. KINLEY: Does the company need this legislation in order to continue operating successfully?

Hon. Mr. HAYDEN: Yes.

Hon. Mr. HUGESSEN: No evidence on that point was adduced before the committee.

Hon. Mr. QUINN: The honourable senator promised to answer my question, but he has not done so yet.

Hon. Mr. HUGESSEN: My honourable friend's question was whether under existing legislation there is any provision whereby owners of patents may have the term of their patents extended by the courts, on the ground of inability to use the patents during the war. The answer is, that there is not. The point I was trying to make is that there either should or should not be such a provision, as parliament may see fit, but that the matter should not be dealt with piecemeal by legislation applicable to only one patentee.

Hon. Mr. KINLEY: But in the meantime what is the company going to do?

Hon. Mr. QUINN: Its only recourse is to apply for private legislation.

Hon. Mr. MORAUD: Until we hear quoted in this chamber the rule referred to by the honourable gentleman from L'Acadie (Hon. Mr. Leger), I must insist upon having the opinion of the experts who appeared before the committee.

Hon. Mr. MURDOCK: Can't you take a joke?

Hon. Mr. NICOL: I did not have the privilege of being at the committee when this bill was studied. Can the honourable senator state what is covered by patents referred to by number in the bill?

Hon. Mr. HUGESSEN: They are patents in relation to printing machines.

Hon. Mr. NICOL: Linotype machines?

Hon. Mr. HUGESSEN: I am unable to answer that.

Hon. Mr. QUINN: Different types of printing machinery.

Hon. Mr. BENCH: Honourable senators, I had the privilege of being present at the meeting of the Standing Committee on Miscellaneous Private Bills yesterday when this measure was under consideration. Not being a member of the committee I was unable to vote, but if I had been permitted to do so I should have voted against reporting the bill. I intend to vote against the motion for third reading. I heard all that went on at the committee yesterday, and, with great deference to the opinion held by the honourable gentleman from Inkerman (Hon. Mr. Hugessen), I certainly was not satisfied that the petitioners in this case had suffered any very special injury because of interference with the use of their patents during the war. I am sure there must be a great number of patent owners in this country whose enjoyment of their patents was interfered with in some way or another by the war. It does not seem to me that the Toronto Type Foundry Company is in any very peculiar position in that regard. In fact, it was stated at the committee yesterday that somewhat more than 100,000 persons in Canada would be in exactly the same position as the Toronto Type Foundry Company.

Hon. Mr. QUINN: Who was in a position to give that figure?

Hon. Mr. BENCH: The Commissioner of Patents.

Hon. Mr. QUINN: Did he know what he was talking about?

Hon. Mr. BENCH: As a matter of fact, the figure he gave was largely in excess of 100,000, but to be on the safe side I am using a minimum figure. I suggest that the passing of this bill would be a very dangerous precedent for this parliament. As one result, it seems to me, our Committee on Miscellaneous Private Bills would be busier for the next few years than our Divorce Committee is now.

Hon. Mr. QUINN: It is not over-worked now.

Hon. Mr. BENCH: That is not what I have heard about the Divorce Committee on numerous occasions. I do not think that the honourable senators who compose the Committee on Miscellaneous Private Bills would favour inviting more than a hundred thousand people to come here seeking private bills to extend the life of patents.

Hon. Mr. QUINN: We would welcome anything that would remedy an injustice.

Hon. Mr. BENCH: My honourable friend has his own views in that regard. I myself am not satisfied that there has been any injustice.

Another feature is that patents comparable to the ones mentioned in this bill exist in the United States and will expire at approximately the same time as the Canadian patents. No extension of the life of the United States patents will be granted, and when they expire the typesetting equipment covered by them may be manufactured in that country free of any royalty or licence from any patent owner. People in the printing industry in Canada would be unable to take advantage of the freedom of manufacture of those machines in another jurisdiction. For those reasons alone I am opposing this bill.

I should like to suggest to the sponsor of the bill (Hon. Mr. Hayden) that he consider withdrawing this measure and proposing that there be included in Bill 16, an Act to amend the Patent Act, 1935, which is now on our Order Paper, appropriate sections to give the courts of this country the power which the English courts have, to extend upon proper proof the life of patents. If it can be said that this bill should be passed, it might be said with considerably greater force that there is good ground for amending the general public law of the country relating to patents along the line I have just mentioned. After Bill 16 is given second reading it will probably go to a committee. I respectfully suggest to my honourable friend from Toronto that he ask the committee to consider including in it some provisions to take care of this situation.

Hon. J. J. DONNELLY: Honourable senators, like the member from Lincoln (Hon. Mr. BENCH) I am not a member of the Private Bills Committee, and I also was in the committee room while this bill was being considered, having gone there because I was interested in another matter.

I wish to make some remarks about the discussion in committee, but before doing so I should like to know if there is any such rule as the one referred to by the senator from L'Acadie (Hon. Mr. Leger), which would pre-

vent me from making my point. I have been in the Senate a long time, and I know of no such rule. Could the honourable gentleman enlighten me on that point?

Hon. Mr. LEGER: I have not got exactly what I want, but I shall get it. I believe that I can convince the chamber that no minority report from a committee can be received. In that connection I wish to read from *May's Parliamentary Practice*, 14th edition, at page 605:

It is the opinion of the committee, as a committee, not that of the individual members, which is required by the house, and, failing unanimity, the conclusions agreed to by the majority are the conclusions of the committee. No signatures may, therefore, be attached to the report for the purpose of showing any difference of opinion in the committee or the absence thereof; nor may the report be accompanied by any counter-statement, memorandum of dissent, or protest from any dissenting or non-assenting member or members—

Hon. Mr. MORAUD: That has nothing to do with the point in question.

Hon. Mr. LEGER: It continues:

... nor ought the committee to include in its report any observations which the minority or any individual member desires to offer, but which are not subscribed to by the majority—

Hon. THOMAS VIEN: Honourable senators, I rise to a point of order. When the senator from La Salle (Hon. Mr. Moraud) asked the senator from Inkerman (Hon. Mr. Hugessen) to refer to the opinion filed in committee by the officers of the Crown, the senator from L'Acadie (Hon. Mr. Leger) raised a point of order that we could not now refer here to proceedings in committee. Am I correct in my understanding of the point raised?

Hon. Mr. LEGER: That is it.

Hon. Mr. VIEN: Is the honourable senator now speaking on the motion for the third reading of the bill, or on the point of order that he has raised, or is he raising a new point of order?

Hon. Mr. LEGER: I am just saying that a minority report from a committee cannot be received by this house.

Hon. Mr. MORAUD: That is not on the point of order.

Hon. Mr. LEGER: If the committee had ordered the proceedings to be printed, I have no doubt that they would be public documents and could be referred to and in fact quoted from in this house. But the point is that there was simply a hearing in committee, and nothing was said as to publicity.

Subject to correction, I maintain that under those circumstances the proceedings of the committee must remain where they were held, and cannot be brought into this house unless it was directed that they accompany the committee's report.

Hon. Mr. MORAUD: May I interrupt?

Hon. Mr. LEGER: Yes.

Hon. Mr. MORAUD: I merely asked if a memorandum had been produced before the committee setting forth the opinion of departmental officers; and, if so, what that opinion was.

Hon. Mr. BENCH: They were against the bill.

Hon. Mr. MORAUD: My honourable friend from L'Acadie (Hon. Mr. Leger) objected to that question, and he is now quoting a rule to the effect that no minority report from a committee can be received in this chamber.

Hon. Mr. LEGER: I did not understand my honourable friend to ask whether or not a memorandum had been filed. May I be permitted to say that no memorandum as such was filed.

Hon. Mr. BENCH: The senator from L'Acadie (Hon. Mr. Leger) should inform the senator from La Salle (Hon. Mr. Moraud) that the officer of the Crown who appeared before the committee, was strongly opposed to this measure.

Hon. Mr. LEGER: That is not what the honourable gentleman asked. He asked if there was a memorandum filed. It is for the chairman to answer. If I were permitted to answer, I would say no.

Hon. Mr. VIEN: Mr. Speaker, there is no point of order before the chairman, so that part of the discussion is out of order.

The Hon. the SPEAKER: I think the situation went like this: Yesterday when the honourable senator from Inkerman (Hon. Mr. Hugessen) presented his report on this bill he was charged to report from the committee their findings, and could not dilate upon or indicate what took place in committee for or against the bill. The bill having been reported without amendment I immediately asked when should the bill be read the third time, and it was then indicated that it would stand over until today.

It is now before us for third reading, and there is no rule against information being given to the Senate as to the merits or demer-

its of a bill at the third reading stage. I believe that is well understood, and is a reasonable conclusion.

Hon. Mr. DONNELLY: After listening to the ruling of the Speaker I think I am justified in making some remarks as to what took place in committee. In relation to what my honourable friend from L'Acadie (Hon. Mr. Leger) has said, I wish to state that this is a report from a majority of the members of the committee present at that time. I have no desire to reflect on the gentleman who presided. I have found that he has been a very efficient and capable chairman, and while I would not say that the proceedings were irregular they appeared to me to be rather unusual.

Honourable senators have before them today a report from a committee which, although composed of 35 members, consisted of only a chairman and eight members during the last ten minutes that the committee was sitting. One member of the committee moved that the preamble had not been proved. The question was then put, and four members voted that it had not been proved, while four voted to the contrary. The chairman apparently did not vote, with the result that, as there had not been a majority in favour of the motion, the motion was declared lost. The chairman today declared himself as being opposed to the bill. As I said a while ago, I think the procedure was a little unusual.

There is another point which I should like to stress. This bill originated in the Senate. We are always anxious to have as much legislation as possible initiated here, but for the good name of the Senate we must be careful to see that our bills are in good order before they are sent to the House of Commons. The chairman of the committee which considered this bill strongly opposes the motion for third reading. He said that if this bill were passed parliament would be flooded with applications for similar bills.

In view of what I have said, I think the bill should not be passed by the Senate.

Hon. THOMAS VIEN: Honourable senators, patents and copyrights are matters of great importance. They are of such importance that they are the subject of international agreements between most of the civilized countries of the world. These agreements cover not only the terms and conditions of patents and the rights thereunder, but as well the term of duration of patents. The last mentioned point is in fact one of the most important questions dealt with in international agreements. Therefore, it would seem to be extremely inexpedient and dangerous to pass a private bill exempting one patentee from

the conditions under which patentees generally in this country exercise their rights and privileges. I feel that if anything is to be done in connection with the term of duration of patents in Canada, this should be the subject of a general law applicable to all patents. I entirely agree with the honourable senator from Inkerman (Hon. Mr. Hugessen) that all patentees should have similar rights, and that the term of all patents should be the same under the general laws of the country.

If it is deemed that situations brought about by war conditions justify a certain extension of the life of patents, I think this should be done on a general basis. I say this because some patentees certainly would be placed in a most unfavourable position if they had not the means to enable them to come to parliament with private bills of their own. In addition to that, the rights of patentees exist in all countries which adhere to the international agreements. If we extend the term of patents in this country, and other countries do not, a very serious disturbance might be created: we might find ourselves unable to manufacture an article covered by patents when our competitors in other countries had complete freedom in respect thereto. A number of complications might arise. Some seem obvious at first glance, whereas others equally substantial are more difficult to foresee. I therefore suggest to the Senate that it would be most unwise to attempt to change the fundamental basis of our patent rights without the advice of officers of the Crown who keep in touch with international conferences on patents and copyrights and make a study of these questions.

There is another aspect to patents and copyrights. In a number of countries—in the United States, Canada and the United Kingdom, for instance—many patents were abused and some very ugly things were done by international cartels prior to and during the war. It might be expedient and wise for us not to attempt to touch this matter of patents except after a very careful and far-reaching investigation. It should not be treated piecemeal, as by a bill such as we now have before us.

I would therefore suggest, honourable senators, that this bill be not now read a third time, but that it be referred back to committee for a fuller investigation, and that the proceedings of the committee be printed and presented with the report of the committee. Honourable senators would then be able to deal with the bill in the light of advice by officers of the Crown who are experts on this intricate subject.

Hon. JOHN T. HAIG: Honourable members, before that motion is put—

Hon. Mr. BENCH: There is no motion.

Hon. Mr. HAIG: I wish to adjourn the debate on this bill, in order to give the sponsor (Hon. Mr. Hayden) an opportunity to consider the suggestion of the senator from Lincoln (Hon. Mr. Bench) and also to ascertain what the English act provides in respect to extension of the life of patents. I would suggest to the sponsor that when we meet again he be prepared to say whether or not he accepts the suggestion made by the senator from Lincoln.

Hon. Mr. QUINN: Are we prepared to deal with the matter now?

Hon. Mr. HAIG: I do not think that all honourable senators are prepared to vote now. It seems to me that all features involved in the bill should be explored, and I therefore move the adjournment of the debate.

The motion was agreed to.

CANADA EVIDENCE BILL

THIRD READING

Hon. A. B. COPP moved third reading of Bill V5, an act to amend the Canada Evidence Act.

He said: Honourable senators, the third reading of this bill was stood over from yesterday at the request of my honourable friend from L'Acadie (Hon. Mr. Leger).

Hon. Mr. LEGER: I am quite agreeable to the bill being given third reading now.

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

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY BILL

SECOND READING

The Senate resumed from Friday, March 28, the adjourned debate on the motion of Hon. Mr. Copp for the second reading of Bill S4, an act respecting the Beauharnois Light, Heat and Power Company.

Hon. Mr. HAIG: Honourable members, I am quite prepared to allow this bill to be given second reading. I suggest that it be referred to committee for the purpose of hearing representations as to whether its provisions will affect navigation.

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

REFERRED TO COMMITTEE

Hon. Mr. COPP: Honourable senators, I now move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

PORT ALBERNI HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill S5, an act to incorporate the Port Alberni Harbour Commissioners.

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

REFERRED TO COMMITTEE

Hon. Mr. COPP: I would now move that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

NATIONAL WILD LIFE WEEK BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 2, an act respecting a National Wild Life Week.

He said: Honourable senators, I have asked the honourable senator from Churchill (Hon. Mr. Crerar) to explain this bill.

Hon. T. A. CRERAR: Honourable senators, this bill is relatively short, and I think its language clearly indicates its purpose.

The conservation of wild life in Canada has been engaging a good deal of attention from one end of the country to the other. Countries more advanced in years than Canada have found it necessary for the preservation of their wild life, particularly of birds, to enact legislation of this kind.

One feature only of the bill calls for comment. It provides that each year the week in which April 10 occurs should be known and observed as National Wild Life Week. That appears to be the week in which the late Jack Miner, one of the most noted naturalists in North America, was born. Everyone is familiar with the work done by the late Mr. Miner, who developed a bird sanctuary on his farm near Kingsville, Ontario, and the renown which his work brought not only to the district in which he lived but to the whole dominion. It is most appropriate that his name should be associated with the proposal for a national wild life week. I have spoken before of the very excellent accomplishments of Mr. Miner, and I am delighted to see his name associated with this measure.

I am sure the bill will receive unanimous support in this house.

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

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: 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.

PATENT BILL

SECOND READING

Hon. A. B. COPP moved the second reading of Bill 16, an Act to amend the Patent Act, 1935.

He said: Honourable senators, the honourable senator from Lincoln (Hon. Mr. Bench) has kindly consented to explain this bill.

Hon. J. J. BENCH: Honourable senators, apart from certain minor changes designed to improve the practice in the Patent Office and to clarify the language of existing sections of the statute, the bill introduces two new features into the Patent Act.

Firstly, there are important new provisions relating to inventions in the field of national defence. A procedure is set up under which such inventions can be acquired by the Crown at the instance of the Minister of National Defence, and of course the bill provides for compensation to the inventors. There is also provision for communication and co-operation between the Commissioner of Patents and the Atomic Energy Control Board, so as better to effect arrangements for adequate control, in the national interest, of inventions which may be the subject of patents and relate to the uses of atomic energy.

The honourable senator from Toronto (Hon. Mr. Hayden) will perhaps be interested in this next feature. The bill contains a new section designed to relieve against certain hardships which may have resulted from the occurrence of the recent war. I do not think this section, as it appears in the bill, goes so far as to cover the situation of the Toronto Type Foundry Company, lately the matter of discussion here. During the war many circumstances arose which made it impossible for inventors of Canada and other countries to comply with the provisions of the Patent Act within the various time limits therein set forth. Inventors on active service, for instance, or many who were in other countries during the

war period, were prevented by lack of communication facilities, foreign exchange regulations and the difficulty of travel, from filing or prosecuting applications within the prescribed time, or from making appeals and perhaps paying the necessary fees. As a result they may have lost certain rights which they otherwise would have had. It is therefore proposed to extend these time limits in order that inventors in Canada, and in other countries which extend similar privileges to Canadians, may comply with the regulations of the Patent Act. I may say that both England and the United States offer Canadians reciprocal privileges of this kind.

Another important feature of the bill is its provision for an increase of approximately 25 per cent in the tariff of fees charged by the Patent Office.

Hon. Mr. LEGER: What section is that?

Hon. Mr. HAIG: Section 19.

Hon. Mr. BENCH: It is section 19. I have just computed the figure roughly, but I think the increases are of the order of 25 per cent. It is proposed to apply this increased revenue for the purpose of printing Canadian patents—75 copies of each—so as to facilitate searches in our Patent Office. So far Canada, I think, has charged the lowest fees of any country operating a patent system. I believe the cost of the issue of a patent heretofore has been \$35. This will be raised to \$50. The country charging the next lowest fee, which I believe is \$60, is the United States. So even with the increase we would still be charging less than any other country.

The remaining sections of the bill deal with minor administrative matters, designed to improve the practice of the office and so on. I do not pretend to belong to that select company of people who are specialists in the law of industrial property, but I presume this bill will go to a committee where honourable senators who have any inquiry in their minds about the workings of any particular section will have an opportunity of examining departmental officials.

I may say that in another place this bill was rather extensively discussed, and afterwards referred to a standing committee, where it received very careful study and treatment. It was amended in many respects and it comes to us, not as a measure having just left the hands of the executive branch of the government, but as one having already been studied with great care by a standing committee of the other place.

If the bill receives second reading I shall move, with the concurrence of the acting leader of the house (Hon. Mr. Copp), that it

be referred to the Committee on Banking and Commerce, where the various provisions could be explained. The honourable senator from Toronto (Hon. Mr. Hayden) may there have an opportunity of advancing a proposal to include in the bill some provision to take care of the situation which was under discussion on an earlier order today.

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

REFERRED TO COMMITTEE

Hon. Mr. BENCH: Honourable senators, I would now move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. ARTHUR W. ROEBUCK moved the second reading of Bill R5, an Act to incorporate Workmen's Circle of Canada.

He said: Honourable senators, little explanation is necessary in connection with this bill which provides for the incorporation of an ordinary friendly society for the purpose of insurance benefits. The Workmen's Circle was an American institution carrying on business as a fraternal society with branches in the Dominion of Canada. It has become desirable to disassociate the Canadian business from the American institution, so as to have the control of that business in Canada. I understand that the Canadian branch has made arrangements to take over the assets and obligations of the society. The bill is a standard one for the incorporation of such a society.

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

REFERRED TO COMMITTEE

Hon. Mr. ROEBUCK: Honourable senators, I now move that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. CHARLES L. BISHOP moved the second reading of Bill T5, an act respecting the Ottawa Electric Railway Company.

He said: This, honourable senators, is a private bill relating to the Ottawa Electric Railway Company, in amendment to its act of incorporation secured from this parliament in 1894.

At that time the authorized capitalization of the company was fixed at 40,000 shares without nominal or par value. The main purpose of this amending bill is to permit the company to subdivide this authorized capital into 160,000 shares without nominal or par value. This will permit of the wider distribution that is considered desirable.

In securing the necessary consent of the shareholders to this enlargement of the capital structure it is proposed to invoke the provisions of the Companies Act in such cases instead of those of the Railway Act. This method is much more practical.

It is my intention, if the bill is read a second time, to move that it be referred to the Standing Committee on Transport and Communications, where the promoters of the bill will be represented and furnish whatever detailed information the committee may require.

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

REFERRED TO COMMITTEE

Hon. Mr. BISHOP: Honourable senators, I now move that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. COPP: Honourable senators, we have now completed the business on our Order Paper, and as there does not appear to be anything to come before us tomorrow I move that when the Senate adjourns today it stand adjourned until Tuesday night, April 29, at 8 o'clock.

The motion was agreed to.

The Senate adjourned until Tuesday, April 29, at 8 p.m.

THE SENATE

Tuesday, April 29, 1947.

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

Prayers and routine proceedings.

DIVORCE BILL

APPLICATION WITHDRAWN

Hon. Mr. ASELTINE presented and moved concurrence in the 142nd report of the Standing Committee on Divorce, as follows:

With respect to the petition of Ginette Ingrid Reiskind Leopold, of the city of Montreal, in the province of Quebec, for an Act to dissolve her marriage with Munroe Paul Leopold.

Application having been made for leave to withdraw the petition, the committee recommend that leave be granted accordingly, and that the parliamentary fees paid under Rule 140 be refunded to the petitioner, less printing and translation costs.

The motion was agreed to.

EXTENSION OF TIME FOR FILING PETITIONS

Hon. Mr. HAIG presented and moved concurrence in the 143rd report of the Standing Committee on Divorce as follows:

The committee recommend that the time limited under Rule 138 for filing petitions for bills of divorce be further extended to Wednesday, 30th April, 1947.

The motion was agreed to.

MERCHANT SEAMEN COMPENSATION BILL

FIRST READING

Hon. Mr. COPP presented Bill W-5, an Act to amend the Merchant Seamen Compensation Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With the leave of the house, next sitting.

Hon. Mr. DUFF: Has this bill been distributed?

Hon. Mr. COPP: It is just the first reading.

Hon. Mr. DUFF: But it should be distributed.

Hon. Mr. HAIG: It cannot be distributed before it is introduced.

BUSINESS OF THE SENATE

On the Order:

Resuming the adjourned debate on the motion for third reading of Bill D2, an Act respecting certain patents owned by Toronto Type Foundry Company Limited.

Hon. Mr. HAIG: Honourable senators, with the consent of the house, I beg to move that this order be postponed until tomorrow.

The motion was agreed to.

On the Order:

Second reading of Bill 11, an Act respecting export and import permits:

Hon. Mr. COPP: Honourable members, as a number of senators have requested that they be relieved from duty here tonight to attend a meeting of the other chamber, I move that this order be postponed until the next sitting.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, April 30, 1947.

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

Prayers and routine proceedings.

GOVERNMENT EMPLOYEES COMPENSATION BILL

REPORT OF COMMITTEE

Hon. Mr. HUGESSEN presented the report of the Standing Committee on Banking and Commerce on Bill 105, an Act respecting compensation for government employees.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 23, 1947, examined the said bill and now beg leave to report the same without any amendment.

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. HUGESSEN: Next sitting.

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY BILL

REPORT OF COMMITTEE

Hon. Mr. HUGESSEN presented the report of the Standing Committee on Banking and Commerce on Bill S4, an Act respecting the Beauharnois Light, Heat and Power Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 24, 1947, examined the said bill and now beg leave to report the same without any amendment.

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

Hon. Mr. HUGESSEN: Next sitting.

PRIVATE BILLS

EXTENSION OF TIME FOR FILING PETITIONS

Hon. Mr. DUFF presented and moved concurrence in the report of the Standing Committee on Standing Orders, as follows:

Your committee recommend that the time limited by Rule 110 for filing petitions for private bills, which expired March 12, 1947, be extended to Saturday, May 10, 1947.

The motion was agreed to.

BANKING AND COMMERCE
COMMITTEE

ADDITION TO LIST OF MEMBERS

Hon. Mr. COPP: Honourable senators, with leave, I move:

That the name of the Honourable Senator Johnston be added to the list of Senators serving on the Standing Committee on Banking and Commerce.

The motion was agreed to.

PRIVATE BILL

REFUND OF FEES

Hon. Mr. PATERSON moved:

That the fees paid upon Bill Z1, an Act to incorporate the Canadian Nurses' Association, be refunded to Messrs. MacDougall, Scott and Company, Montreal, P.Q., solicitors for the petitioners, less printing and translation costs.

He said: Honourable senators, I understand that it is usual to refund the fees in cases of this kind.

The motion was agreed to.

EXPORT AND IMPORT PERMITS BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 11, an Act respecting export and import permits.

He said: The honourable senator from Inkerman (Hon. Mr. Hugessen) has consented to speak to this bill.

Hon. A. K. HUGESSEN: Honourable senators, the object of this bill is to continue certain import and export controls now exercised by the Governor in Council under the National Emergency Transitional Powers Act until sixty days after the first session of the parliament of 1948.

The bill permits the Governor in Council to establish a list of articles which cannot be exported from Canada without a permit, but he must be satisfied that any such article is to be so restricted in order to ensure an adequate supply and distribution in Canada of such article or to implement an intergovernmental arrangement or commitment in respect thereto.

It also permits the Governor in Council to establish a list of articles which cannot be imported into Canada without a permit; and in that case the Governor in Council has to be satisfied that such control is necessary by reason of scarcity in world markets or governmental controls in the countries of origin or allocation by intergovernmental arrangement of such articles.

It provides for the issue of permits for import or for export, as the case may be, in respect of articles which are so restricted, and it contains penalties for importing or exporting such articles without having obtained a permit.

It further provides that the lists of such articles so restricted must be published in the *Canada Gazette*, and that the Governor in Council will have the right from time to time to alter that list.

I suppose the most convenient way of explaining the measure would be to deal first of all with its control of exports, and secondly with its control of imports.

The reasons for the control of exports are probably obvious enough. This country is now producing a number of articles for which there is an overwhelming demand throughout the world at prices considerably in excess of domestic prices. A striking example is lumber. I think it is fair to say that if there was no control over exports today, practically the whole of our production of lumber would be swallowed up by countries which are willing to pay almost fantastic prices for it; and as a result we would not be able to supply our domestic requirements of lumber for housing and other purposes. Then, we have entered into agreements with other countries to export to them certain quantities of a large number of our agricultural products. The most outstanding of these agreements is the wheat agreement with Great Britain. It is clear, I think, that in order to enable our government to fulfil these contracts with other countries, there must necessarily be control over the export of such agricultural commodities.

I might say that it is the general policy of the government to free from control as many items as possible and as soon as possible. That is not merely a statement of my own; it is a statement that was made by the Minister of Trade and Commerce in another place on the 18th of February last. Honourable senators will perhaps recall that about a fortnight ago there was published a long list of domestically produced articles upon which the control of exports had been lifted.

I would point out that it is necessary to provide for the reimposition of these controls in certain cases where they have been released,

and this bill so provides. A case of that kind arose last summer when the production of steel was severely restricted in the United States as a result of the coal strike there. The export of steel from Canada had been freed from control before that time, but it became imperative to reimpose that control so as to prevent this country from being denuded of large quantities of necessary steel by the suddenly increased demand south of the border. Similar conditions may arise in future during the life of this measure, and it is therefore provided in the bill that the governor in council may reimpose controls if it should be found necessary to do so.

There is another point in connection with the control of exports. Where subsidies have been paid on goods in order to keep the domestic price down, the government may recapture the subsidies paid upon any of the goods which have been exported. An example would be textiles. As honourable senators know, textile manufacturers are paid subsidies upon the raw cotton which they have to purchase from other countries in order to produce textiles here, the object of the subsidies being to keep the domestic price of textiles down. Obviously, if any of these textiles are exported the manufacturer would not be entitled to retain the subsidy which was paid to him in respect of domestic production.

May I now deal for a moment with the control of imports?

Hon. Mr. BALLANTYNE: Will my friend allow me before he leaves the subject of exports, to ask him a question with reference to lumber? It has frequently been reported to me that the best grades of lumber, particularly in British Columbia, are exported, and that the domestic market gets poor and unseasoned grades. Do these controls provide that only a certain quota of high grade, well-seasoned lumber shall be exported, and that a sufficient quantity shall be kept here for Canadian use? I feel that the very opposite has been the case, that the Canadian builders have had to use poor lumber and the export trades have been getting the good quality.

Hon. Mr. HUGESSEN: That is a question to which I cannot give a specific answer, as I have no personal knowledge of the subject. But I do suggest that if the bill is given second reading and referred to a standing committee, that question, and others of a similar nature which honourable senators may have, may be raised in committee.

Hon. Mr. LEGER: How does this measure fit in with free trade?

Hon. Mr. HUGESSEN: I leave my honourable friend from L'Acadie (Hon. Mr. Leger) to answer that question. He can do it as well as I can.

I was about to discuss the necessity for the control of imports. Under present conditions of international trade, control of certain classes of imports is, I submit, every bit as necessary as control of certain classes of exports, although perhaps the reasons for controlling imports are not quite as apparent as those for controlling exports. For instance, this country requires to import certain commodities which are subject to international allocation by agreement amongst the nations of the world. An example is oils and fats.

Hon. Mr. EULER: I thought my friend was coming to that point.

Hon. Mr. HAIG: What about the price of butter today?

Hon. Mr. HUGESSEN: I understand the rule to be that an honourable senator cannot refer to a subject on which debate has taken place previously during the current session.

As to oils and fats, every country that is a party to the agreement has undertaken not to import more of those commodities than the quota assigned to it. It is therefore essential that our government, in order to fulfil the undertaking by Canada, should control imports to ensure that we do not violate the international agreement.

Hon. Mr. EULER: May I ask my honourable friend whether oils and fats are included in the list of exports under control?

Hon. Mr. HUGESSEN: I have no detailed information of any particular commodities subject to either export or import control.

Hon. Mr. FARRIS: May I ask a question on that point? Sections 3 and 4 of the bill provide that a list of goods may be established by order in council. Does the government not know what these goods are, and should they not be shown in this bill?

Hon. Mr. HUGESSEN: The list is to be established by order in council and must be published in the *Canada Gazette* within fifteen days after the passing of the order.

Hon. Mr. FARRIS: But parliament has not a word to say about it?

Hon. Mr. HUGESSEN: That is perfectly true.

Certain other classes of commodities which this country requires to import are in restricted supply, and the countries of origin control the proportion of those commodities which can

be brought to Canada. Of course the country of origin has no control over who the ultimate recipient of those commodities will be, once they arrive in Canada. Under these circumstances it is necessary for the government to exercise a measure of control on imported commodities so as to ensure that when they do reach this country in restricted quantities they shall be equitably distributed among the various users. If there was no such control it is quite conceivable and, I submit, quite likely, that the largest or the richest importer might manage to obtain for himself the whole allotment to which Canada is entitled, to the disadvantage of smaller importers.

I think my honourable friend from Vancouver South (Hon. Mr. Farris) showed by his question that legislation—paternalistic legislation—of this character is not generally popular; and I think he thereby expressed the view which the great majority of us in this chamber hold. But I must say that, though I hold that view myself, it does seem that under the very extraordinary conditions under which international trade is carried on at the present time, and having regard to the world shortages of so many commodities which we both import and export, some temporary legislation of this kind must be faced; it has got to be stomachied, whether we like it or not.

I would only add that this bill received most careful consideration from the Banking and Commerce Committee of another place, which sat for many days to consider it. The evidence which that committee heard has been published and has no doubt been read by many honourable senators.

I close with the same statement with which I began, that there may be one little element of light in this bill, in that it lasts only until sixty days after the commencement of the 1948 session of parliament, and that if the power to control exports and imports should be required after that time the government of the day will have to come back to parliament to obtain a renewal of that power.

I would venture to suggest that, if the bill gets second reading, the appropriate committee to which it might be referred is the Standing Committee on Banking and Commerce.

Hon. Mr. MORAUD: May I ask my honourable friend if there is any reason why this bill was not incorporated in the fifty-seven other bills, all of which were emergency measures, and which are now before the other chamber? Or is there any special reason why these provisions should not be part of the budget, so that we would have a list of the goods whose import or export would be permitted?

Hon. Mr. HUGESSEN: I am certain that if the bill is referred to a standing committee, arrangements can be made for departmental officials to be present with lists of all articles which are now subject to export and import control.

In reply to my honourable friend's first question, I can only say that that is a matter which is beyond my province. I did not draft this legislation, and I am not responsible for the form it takes in coming to this house.

Hon. Mr. LEGER: Are you in favour of it?

Hon. JOHN T. HAIG: I shall delay the house only a moment. I am probably invading part of the territory of the honourable senator from Churchill (Hon. Mr. Crerar), whom I look upon as the leader in this chamber of those who protest against the continual putting of power in the hands of the government and the withdrawing of it from the country's representatives in parliament. As I listened to the honourable member who has just spoken, I wondered whether, had this legislation been introduced by a C.C.F. government, he would so calmly have taken the stand he did, for I cannot imagine any legislation better calculated to further the views of the C.C.F. party in this country. Not only that: had a Progressive Conservative government been in power, I think I would have heard honourable members opposite asserting that we were putting up barriers to prevent the free movement of trade in and out of this country.

Hon. Mr. HOWARD: We should have defeated it.

Hon. Mr. HAIG: I do not know whether you would have defeated it, but you certainly would have said, "This is the old programme of tariffs and controls." What the government want to do is to control; but I was struck with consternation when I read this bill. The government, I said, have not even the strength of will to put their proposals forward in the form of a bill, where everybody could see what they were doing. They have reserved control to themselves, so that negotiations take place behind the scenes, which would not have been possible if the controls had been expressed in statutory form. I cannot imagine any worse way of dealing with trade and commerce than by this kind of legislation. I quite admit that this is the inevitable result of the controls system. Once you start putting on controls, there is no place you can stop on the road downhill; and this control is a natural consequence of all the continuing controls—the fifty-seven varieties of them. I do not know whether it was the honourable

member from Lincoln (Hon. Mr. Bench) or the honourable member from Toronto (Hon. Mr. Campbell)—I do not want to attribute the statement to the wrong person—who said, on some other occasion, that the best point about another control bill was that it would run out within a year, as this one will. I quite agree, although I do not think it completely answers the objections to the measure. As the honourable member from Churchill (Hon. Mr. Crerar) said when he was speaking on war control legislation, in men's minds there seems to be on this subject a psychological condition which they cannot rid themselves of. Incidentally, the senator gave in this chamber a very fine address on liberalism.

Hon. Mr. EULER: With a small "I".

Hon. Mr. HAIG: It seems to me that the present government have ceased to remember that they are supposed to be the apostles of liberalism in this country. What disturbs me, and, I am sure, many other members of this house, is not that the Liberals have lost their sense of liberalism, but that they are putting on the statute books of this country legislation which may be difficult to remove if a certain other political party obtains office in this country. No man or woman can predict what the next government, or the government after the next will be. I am opposed not merely to this particular piece of legislation, but to all legislation which takes power away from parliament and puts it in the hands of a ministry or of any single minister. I think we are on the wrong track, and if we continue to do this sort of thing we are going to get into trouble.

Several bills of this type have been before the Senate. This kind of thing disturbs all of us, and ours is the chamber which should protest against it. When you have in another place four or five parties, it is very difficult to maintain an attitude of impartiality, of looking at such questions clearly from what, in the long view, is best for the country. I speak with some knowledge of this, because I sat in a legislature where for many years we had six parties. In such circumstances the tendency is to consider legislation as though an election were just around the corner. When there are only two parties facing each other one may be sure that the long view will be taken by both sides, but that attitude is very difficult to preserve when you have three or four parties represented, or, as in another place, five parties. I hope that we in this chamber may be able to do something to stop that trend. We did a great job last year on foreign exchange control. I say that without any fear of contradiction. We impressed the

people of Canada. We sometimes talk of the use and purpose of the Senate. To my mind the real use and purpose of the Senate is, not to talk, but to do things which are in the best interests of the country as a whole, irrespective of any party or any organization.

Hon. Mr. BALLANTYNE: The honourable gentleman from LaSalle (Hon. Mr. Moraud) asked as to the list of goods that could be imported—from the United States, I assume, or from any other country—and the honourable gentleman from Inkerman (Hon. Mr. Hugessen) stated that the information might be produced before one of our committees. I have had only a cursory look at this measure, but it is not the fact that one has to get an import order for anything that a Canadian wishes to buy in the United States?

Hon. Mr. HUGESSEN: Oh, no. I think my honourable friend is confusing present conditions with those which existed in time of war, when it was necessary to get permits to import anything from the United States. The purpose then was to conserve United States dollars.

Hon. Mr. BALLANTYNE: I thank the honourable gentleman for his answer. It would be quite in order for us to expect that in committee a list of goods under export control will be produced. I fear it will be a very long one.

Hon. Mr. MORAUD: But the list can be modified by order in council.

Hon. Mr. HOWARD: The list can be changed from time to time.

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

REFERRED TO COMMITTEE

Hon. Mr. HUGESSEN moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

MERCHANT SEAMEN COMPENSATION BILL

MOTION FOR SECOND READING POSTPONED

On the Order:

Second reading of Bill W5, an act to amend the Merchant Seamen Compensation Act.

Hon. Mr. COPP: Honourable senators, I do not think that this bill has been distributed. I would therefore move that the order be postponed and placed on the Order Paper for consideration at the next sitting of the house.

The motion was agreed to.

DIVORCE
DISCUSSION

The Senate proceeded to consideration of the one hundred and forty-first report of the Standing Committee on Divorce, as follows:

1. With respect to the petition of Robert Lussier, of the village of St. Joseph, in the district of St. Hyacinthe, in the province of Quebec, radio technician, for an act to dissolve his marriage with Laure Armande Chicoine Lussier, cook, the committee find that the requirements of the Rules of the Senate have been complied with in all material respects.

2. The committee recommend the passage of an Act to dissolve the said marriage.

Hon. Mr. ASELTINE: Honourable senators, I move adoption of the report.

Hon. JOHN T. HAIG: Honourable senators, I do not wish to delay the house, but I take advantage of this opportunity of saying a few words on the subject of divorce.

The press of this country for the past six months has been carrying on a campaign to the effect that there are too many divorces in Canada. It is true that our divorce committee has more petitions before it this year than it has had in any previous year.

If one reviews the records back about thirteen or fourteen years he will find that the number has tripled.

Hon. Mr. QUINN: Shame.

Hon. Mr. HAIG: At meetings of synods, presbyteries and other organizations of every religious denomination in this country suggestions are made from time to time as to what should be done. Only yesterday a suggestion came out of such a meeting. I should like to see these church people and others who say they do not believe in divorce—and I am not saying that I believe in it—given the opportunity of visiting the divorce committee of this house, or any provincial court, and listening to the facts as they are brought out. After hearing the evidence, let them give their solution of the problem.

Nothing is to be gained by the suggestion such as one read yesterday, that those who are married by the church should have to say they would never apply for divorce. Everybody would agree that it would be a fine thing if divorce were never necessary. But we have had before the committee people whose stories would bring tears to your eyes. A young woman of 24 to 28 years of age, at the most under 35, married to a man who turned out to be a rascal and left her—that is the situation in nearly half the cases we hear. One could not refuse to hear the petition of such a young woman and say that for the rest of her life she must be tied to a beast.

The church to which I belong is against divorce. I am not saying anything against the church itself, but I do believe that church authorities should come and see what is going on. There seems to me to be the real cure for the situation in this country.

Hon. Mr. DUFF: Hear, hear.

Hon. Mr. HAIG: The fathers and mothers in the homes of Canada should tell their boys and girls of the whole situation and just what is going on here and in the courts across the country. The increase in the number of cases in the Senate divorce committee is typical of the whole of Canada.

If the situation is growing worse it does no good to say that we should not grant divorces. We want to find out the cause. I have sat as Chairman of the sub-committee on divorce through this session, and I have felt about this subject more keenly than ever. Sometimes I can hardly rest content in the afternoon after hearing evidence in the morning. I do not suggest that it is of a disgusting nature, but it is pitiable.

Permit me, honourable senators, to give you briefly the facts of one case. A girl of twenty-four married in England a Canadian soldier, who brought her out to this country and left her in a dump in Montreal. He then ran off and lived with another woman. His wife did not know anybody in Montreal; but, thank God, the Red Cross took up her case, and secured her a job looking after an old lady and her house; and now the deserted wife and her baby are living there. She receives, besides board and room for herself and the child, \$35 a month. She is only twenty-four, and she cannot go back to the Old Country unless she gets a divorce. What are you to do with such a case? That is a problem we face in this country.

It is not a question of extending the grounds for divorce. That may be necessary, but I am not very much interested in it. We are confronted with a problem that is eating out the very lives of the people of this country, and unless ministers of the gospel, heads of the churches and other people realize the situation, their own boys and girls may some day be among the unfortunates.

Only yesterday a senator—I will not mention his name—came to me with this problem: a young woman married in this country an airman, who went back overseas; and it is not known whether he was lost at sea, went crooked in the Old Country, or what happened. She is tied up for life to this man. I have in my office in Winnipeg a similar case, where a woman is also tied for life. At my age, and

that of many of my honourable friends, it does not matter whether one is tied for life, but it is different for young men and women of from twenty-two to thirty-five years of age. Ministers of the gospel have got to get parents to understand the problem. If they do not, it will eat out the very lives of the people of our country.

Some Hon. SENATORS: Hear, hear.

Hon. THOMAS VIEN: Honourable senators, the question that has just been raised is of great importance. It goes to the very foundation of society. I agree with the honourable leader opposite (Hon. Mr. Haig) that the primary duty in such matters rests within the precincts of the family. Undoubtedly, fathers and mothers of children have the duty of bringing them up properly, educating them and teaching them the responsibilities they assume when they marry.

The problem that the Senate now faces, however, arises out of the number of divorces, which is increasing by leaps and bounds. It becomes difficult in these circumstances for this house to continue to act as a court of justice. Some other way should be found to deal with these cases. But let us be extremely careful not to adopt a system the effect of which might be a multiplication of divorce cases. We should try to reduce them, and even to stamp them out.

All over the world the number of divorces has increased to such an extent that religious, social and political leaders are very much concerned. In some states of the United States the number of divorces exceeds the number of marriages. The proportion of divorces to marriages throughout that country is something like one to six.

Hon. Mr. QUINN: One to three.

Hon. Mr. VIEN: That is still worse.

At the request of certain provinces this parliament granted to them the right to organize divorce courts. The net result has been a tremendous increase in the number of divorces. This may not be entirely due to the creation of divorce courts; other factors were present during the war and since. But we must admit that the easier access to courts has been one of the causes of this rapid increase.

It is our duty to do everything in our power to stabilize the foundation of society, of the social order; and we must start with its first cell, the family. I sympathize with the members of the Senate divorce committee, but the additional time and effort involved in their

work is a small price to pay, having regard to the importance of the services rendered to society.

I am not speaking here as a Roman Catholic only. I do not believe in divorce, and it is well known that the church to which I belong does not recognize the validity of divorce. Neither does the Church of England. These two churches hold that if young people are given the means of dissolving their marriage and marrying again, they will enter too lightly into the marriage bond. If young people knew when they married that it was for life, and that if they separated they would not have the right to marry again during the lifetime of their consort, they would ponder on marriage far more deeply before entering into it.

I concur in the suggestion of my honourable friend (Hon. Mr. Haig) that the leaders of our churches and social organizations throughout the country should be invited to study this problem very seriously. They have studied it seriously already, but the job is not finished. No adequate solution has yet been found. In the meantime let us refrain from making it easier for young people to obtain a dissolution of their marriages.

Somebody may have to suffer for the common good. When the war broke out young men and women of this country were called to serve for a common cause. They accepted the call with self-denial and patriotic inspiration. Similarly, in time of peace the duty rests on us all to accept heavy sacrifices for the salvation of the nation.

If through inadvertence or lack of proper consideration a marriage comes to grief, separation might be in order, but not divorce. If the right of re-marriage were abolished, were expunged from our legislation, on the ground of public interest, the number of people who come to grief in their married lives would be considerably reduced. They would "mend their fences"; they would compose their differences; they would live more harmoniously together; they would avoid the things that lead to an impasse, the blind alleys; they would not so lightly ruin their whole lives.

Under our present system divorce is not recognized by law. Each case requires a private bill, a law of exception, a special act of parliament. If, as in the pathetic cases to which the leader opposite (Hon. Mr. Haig) has referred, some have to suffer, let us take into account, first and foremost, the common good, the public interest. In my opinion, public interest demands that instead of facilitating divorce we should make it more difficult, and even impossible.

The motion for adoption of the report was agreed to, on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 1, 1947.

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

Prayers and routine proceedings.

PRIVATE BILL

REFUND OF FEES

Hon. Mr. LAMBERT moved:

That the parliamentary fees paid upon Bill J3, an Act respecting The Woman's Auxiliary to the Missionary Society of the Church of England in Canada, be refunded to the Woman's Auxiliary to the Missionary Society of the Church of England in Canada, less printing and translation costs.

The motion was agreed to.

GOVERNMENT LEADER IN THE SENATE

FELICITATIONS ON HIS RETURN TO THE CHAMBER

On the Orders of the Day:

Hon. C. B. HOWARD: Honourable senators, before the Orders of the Day are called I think it is only right that as government whip I should express the feeling of pleasure which I am sure is in the minds of every member on both sides of the Senate at seeing our leader (Hon. Mr. Robertson) back in his place once more.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HOWARD: It is hardly necessary to say in what a fine state of health he now is, for his looks show it. I know that we are all glad that his rest has done him good. We appreciate the sympathetic and able manner in which he has guided this house ever since his appointment, and we all join in a whole-hearted welcome to him on his return.

Before taking my seat may I also express thanks to our colleague who has acted as leader of the house during the past few weeks (Hon. Mr. Copp), for the very capable way in which he has carried on his duties. Here again I know all senators on both sides will join with me.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HOWARD: I wish to assure him that we all appreciate his valuable services very much.

Hon. JOHN T. HAIG: Honourable senators, we all join with the senator from Wellington (Hon. Mr. Howard) in the words he has uttered on the return of the government leader (Hon. Mr. Robertson). I am very glad to welcome him back, but I have a little regret when I realize that the senator from Westmorland (Hon. Mr. Copp) will no longer be leading the house. I probably have a better opportunity than any other member to judge the quality of the leader, because naturally I have to deal with him all the time. Before the senator from Shelburne (Hon. Mr. Robertson) became ill I believed that no one could be as fine a leader as he was.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: But since then I have found that there is another senator who can lead the house very ably, and I am most happy to have had the fine experience of working with him. We on this side of the house hope that the health of the leader is fully restored.

I think he worried a little too much about those of us over here. We should have caused him little worry; perhaps he should have been more concerned about others. We are most delighted to see him back, and pleased that when he was absent he had such a capable lieutenant.

Hon. A. B. COPP: Honourable senators, I wish to join with those who have spoken in welcoming back the leader of this house. For my part I am pleased that he has returned, not only because it is good to see him among us again, but because the responsibilities that I have had during the past few weeks, can now be shifted back to his able shoulders.

I wish to thank my honourable friends on this side of the house for their very willing and able assistance throughout the leader's absence. Also I wish to express appreciation to the members opposite for their hearty cooperation and good will, and for the very fine and altogether undeserved compliment which they have paid me.

Hon. WISHART McL. ROBERTSON: Honourable senators—

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: —I appreciate more than I can say the very kind references to the fact that I am back in my seat after some absence from the deliberations of the Senate. I wish to express my thanks for the remarks that have been made and for the

cordial reception given to them. Particularly I wish to thank the honourable gentleman on my right (Hon. Mr. Copp), whom I asked to assume the responsibilities of leader in my absence, for the very able way in which he has carried on. I am deeply grateful for the co-operation extended to him by honourable senators on this side of the house, and also by those opposite—for, while maintaining their right and indeed their duty to be critical, they have nevertheless facilitated the proceedings in every way possible.

It was my good pleasure while in Georgia to visit the Legislature and Senate there. Because of the position I hold in the Senate of Canada I was extended, by a formal resolution, the courtesy of admission to the floor of the state Senate. In some instances the methods of deliberation presented quite a contrast to those of our body. But there is one striking similarity between their political institutions and ours, and I commented upon this in the few remarks which I made to the Senate. The lower house has one lady representative, and the Senate has two; and when listening to deliberations in the upper house I could not fail to note that there, as here, both of the lady senators not only possessed good looks, but gave every evidence of outstanding intelligence.

I thank you, honourable senators, for the very kind welcome you have given me.

GOVERNMENT EMPLOYEES COMPENSATION BILL

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of Bill 105, an Act respecting compensation for government employees.

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

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY BILL

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of Bill S4, an Act respecting the Beauharnois Light, Heat and Power Company.

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

PRIVATE BILL

THIRD READING

The Senate resumed from Thursday, April 24, the adjourned debate on the motion of Hon. Mr. Hayden for the third reading of

Bill D2, an Act respecting certain patents owned by Toronto Type Foundry Company Limited.

Hon. Mr. HAIG: Honourable senators, I adjourned the debate, but I yield to the honourable member from Toronto (Hon. Mr. Hayden).

Hon. SALTER A. HAYDEN: Honourable senators, this is one of the few occasions on which we find opposition developing to the third reading of a bill which, besides having had first and second readings, has been reported by a committee; and I think possibly my first job—I recognize that it may be a difficult one—is to disabuse your minds of any feeling you may have that matters of tremendous importance and much public interest are involved in this bill, a feeling evidenced by the attitude of two of the senators who are well-known champions of great causes. When the chairman of the Private Bills Committee (Hon. Mr. Hugessen) opposes the third reading of a bill which has been reported by that committee, one might be inclined to conclude that some important principle must be involved, some very dangerous precedent sought to be created. Surely enough, he pictured the prospect of a deluge of applications to the Patent Office if this bill were passed. He foresaw a dangerous precedent if we recognized the right of an individual to apply to parliament for the remedy sought in this bill—and parliament is the only place where he may get the remedy, for there is no provision in any particular law which gives him that remedy. We are told that the granting of this application might lead to the receipt of a great many other applications and establish a dangerous precedent.

I may be permitted to wonder upon what basis we decide upon principles and rights. Do we determine a question of principle from the inherent merits of the particular matter under consideration, or from the viewpoint of a number of other people who may think they have rights which have not yet been determined? And, in an effort to shut out all claims to those rights, are we prepared to deny what may be in principle an inherent right, and one measurable in terms of the justice of the particular submission? While I am not objecting to the right of this or any other legislative chamber to refuse to pass a particular bill, I think this measure should be considered upon its own merits and upon principle, rather than upon the assumption that to consent to it might lead to a flooding of the Patent Office with other applications.

We were also told that we should wait until the amendments to the Patent Act now before us are being considered, and that we could then pass an amendment providing that in situations of this kind application for extension of the life of patents may be made to the courts. But if by any chance such an amendment is made to the Patent Act, this is the only application of its kind that will have to be considered by parliament. In that event there will be no flood of applications. And if such an amendment is not passed, and if we have not approached this question from the point of view of the rights of the applicant, we may have denied to the applicant the assertion of rights, which rights would then be lost for all time.

Hon. Mr. MURDOCK: May I ask the honourable senator a question on a point that I am not clear about? Does this bill contemplate resurrecting a patent that expired in December, 1944, and making it good for six years from that date?

Hon. Mr. HAYDEN: Yes.

Hon. Mr. MURDOCK: The patent expired in December, 1944, and it is now proposed to resurrect it?

Hon. Mr. HAYDEN: Yes; that is what the bill says. I intend to deal with that in a moment, but first I wish to point out what the facts are.

The bill seeks an extension of the life of eight patents. Two of them have already expired, and the others will expire at various periods between now and 1950. The basis of the application is that by reason of wartime regulations which prohibited the securing of materials and manpower to exploit these patents, their owner has suffered a loss. To some people it may seem extraordinary that there should be an application to extend the life of patents on that account, so I shall state briefly why this application is made. The parliament of Canada gives to patentees, the owners of patents, an exclusive right to the enjoyment of patent rights for a definite period. But during the life of the eight patents in question the war intervened, and because of war necessities, over which of course neither these patentees nor the government of Canada had any control, the patentees were deprived entirely of ability to use the patents. Not only that, but there was no other purpose to which they could apply their equipment which was designed to produce the machine covered by these patents. It is what might be called a tailor-made machine, a machine that is made to

specifications. It does a number of operations; it prints, cuts, folds and punches ledger sheets and other things of that kind. So this is different from a situation where the patentee would have some use for his patent during the war or would be able to convert his manufacturing equipment to other purposes.

What is being asked for here is not an extraordinary thing. In the English Patents and Designs Act there is a provision under which application may be made to the courts for extension of the life of patents. In fact, the British company which owns the United Kingdom patents corresponding to these has already applied to the courts in that country for extension of the life of two of the eight. The application was in respect of only two because the act provides that such application may be made only within six months before the date of expiration of the patent or patents.

Section 18 (6) of the English act says:

Where, by reason of hostilities between His Majesty and any foreign state, the patentee as such has suffered loss or damage (including loss of opportunity of dealing in or developing his invention owing to his having been engaged in work of national importance connected with such hostilities) an application under this section may be made by originating summons instead of by petition, and the court in considering its decision may have regard solely to the loss or damage so suffered by the patentee.

The conditions under which application for an extension may be made are set forth in the section. But in addition to the general right there is a particular right, and in the case of the two patents to which I have referred the only ground set out in the petition is that the patentee was not able to manufacture during the war, by reason of certain conditions, such as shortage of materials required for war purposes and scarcity of manpower.

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

Hon. Mr. HAYDEN: Yes.

Hon. Mr. CAMPBELL: Under our Patent Act is there any provision by which application may be made for extension of the life of a patent for any purpose?

Hon. Mr. HAYDEN: If there were any such provision applicable to a case of this kind, the application for extension naturally would be made under the Patent Act rather than by petition asking parliament to exercise its inherent right to legislate.

I find that at least three applications to extend the life of patents have been dealt with in the past by the Parliament of Canada. These are referred to in the statutes of 1930,

1928 and 17 Geo. V. So no precedent is being created in asking that parliament, by way of a private bill, extend the life of a patent.

I emphasize that the sole basis of the application is the loss suffered by reason of the war.

Hon. Mr. QUINN: Were the other applications to which the honourable gentleman refers granted?

Hon. Mr. HAYDEN: The three applications to which I refer were granted.

Hon. Mr. DAVID: Was the life of the patents extended or were they revived?

Hon. Mr. HAYDEN: I am advised that they were extended.

Hon. Mr. DAVID: Why did this company not make an application to parliament before the expiry of some of the patents?

Hon. Mr. HAYDEN: Eight patents are involved. Two of them expired during the period of the war, and to make an application to parliament at that time would have been an idle gesture. No one knew then how long the war would continue.

Hon. Mr. HAIG: As I understand it, this bill refers to eight patents, of which two have expired and six are still alive?

Hon. Mr. HAYDEN: That is correct. Six of the patents will expire at various intervals between now and 1950.

The public interest will not be hurt at all if an extension is granted, because there are manufactured in the United States and England machines and equipment which can be used in a competitive way for the same purpose as the machine covered by these patents. I was informed, and I believe the committee also was aware, that there are competitive machines. In other words, there is more than one source of supply, so by extending the life of these patents parliament will not be extending a monopoly which might penalize the people. Therefore, the problem which presents itself is a consideration only of the interest of the patentees, who were given a monopoly for a definite number of years, but by reason of the war and of government action in war time were prevented from exploiting their patents during that period.

Hon. Mr. DAVIES: I do not like to interrupt the honourable senator, but may I ask him a question?

Hon. Mr. HAYDEN: Yes.

Hon. Mr. DAVIES: If this bill is not passed, will other Canadian manufacturers of printing machinery be allowed to use these patents when they expire?

Hon. Mr. HAYDEN: The patents, of course, would fall into the public domain. This company has equipped itself and made expenditures to go into the manufacturing of this machinery, and of course those investments would be a total loss.

Also to be considered is the fact that there is competition in the same type of machine from Great Britain. Any person manufacturing it in Canada at the present time would have to manufacture for Canadian production: he would not be able to go into the English market competitively, because patents there would shut him out. But if there were not patent protection in Canada the British manufacturer could ship into Canada in competition with any Canadian manufacturer. It would be practically a prohibition from going into the manufacture of these machines in Canada if you had to get started against the competition in the same type of machine from the United Kingdom. These machines are also manufactured in the United States.

The question, therefore, is whether this manufacturer, who enjoyed certain patent rights and had the equipment to manufacture under them, is to be permitted to get that balance of the life of patents which he lost by reason of the war, and to utilize during the short period of six years for which the extension of the life of these patents is asked, the equipment upon which so much money has been spent.

Hon. Mr. EULER: I also dislike very much to interrupt my honourable friend, but may I ask him a question? If this bill were defeated, and an amendment were placed in the Patent Act—which I see is coming before the Senate, anyway—providing that application for renewal or extension of a patent may be made to the courts, would the Toronto Type Foundry Company lose its right to make such an application?

Hon. Mr. HAYDEN: No, I do not think it would. I should think that if there were any way by which the court hearing the application could be informed that the petition to parliament for an extension, on the ground of loss by reason of war, had been refused, that might have some evidentiary value.

However, I have no assurance that parliament—and I refer particularly to another place—would consent to such an amendment to the Patent Act. While I must state it quite unofficially, I certainly gathered from questions asked and answered in the course of the hearing that the attitude of the Patent Office is one of opposition to any provision for exten-

sion, even extension by application to the court. The only reason given was that they would be flooded with applications. Now, may I submit in all seriousness to this house that there could not be a flood of applications based on the principle on which this matter is being submitted to the Senate, namely, that the patentee suffered a complete loss by reason of the war.

The majority of the patents in the Patent Office relate to the radio industry, chemistry, and automotive engineering, and all these types of patents were used more in war time than they were in peace time. Indeed, as honourable senators will recall, in the war years it was necessary for one department of government to set up a royalties committee to determine arbitrarily what royalties would be paid because of increased use by reason of the war. So, as regards most patents in the Patent Office, my submission is that the war, instead of having caused a loss of use or a loss of income, led to such an increased use of patented devices in the fields which I have mentioned that the government saw fit arbitrarily to cut down the royalties on that increased use.

In these circumstances, I submit, it cannot reasonably be suggested that there would be any flood of applications if this bill were passed. Therefore I ask in all seriousness that the rights in this particular case be considered.

I am not quoting as a precedent the English attitude towards applications for extension of the life of patents. I am only indicating that England was faced with a similar problem. Its war situation from day to day was more critical, and its concentration on the war job was of necessity more intensive, if anything, than ours. But the principle behind its approach to the problem was the same as the principle here; that is, that a greater interest intervened, and therefore the government took a course of action as a result of which a right that had been granted for a certain period of time was taken away. In this case and in the English case the right was taken away completely for that period. In England the right was granted to go back and ask for an extension. In Canada the only place where you can apply for an extension is parliament, because our Patent Act does not provide for application to the courts. It should not be wrong for a person in Canada, company or individual, to ask parliament to recognize a right which he thinks in justice is inherently his.

Some objection is made to what is called resurrecting or reviving something which has been dead for a few years. Of course, no such application as the present one could be made to parliament except upon the basis that a right has been lost. It is correct to say that the bill calls for a revival or restoration, but only of a right which has been lost. That is the basis of the application.

Something was said the other day about the desirability of walking warily because of international conventions. Well, strange things have been thrown across the path of discussion from time to time, but nothing stranger than that. For years the English act has contained a provision whereby extension may be granted by the courts, yet that has not prevented England from being a member of and participating in the international convention relating to patents. To suggest that in some future case or in many cases parliament might see fit to recognize the same principle on which this bill is based and grant one or more similar applications, is irrelevant. And in no sense does the bill reflect upon problems arising out of the international convention.

I trust that I have not trespassed too greatly upon the time of the Senate, but I consider the matter an important one. The owner of the patents is a family corporation. The son of the president was not available during the war, as he had accepted the call to service and was engaged overseas for four years. The bill is so important that upon its passage or defeat depends the answer to the question whether the company will be able to manufacture in Canada or will be prevented from doing so and must on that account suffer a serious loss.

The Hon. the SPEAKER: The question is on the motion for the third reading of Bill D2, an act respecting certain patents owned by the Toronto Type Foundry Company Limited. Is it your pleasure to concur in the third reading of this bill?

Some Hon. SENATORS: No, no.

The Hon. the SPEAKER: Those in favour of the motion 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: Is there a desire for a vote?

Some Hon. SENATORS: Call in the members.

The Hon. the SPEAKER: Call in the members.

Hon. Mr. LAMBERT: Honourable senators, if I am not out of order, I should like to make a suggestion.

Some Hon. SENATORS: Order, order.

Hon. Mr. LAMBERT: May I have the consent of the house to make a suggestion? I am a member of the Standing Committee on Miscellaneous Private Bills, but was not present at the meeting when this bill was considered. It seems to me to be an instance where the bill should be referred back to the committee for further hearing.

Hon. Mr. LEGER: Order.

The Hon. the SPEAKER: The question has been put to a vote, and the members are now being called in. I know of no procedure permitting the honourable senator to make such a suggestion at this stage.

The Motion for the third reading was agreed to on the following division:

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Beaubien (St. Jean)	Johnston
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The Hon. the SPEAKER: Honourable senators, this bill has been read a third time and is now ready to pass. Is it your pleasure to pass this bill?

Some Hon. SENATORS: Carried.

The bill was passed.

MERCHANT SEAMEN COMPENSATION BILL

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of Bill W5, an Act to amend the Merchant Seamen Compensation Act.

Hon. Mr. DUFF: Would my honourable friend be good enough to explain what this is all about? I have tried to read it; and while I admit I do not understand English very well, it seems to me that the whole thing is mixed up. This looks like a seasick amendment, to me. Perhaps my honourable friend can throw some light on it.

Hon. Mr. ROBERTSON: I understand that the regulations covering compensation for merchant seamen were first made under the emergency powers but were made statutory last year. The object of this bill is to provide that there shall be no prejudice to the interests of any seamen for whom proceedings were taken under the regulations pursuant to the War Measures Act, before they were made statutory. That is all the bill contemplates. Is the honourable gentleman satisfied?

Hon. Mr. DUFF: Honourable senators, perhaps my friend the leader of the government has given a clear explanation. But surely, if you read this bill, you can come to no other conclusion than that it is all mixed up. Here is what it says:

The Merchant Seamen Compensation Regulations, 1945, established by order of the Governor in Council made on the seventeenth day of July, one thousand nine hundred and forty-five,—

That is, two years ago.

—(P.C. 4755), are deemed to have been revoked . . .

Listen to this:

. . . deemed to have been revoked on the 31st day of August, 1946, . . .

Well then, why do we revoke them?

. . . and for the purposes of section nineteen of the Interpretation Act this Act is deemed to be substituted for the said regulations.

Well, as the regulations were revoked, how are you going to revive them?

Hon. Mr. MURDOCK: Read the page opposite the bill.

Hon. Mr. DUFF: I have done that. Here is the explanatory note on the starboard side of the bill. I wonder whether my honourable friend knows which is the starboard side?

Hon. Mr. ASELTINE: He knows something about port.

Hon. Mr. DUFF: The note says:

The Merchant Seamen Compensation Act was enacted as chapter fifty-eight of the statutes of 1946 and provides for continuance in statutory

form of the provisions of the Merchant Seamen Compensation Regulations, 1945, which were made under the War Measures Act.

The sole purpose of the bill is to preserve rights to compensation acquired under the regulations before the act came into force and to continue under the act all proceedings taken under the regulations.

Hon. Mr. HAYDEN: The act does not come into force until this bill is adopted.

Hon. Mr. DUFF: The act was in force during the war by order in council P.C. 4755, and merchant seamen were protected. Now the war is over, and I do not see why merchant seamen should come in and ask for special privileges or compensation. I think the whole thing is a nuisance. There are some people in departments of government who lie awake at nights trying to justify their existence, and they have got to bring in legislation in order to do so; and this is one of the foolish things for which they are responsible. If we do not pass this legislation, P.C. 4755 will still be in effect, and that is good enough. Merchant seamen do not expect any particular legislation from this government. They go to sea to earn their pay; they work hard, and get it. This is only, shall I say, a gum game, whereby departmental officials bring in legislation to try to justify their existence as officials; and I am opposed to it.

Hon. Mr. ROBERTSON: I think no useful purpose will be served by the honourable senator from Lunenburg (Hon. Mr. Duff) and myself engaging in a legal argument. May I say again that my information is that the object of the bill is to preserve rights to compensation which were acquired under the regulations.

Hon. Mr. DUFF: What compensation?

Hon. Mr. ROBERTSON: Rights to any compensation which may have been acquired by virtue of regulations that existed under the War Measures Act before the Merchant Seamen Compensation Act came into effect. I am not in a position to argue the point as to whether the phraseology sets forth that intention, or whether, as my honourable friend says, the bill is unnecessary. It would seem to me that the procedure is simple. No honourable senator would want to deprive any seaman of rights he has acquired for compensation under the regulations of the War Measures Act. It is the intention of this bill to safeguard those rights. If the bill does not clearly do so, my suggestion to the house is that we give the bill second reading and send it to the committee which is now considering other matters, and let some honourable senator who

is more versed in the law than I am explain as to the sufficiency or insufficiency of the particular phraseology. I think the intent is clear—that any merchant seaman who acquired any right of compensation or whose case is being considered under regulations which existed under the War Measures Act before this bill came into effect shall not be prejudiced. That, so far as I understand it, is all that the bill contemplates.

Hon. Mr. DUFF: But this clause does not say so. It is the exact reverse of what my honourable friend says.

Hon. Mr. ROBERTSON: That may be. But the intention is as I have explained. I suggest to my honourable friend that the draftsman could come before the committee, where my honourable friend could discuss the legal phraseology with him.

Hon. Mr. KINLEY: I think we all agree that the principle of compensation is a good one. The principle of this bill is compensation. Compensation for seamen is a more difficult matter than for people on shore, because seamen serve, if not beyond the jurisdiction of the country, certainly beyond the jurisdiction of the provinces. It seems to me that the intent of the bill is clear. If there is the difficulty which my honourable friend from Lunenburg (Hon. Mr. Duff) suggests, we should carefully look over it in committee, but the proper thing to do at this time is to send the bill to committee.

Hon. Mr. DUFF: I do not object to its going to committee, but I do object to the bringing before this house or another place of any bill which reads as this one does. I say that it contradicts itself in four different places. It looks as though someone stayed up all night trying to devise something to justify his existence in the Department of Transport. I am in agreement with the suggestion of the leader of the government (Hon. Mr. Robertson), and of course I would not think of disagreeing with my honourable friend from Queen's-Lunenburg (Hon. Mr. Kinley), because he and I are next-door neighbours: we chat over the fence and smoke the pipe of peace together, and so forth. I am quite willing that the bill should go to committee, but I say that any department which brings down legislation of this kind should be spanked, and spanked with its pants down. There is no justification for this at all. Under P.C. 4755 merchant seamen can still secure compensation, so why introduce this measure?

Hon. Mr. ROEBUCK: I want to express some sympathy with the honourable senator for Lunenburg (Hon. Mr. Duff), because I, too have read this document and I find it entirely unintelligible.

Hon. Mr. DUFF: Hear, hear. I am not a lawyer.

Hon. Mr. ROEBUCK: It is true that there is an explanatory note. The principle stated in that note appeals to me, and I am ready to vote for the bill on the understanding that the bill shall in some way coincide with the explanation of it.

Hon. Mr. DUFF: It does not.

Hon. Mr. ROEBUCK: There is nothing on the face of this document which would indicate that the one is the equivalent of the other.

Hon. Mr. DUFF: Quite right.

Hon. Mr. ROEBUCK: I have no doubt that it is all right, and that when we get to the committee it will be found that the Interpretation Act, which is quoted here, gives the key to what the section means. But I join in the protest against bringing a document of his kind before the Senate without giving us the clause in the Interpretation Act which evidently affords the key and makes it possible to understand the measure. When everything is before us it may appear that the draftsmanship is all right, but this is not the way in which a bill should be presented.

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

REFERRED TO COMMITTEE

Hon. Mr. ROBERTSON moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

BUSINESS OF THE HOUSE

On the motion to adjourn:

Hon. Mr. ROBERTSON: Honourable senators, I should like to point out that, as matters stand at the moment and will probably remain over the next day or two, there is not likely to be much legislation immediately before the Senate. On the other hand a very considerable amount of business is before the standing committees, particularly those on Banking and Commerce and on Divorce. I therefore suggest that when this house adjourns today it stand adjourned until Tuesday afternoon at 3 o'clock. I understand that the Banking and Commerce Com-

mittee has adjourned until the Senate rises this afternoon; and perhaps it would consider meeting when the Senate rises on Tuesday afternoon as well. The Divorce Committee will have an opportunity to continue with its business tomorrow, Saturday and Monday.

The Senate adjourned until Tuesday, May 6, at 3 p.m.

THE SENATE

Tuesday, May 6, 1947.

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

Prayers and routine proceedings.

CONTINUATION OF TRANSITIONAL MEASURES BILL

FIRST READING

A message was received from the House of Commons with Bill 104, an Act to provide for the continuation of certain orders and regulations of the Governor in Council for a limited period during the national emergency arising out of the war.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

Hon. Mr. ROEBUCK: May I ask the leader of the government how it is proposed to deal with this particular bill when it comes up for second reading? Will it be read in the ordinary way? Or shall we take up the schedule *seriatim*? Is there any provision for supplying members with the text of the orders in council which are here referred to? Perhaps the leader has some idea of how he will proceed with this measure. Certain items are interesting to some of us, but not to others.

Hon. Mr. ROBERTSON: The honourable senator is asking about the supplying of copies of the orders in council. I understand copies have been circulated, and if for any reason he has not received a copy, I am sure that the Clerk will put him in possession of one.

Hon. Mr. HAIG: They are in the mail.

Hon. Mr. ROBERTSON: I am advised that they are in the mail. As to the method of procedure, I assume that the bill will be dealt with in the ordinary way, but I am open to suggestions.

Hon. Mr. ROEBUCK: The government leader has answered my principal question, but he has not said what is in his mind with regard to how the bill will be dealt with. It contains, including the schedule, a great many items. Does the government propose to take up these all at once, or in what manner? I believe that in the Commons they were divided and considered day by day.

Hon. Mr. ROBERTSON: Well, I am open to any suggestions. I have asked an honourable senator to explain the bill on the motion for second reading. So far as I am concerned, whether it can be more effectively dealt with in this house or in committee is for the house to decide.

Hon. Mr. HAIG: Honourable members, I have given some attention to this question. This morning I received in the mail the orders in council, which have been printed. My own idea was that we would proceed with the bill in the usual way; that the senator explaining it on behalf of the government would not go into a detailed explanation of each of the orders in council. He may do that, although I do not think he would. I thought that the government leader would then move that the bill be referred to committee. That committee would take up the first order in council and, if there were any questions asked, the proper officials would be present to answer them. If no questions were asked, discussion then could be directed to the next order in council. As a matter of fact, if there were any questions to be asked on an order in council when it was called in committee, it would probably be best to set it aside. After the bill had been gone through once, such witnesses as were necessary to give explanations of those orders in council on which there were questions, could be called before the committee and cross-examined. That seems to me to be the fairest way.

Hon. Mr. ROEBUCK: Would this not be a proper bill to be sent to the committee of the whole house?

Hon. Mr. HAIG: No. Under our rules we cannot question officials in committee of the whole house. I understand we are going to be sitting next week—the leader (Hon. Mr. Robertson) can advise as to this—and I thought that if we got the second reading through the house this week we could start hearings on the bill next Tuesday morning. I was of the opinion that we could go through the bill in one sitting, and on Wednesday start dealing with the orders in council to which there are objections. I think this bill would have to be sent to a special committee.

Hon. Mr. BALLANTYNE: Honourable senators, I certainly think that when this bill comes up for second reading it ought to be dealt with in the same way as all other important legislation. The principle ought to be debated, and after second reading the bill should be referred to a committee.

Hon. Mr. HAIG: That is correct.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill X5, an Act for the relief of Robert Lussier.

Bill Y5, an Act for the relief of Robert Rosaire Loiselle.

Bill Z5, an Act for the relief of Marjorie Evelyn MacPherson Puley.

Bill A6, an Act for the relief of Sarah Rafferty Jackson.

Bill B6, an Act for the relief of Ida Berman Zatz.

Bill C6, an Act for the relief of Patricia Ellen Burt Williams.

Bill D6, an Act for the relief of Charles Alfred Michel Kelly.

Bill E6, an Act for the relief of Pearl Summers Slater.

Bill F6, an Act for the relief of Aime Jacques.

Bill G6, an Act for the relief of Grace Evelyn Smith Copeland.

Bill H6, an Act for the relief of Jessie Gertrude Noel Magee.

Bill I6, an Act for the relief of John Luchuck.

Bill J6, an Act for the relief of Rhondda Blanche Peace Hurford Smith.

Bill K6, an Act for the relief of Mabel Grace Mattinson.

Bill L6, an Act for the relief of Marcel Simonon.

Bill M6, an Act for the relief of Marian Susan Willson Roberts.

Bill N6, an Act for the relief of Jean Gainfort Grossman.

Bill O6, an Act for the relief of Evelyn Mildred Cook Stone.

Bill P6, an Act for the relief of Lily Elizabeth Harris Cunningham.

Bill Q6, an Act for the relief of Mildred Merica Ruth Goodreau Snyder.

Bill R6, an Act for the relief of Harry Powell.

Bill S6, an Act for the relief of Margaret Patricia Fairhurst Richards.

The bills were read the first time.

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. ASELTINE: With leave, next sitting.

WAR CHARITIES BILL

FIRST READING

Hon. Mr. ROBERTSON presented Bill T6, an Act to amend the War Charities Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave, next sitting.

MILK PRICES

MOTION—DISCUSSION

Hon. JAMES MURDOCK moved:

That the Senate instruct the Natural Resources Committee to ascertain by official inquiry how much the milk producing farmers of Canada secure for their milk product less than five cents a quart, and to also inquire how much the milk collectors and distributors of Canada secure for milk collecting and distributing at better than ten cents a quart.

He said: Honourable senators, notice of this motion has been standing on the Order Paper in my name since March 25, and the point I now want to deal with concerns generally the farmers of Canada. We are told that there are more than 700,000 farmers in the dominion, and I presume they can be regarded as representing the most important industry in the country.

Hon. Mr. DUFFUS: Hear, hear.

Hon. Mr. MURDOCK: I presume also that we want to deal fairly, consistently and logically, first, last and always with the farmers.

Many references have been made by distinguished senators to the rights and the work of the farmer. According to report many farmers' sons who a few years ago went overseas to fight for us do not want to go back on the land and put up with the work and drudgery, the early and late hours of the farm. Many of them, we are told, have undertaken to secure positions in other walks of life. We know officially that two or three thousand other gentlemen from overseas have been brought to Canada to take the places of perhaps some of the farmers' sons who are tired of long hours and heavy work. The point I wish to deal with particularly is whether we are giving the farmers a square deal.

I have in my hand an editorial from the *Ottawa Journal* of April 18, last. It reads:

If (says a report) the current subsidy on butter fat is dropped on April 30, the retail price of butter will jump 10 cents a pound.

Well, assuming that the farmer, in order to live, must have either a subsidy or a price increase, what of it?

So far as the consumer is concerned, nothing much. Between paying for butter by giving more to the retailer and paying for it by giving more to the tax collector, there is precious little difference.

Subsidies are prices. Taxes are prices. As much as anything we find on price tags, they make up the cost of living. The only difference is that the subsidies and taxes are hidden—hidden, that is, until the tax collector comes around.

For ourselves, we prefer, in buying an article, to pay the full price to some dealer, not to have to pay another part of the price to somebody else later on. Under subsidies, people *do* pay to somebody else later on.

Under straight prices, free of subsidies, a man knows what he is paying; if he thinks the price high, he can complain, can even refuse to buy. Under subsidized prices, he never knows what he is paying; doesn't know whether the subsidy is going to people who deserve it or to people who don't. He just pays.

I have a further article from the *Ottawa Journal* of May 2, under the caption "Butter Controversy".

Canadian consumers are paying an authorized ten-cent increase for butter, and this will set off a controversy the end of which no one can see. Butter will be much in the news in the next few months.

The government subsidy of 8½ cents a pound has been removed, and the producers are being allowed an extra 1½ cents a pound as from May 1. Many consumers will forget that to the amount of the subsidy they are simply taking the money out of another pocket, and they will accuse—quite unfairly—the farmers of greed and extortion. They overlook the fact that the farmer gets only a small part of the increase and that the butter producer, like everyone else, is faced with the problems of rising costs.

But even when the initial controversy is over butter will still be in the news. Later rationing may be discontinued, and quite possibly ceiling prices, but a floor price is almost certain to remain as a result of the workings of the Agricultural Prices Support Act, under which the government promised farmers a minimum return for a period of years after the war to make up for fixed wartime prices.

Between this floor price, and the disrupting effect of a threat from imports of New Zealand butter such as had to be resorted to last winter, wholesale trade may be very cautious about buying butter for storage. The trade is an important factor in our butter distribution system, financing the big summer make and enabling it to be spread out over the twelve months. It is big business as 50 to 60 million dollars is required to finance the holdover for winter. The creameries who make the butter could not do it, have not the storage space. It is quite possible the Canadian government may own a lot of butter by next fall.

May I briefly explain my interest in this matter? On the 30th day of September, 1919, I was sitting in Chicago, in an office which I had occupied for three years, when I received a telegram notifying me that I had been appointed a member of the Board of Commerce of Canada, and was expected in an official capacity at the city hall, Toronto, the next day. I could not get there the next day, but at 8.30 a.m. on October 2, 1919, I arrived at my home in Toronto, and at 10.30 I was sitting on the bench, feeling silly—I say I was feeling silly, because I did not know what we had under consideration. What resulted? The salary was \$8,000 a year.

Hon. Mr. DUFF: Pretty good.

Hon. Mr. MURDOCK: But the chairman of the board resigned in less than five months, and I resigned in less than nine months.

Hon. Mr. DUFF: Shame.

Hon. Mr. MURDOCK: The distinguished gentleman who used to be Law Clerk of the Senate, and, has now gone to his last reward, stayed on for two or three weeks longer, and then he resigned. During the nine months that I was a member of the board I sat on many hearings in which the rights and the revenues of farmers were involved; for example, we investigated the milk situation at Toronto, Hamilton, Ottawa and Winnipeg. I do not think we did much good. On April 6, 1920, the Supreme Court of Canada ruled that we had no jurisdiction to deal with the subject of newsprint; the matter was carried further; and a little later the Board of Commerce, which was created by the government in 1919, was put out of business.

The reason I have made that explanation—and I trust the personal reference will be pardoned—is that in the nine months when I was receiving a salary at the rate of \$8,000 a year I learned something, I believe, about how Canadian farmers were being treated, and also, perhaps, the effects of a wire-pulling technique in enabling certain other individuals in this dominion to rise from comparative poverty to comparative riches. Those of you who would like to know what I have in mind should look at pages 161 and 162 of Senate *Hansard*, where you will see how the milk-producing farmer is getting “rolled” first, last, and all the time. Incidentally, I heard that someone intended to argue that I am entirely out of order in discussing this matter, and would attempt to prevent me from going on. Well, let us see.

According to information given upon the introduction of the recent budget, it is expected that the cost of family allowances,

which in 1945-46 was \$172,632,000, will be \$245,225,000 in the fiscal year 1946-47. We find that subsidies on milk and milk products, which in 1944-45 amounted to \$42,330,000, and in 1945-46 to \$41,659,000, will, through the reduction brought about in the budget, amount in 1946-47 to \$37,950,000.

Who is paying this money, and for what purpose? This year the baby bonuses will cost more than \$245,000,000. Where will that money go? If my judgment is reasonably correct, it will mostly be spent in the purchase of milk for the babies and the young folk of the family, to bring them up to be happier, stronger and wiser individuals in the years to come. Who paid the 1945-46 milk subsidy of \$41,659,000? It came from the federal government and was paid to the milk producers of Canada. For what? Presumably for the benefit of the farmers and the real milk producers of Canada. But in my humble judgment a very substantial portion of that sum did not get to them at all. I do not believe that the farmer is paid by any means what he deserves. However, my judgment may be entirely incorrect, and if so I wish to be put right. I should like a complete investigation of the entire matter in order to ascertain who is getting the benefit of the 245 million dollars of baby bonuses, and the 41 million dollars spent on milk subsidies for farmers.

Hon. Mr. HORNER: Was the milk subsidy not intended to keep milk at a reasonable price for consumers?

Hon. Mr. MURDOCK: My honourable friend may be right, but my personal judgment has always been that this was given to assist the real producers. This is the first time I have ever heard it said that the subsidy was entirely for the consumer.

Hon. Mr. HORNER: I think so. The butter price was kept down for the consumers.

Hon. Mr. MURDOCK: My personal judgment has been that the producers were entitled to it, and that the producers were to get substantial benefit from it. But let us pass along hurriedly. If honourable senators will look at pages 161 and 162 of the Debates of the Senate, which I mentioned a few moments ago, they will see one striking illustration of the increased cost of milk in Ottawa. There are thirty-two cities in Ontario. Incidentally, I should say right now that the province has complete jurisdiction over this question of milk prices and milk products. According to the news that sifts through to us, the Milk Board of Ontario thoroughly investigated this matter some weeks ago, but as yet it has failed to

make its report and recommendation. Why? Because some distinguished gentlemen are going to argue with it about what it should do in making such a report and recommendation.

Hon. Mr. BALLANTYNE: May I ask my honourable friend if he will tell this chamber what price the producer gets per hundred pounds of fluid milk in Ontario or any other province?

Hon. Mr. MURDOCK: Now, wouldn't I like to do that?

Hon. Mr. BALLANTYNE: I can do it.

Hon. Mr. MURDOCK: Well, then, we shall certainly be glad to hear from you; although, if you will pardon me, and with all due respect to your judgment, I should like to have the matter analysed and thoroughly investigated by the committee. My motion is:

That the Senate instruct the Natural Resources Committee to ascertain by official inquiry how much the milk producing farmers of Canada secure for their milk product less than five cents a quart, and to also inquire how much the milk collectors and distributors of Canada secure for milk collecting and distributing at better than ten cents a quart.

Honourable senators, I know of course that in Ontario and other provinces of this Canada of ours there are some gentlemen closely enough in touch with milk producers and distributors to be able to say how much we give the farmers.

Hon. Mr. BALLANTYNE: If the honourable senator would permit me: It is \$3.45 per hundred pounds net in the province of Ontario, and \$3.30 in the province of Quebec.

Hon. Mr. MURDOCK: How much does that amount to per quart?

Hon. Mr. BALLANTYNE: There are supposed to be ten gallons of milk in one hundred pounds.

Hon. Mr. MURDOCK: That is very interesting and I am glad to have that much information. I am told that in the county of Carleton a few weeks ago the farmer was getting 51 cents a quart for cream, and that the distributors were getting \$1.05 a quart for the same cream. Now, I do not know whether that is correct or not, but I should like to know. It seems to me that if in all the thirty-two Ontario cities conditions are the same as I think obtain here in Ottawa, we ought to have an inquiry and a full investigation, because of the federal money that is being expended by the Dominion government in subsidies and baby bonuses.

Honourable senators will recall that a few months ago there was a report of a farmers' miniature revolution in Alberta. We heard of milk wagons being dumped, and of milk being upset and spilled on the ground. I do not know whether there was anything to that report or not, but for many years my own humble judgment has been that we should have had a revolution by farmers, because I do not think they get what they are entitled to for their early rising and late retiring and the long hours of their daily work.

There is a good deal that might be said on this question, and I hope that some honourable senators will give us information additional to what we have received here this afternoon. I thank you.

Some Hon. SENATORS: Hear, hear.

The Hon. the SPEAKER: Is there a seconder to this motion?

Hon. Mr. HARDY: I second the motion.

Hon. J. J. DONNELLY: Honourable senators, I do not rise for the purpose of offering any objections to the arguments that have been presented by the member from Parkdale (Hon. Mr. Murdock) or to say anything in support of those arguments. However, as Chairman of the Committee on Natural Resources, I wish to point out what, so far as I can see, would be the effect of this motion that the Senate instruct the committee to ascertain the cost of milk and the selling price of it—for that, in effect, is what is proposed.

Now, the cost of milk varies a great deal in different parts of Canada, according to the length of the winter season, the cost of labour, and the climate. Therefore, in order to fulfil this motion it would be necessary to call witnesses from different parts of Canada—at least, that is my view—and that would mean great expense. Also, it is late in the session to go into any matter so extensively.

Besides, the great majority of the people in the dairy business are also mixed farmers, and I believe they would object to being called to Ottawa at this busy season to give the required information. That is another reason why I feel this matter should stand.

Last fall the province of Ontario appointed a Royal Commission, presided over by an Ontario judge—Mr. Justice Wells, I believe—to inquire into the whole matter of dairy products. That commission has completed its hearings and, as has been said, is now considering its findings. A report, I understand, will be available in June. Perhaps my honourable friend from Parkdale (Hon. Mr. Murdock) would get the information which he desires

from that report. It will not cover all Canada, but conditions are practically the same in the various provinces. If the Senate passes this motion, I think it would be wise to get some advice as to whether the necessary funds will be provided to carry on the inquiry.

I do not wish to shirk my duties as Chairman of the Committee on Natural Resources, and I am sure every member of the committee would wish to do his part. If the motion is passed we shall carry on such an investigation as a majority of the members of the committee deem fit and proper.

Hon. A. L. BEAUBIEN: Honourable senators, I wish to speak briefly on the resolution before the house. As the motion is worded it is hard for me to grasp its real meaning, and after listening attentively to the remarks of my honourable friend from Parkdale (Hon. Mr. Murdock) I am still unable to comprehend it.

Every province in the dominion of Canada has a milk board and, as my honourable friend the Chairman of the Natural Resources Committee (Hon. Mr. Donnelly) said, Ontario appointed a royal commission to investigate the subject. The milk board is a permanent institution in all the provinces, and the members of the various boards are aware of the cost of production and distribution and are in close contact with representatives of the farmers. Surely such a group is much more competent to inquire into this subject than is the Senate Committee on Natural Resources.

I have no objection to the resolution, but I repeat that I do not understand its real meaning. For years the provinces have had bodies whose purpose it is to see that the producer gets reasonable prices in relation to the cost to the consumer, and I think that we should leave the matter in their hands. My honourable friend from Alma (Hon. Mr. Ballantyne) said that the farmer was given \$3.20—

Hon. Mr. BALLANTYNE: I said that he got \$3.45 net in the province of Ontario, and \$3.30 in the province of Quebec. That is for 3.4 butterfat.

Hon. A. L. BEAUBIEN: I will take the honourable gentleman's lowest figure. Assuming a hundredweight of milk contains ten gallons, forty quarts, and sells at \$3.20—the honourable gentleman said \$3.30—the producer gets 8 cents a quart for fluid milk, without an investigation. There is proof for my honourable friend from Parkdale (Hon. Mr. Murdock) that the producer is getting not less than 8 cents a quart for milk.

Hon. Mr. MURDOCK: The honourable gentleman has just proved that he is mistaken.

Hon. A. L. BEAUBIEN: My arithmetic may not be as good as that of my honourable friend, but I venture to say that it is as good as the wording of his resolution.

Some Hon. SENATORS: Oh, oh!

Hon. ARTHUR W. ROEBUCK: Honourable senators, it seems to me that this resolution either does not go far enough or goes too far. In a general way I wish to support the member from Parkdale (Hon. Mr. Murdock), with a view to attacking the cartel which I assume and suspect is engaged in the distribution of milk.

I come from an industrial centre where we buy milk at what seems to be a very high price, and every fraction of a cent that is added to the price has an important effect on the development of the future generation. The subject is an exceedingly important one, but this resolution merely asks that one of our committees inquire into the price of milk.

There is no reason why the resolution should not pass, and when the committee reports on how much milk producers receive for their milk and what milk collectors and distributors get for handling it, the committee will have done all that is required by this resolution. On one hand, the resolution does not go far enough to answer the real question of the mover. On the other hand, perhaps it goes too far, in that when the amounts have been ascertained they will mean nothing to us.

Honourable senators, I suggest that we pass this motion in order to learn the price of milk; but I would recommend to the mover (Hon. Mr. Murdock) that he reconsider the wording, with a view to having the committee conduct a well-ordered and well-defined investigation into this subject so as to expose the cartel, if there is one, in the distribution of milk to consumers. If the honourable gentleman will bring in a resolution of that kind, I can assure him of my support.

Hon. R. B. HORNER: Honourable senators, I surely appreciate the coming of the honourable senator from Parkdale (Hon. Mr. Murdock) to the defence of the farmers. He referred to the strike by farmers in the West, when they dumped their cream and so on. The feature of the strike that seemed strange to me was that it occurred when the farmers were getting higher prices than ever before in my memory of the West. It did not seem to help their cause to spill cream or leave eggs at home until they spoiled, when there was a great shortage of labour and elevators were rejecting grain and being closed up.

Hon. Mr. MURDOCK: I was not agreeing with their actions.

Hon. Mr. HORNER: I asked some of the farmers who I knew were associated in the strike what they wanted the government to do about the prices of butter and wheat, and they said they wanted parity. As nearly as I could find out, the strikers were people who had caused a lot of other trouble and whom I would call Communists; they were carrying out orders from another country, striking and causing all the trouble they could.

This whole question of the price of fluid milk and cost of distribution has been investigated thoroughly. In one inquiry about bread—I do not remember what inquiry it was—the evidence, as I recall it, was that the cost for wrapping and delivering the bread was more than for the wheat that went into it. In an endeavour to cut down the cost of delivering milk, it was decided in Winnipeg to make one wagon alone deliver to a certain area. That scheme did not work out, because the women wanted to be able to buy their milk and cream from their regular milkman.

My honourable friend from Parkdale referred to cream selling at \$1.05 per quart. That is certainly unusual, and I am afraid there would be no rush on that market.

Hon. Mr. MURDOCK: I am told that that is what is charged in Ottawa.

Hon. Mr. HORNER: I doubt it. I should like that to be verified. However, the representative of a milk company pointed out that merely because some lady had forgotten to order a pint of cream, they might have to harness a horse and rig and go a mile to deliver it. Such a transaction might cause them a loss, even at the price of \$1.05.

The honourable senator remarked that a good many returned men were unwilling to take up land. I may be out of order in discussing this, but my complaint is that, in the section of the country in which I live, the authorities are altogether too strict; they are refusing to men with a good overseas record, fellows raised on the farm, propositions which seem very reasonable to me. I have here a letter from a young fellow at Marcelin, Saskatchewan. He was offered a half-section of land, with full equipment, which belonged to his father-in-law, for \$5,000. I know this particular land, and without the equipment it would sell for seven or eight thousand dollars cash; but the deal has not been approved. He had written on the matter to a bank manager

who has undertaken to answer correspondence and assist the boys in these matters. I know of similar cases. On one farm eleven children were raised, and four of the boys went overseas. The place is mortgaged, but it is a quarter-section which, I believe, would sell for \$7,000, and the mortgage company offered to return it to the father, the original owner, for \$3,000. The boy applied to the Department of Veterans Affairs with a view to getting this place, but he was turned down, because, not being entirely up to date as to the newest types of oats to seed, he could not answer some questions. I cannot understand the attitude of the board, which I am told, is located at Prince Albert; instead of being anxious to help some of these boys, it seems anxious to put obstacles in their way. Perhaps if they were exceptionally clever they would not need assistance, but as I understand it, the object of the scheme is to assist the average returned man, and I have been very disappointed at the way it has been administered. I would like the government to look into the workings of the Prince Albert board which is in charge of the placing of these returned men.

Some Hon. SENATORS: Dropped.

Hon. Mr. SINCLAIR moved the adjournment of the debate.

The motion was agreed to.

MEETINGS OF COMMITTEES

On the motion to adjourn:

Hon. Mr. ROBERTSON: I would remind honourable senators that the Standing Committee on Banking and Commerce will be meeting immediately upon the adjournment of the Senate.

Hon. Mr. TAYLOR: Honourable senators, I should like to make an announcement with regard to the Joint Committee on the Indian Act. There is a change in the hour of sitting: instead of being in room 308 at four o'clock this afternoon, it will be at room 277 at nine o'clock this evening.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 7, 1947

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

Prayers and routine proceedings.

IMMIGRATION BILL

FIRST READING

A message was received from the House of Commons with Bill 10, an Act to amend the Immigration Act and to repeal the Chinese Immigration Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

DIVORCE BILLS

REPORTS OF COMMITTEE

Hon. Mr. ASELTINE presented the 188th to the 197th reports of the Standing Committee on Divorce.

The Hon. the SPEAKER: When shall these reports be considered?

Hon. Mr. ASELTINE: Tomorrow.

DELAY IN PRINTING OF COMMITTEE PROCEEDINGS

Hon. Mr. HAIG: Honourable senators, I wonder if the leader of the government (Hon. Mr. Robertson) would see that something is done to hasten the printing of the Divorce Committee proceedings? It was only yesterday, for instance, that I received reports of a hearing held on the 17th or 18th or 20th of March. The passage of divorce bills will be held up either in this house or in another place until the evidence taken in the various cases is printed. Since we re-assembled on the 23rd of April we must have already heard about 48 cases. After making inquiries I understand that the Printing Bureau is so busy that it cannot handle the committee's proceedings at all, and this work has been let out to jobbers. I feel that if we are to have these divorce bills passed this session we must get some push behind the printing of evidence.

CANADIAN WHEAT BOARD BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented and moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill 23, an Act to amend the Canadian Wheat Board Act, 1935.

He said: Honourable senators, the committee have, in obedience to the order of reference

of April 23, 1947, examined the said bill and now beg leave to report the same with the following amendments:

Page 10, line 8. Immediately after section 19 insert new clause 19A as follows:

"19A. The provisions of this Part shall be deemed to be repealed on and after the first day of August, nineteen hundred and fifty."

Page 14, line 26. Delete "his" and substitute therefor "any."

Page 14, line 27. After "grain," insert "in accordance with the Bank's usual requirements,".

Page 14, line 30. Delete "the" and substitute therefor "The".

Page 14, lines 39 and 40. Delete the words "and allowances authorized by the Board" and substitute therefor the following "allowances and costs provided for in such agreement".

Page 14, line 42. After "shall" insert "to that extent".

Page 14, line 48. Delete "his" and substitute therefor "any".

Page 15, line 5. Delete "the" and substitute therefor "The".

Page 15, lines 15 and 16. Delete "directed by the Board,".

The motion was agreed to.

The Hon. the SPEAKER: When shall the bill, as amended, be read the third time?

Hon. Mr. ROBERTSON: Next sitting.

PRIVATE BILL

FIRST READING

Hon. Mr. GOUIN presented Bill U6, an Act to incorporate Federation Insurance Company of Canada.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. GOUIN: Friday next.

INDIAN ACT

REPORT OF JOINT COMMITTEE

Hon. WILLIAM H. TAYLOR presented and moved concurrence in the third report of the joint committee appointed to examine and consider the Indian Act.

He said: Honourable senators, the Joint Committee of the Senate and the House of Commons appointed to continue and conclude the examination and consideration of the Indian Act (Chapter 98, R.S.C., 1927), and all other such matters as have been referred to the said committee, beg leave to make their third report, as follows:

Your committee unanimously recommend that the government give immediate consideration to the advisability of granting old age pensions to Canadian Indians.

The motion was agreed to.

DIVORCE BILLS
SECOND READINGS

Hon. Mr. ASELTINE moved the second reading of the following bills:

Bill X5, an Act for the relief of Robert Lussier.

Bill Y5, an Act for the relief of Robert Rosaire Loiselle.

Bill Z5, an Act for the relief of Marjorie Evelyn MacPherson Puley.

Bill A6 an Act for the relief of Sarah Rafferty Jackson.

Bill B6, an Act for the relief of Ida Berman Zatz.

Bill C6, an Act for the relief of Patricia Ellen Burt Williams.

Bill D6, an Act for the relief of Charles Alfred Michel Kelly.

Bill E6, an Act for the relief of Pearl Summers Slater.

Bill F6, an Act for the relief of Aime Jacques.

Bill G6, an Act for the relief of Grace Evelyn Smith Copeland.

Bill H6, an Act for the relief of Jessie Gertrude Noel Magee.

Bill I6, an Act for the relief of John Luchuck.

Bill J6, an Act for the relief of Rhondda Blanche Peace Hurford Smith.

Bill K6, An Act for the relief of Mabel Grace Mattinson.

Bill L6, an Act for the relief of Marcel Simonon.

Bill M6, an Act for the relief of Marian Susan Willson Roberts.

Bill N6, an Act for the relief of Jean Gainfort Grossman.

Bill O6, an Act for the relief of Evelyn Mildred Cook Stone.

Bill P6, An Act for the relief of Lily Elizabeth Harris Cunningham.

Bill Q6, An Act for the relief of Mildred Merica Ruth Goodreau Snyder.

Bill R6, an Act for the relief of Harry Powell.

Bill S6, an Act for the relief of Margaret Patricia Fairhurst Richards.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. ASELTINE: With leave, I move that the bills be read the third time now.

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

CONTINUATION OF TRANSITIONAL
MEASURES BILL

MOTION FOR SECOND READING

Hon. Mr. ROBERTSON moved the second reading of Bill 104, an Act to provide for the continuation of certain orders and regulations of the Governor in Council for a limited period during the national emergency arising out of the war.

He said: I would ask the honourable senator from Vancouver South (Hon. Mr Farris) to explain this bill

Some Hon. SENATORS: Hear, hear.

Hon. J. W. deB. FARRIS: Honourable senators, I am glad to hear some applause at the opening, because I do not expect to hear any at the conclusion.

The bill in question declares itself on the first page to be:

An Act to provide for the continuation of certain orders and regulations of the Governor in Council for a limited period during the national emergency arising out of the war.

In view of some comments which were made when the bill was introduced and given first reading, I might emphasize a fact that we are all familiar with—and I think it is more apparent in this bill than in most—that consideration naturally falls into two divisions: one, a consideration of the principle of the bill; and the other, a consideration in detail of the various parts of the bill in their relation to that principle. The principle, of course, is a matter properly for consideration on second reading. If that principle is found to be acceptable to the house, we can then have detailed consideration of the various provisions.

I might recall to honourable senators the history of the dwindling degrees of this legislation. First, there was the War Measures Act itself, which was brought into its full operation at the commencement of the war, and which very properly and with the approval of everyone, for reasons of national necessity and self-preservation, gave absolute powers to the government. Then, at the immediate termination of the war, there was brought into effect the National Emergency Transitional Powers Act, which was passed in 1945 and would, I believe have expired at the end of March this year. However, a short extension was made whereby, I understand, the act will expire on the 14th of this month. From *Hansard* of the other house I have taken an analysis of the power of that bill, because I think it is important that we should keep these in mind. The powers, exactly as the

Minister of Justice, the Right Honourable Mr. Ilsley, stated them in another place, are as follows:

(a) providing for and maintaining the armed forces of Canada during the occupation of enemy territory and demobilization and providing for the rehabilitation of members thereof;

(b) facilitating the readjustment of industry and commerce to the requirements of the community in time of peace.

(c) maintaining, controlling and regulating supplies and services, prices, transportation, use and occupation of property, rentals, employment, salaries and wages to ensure economic stability and an orderly transition to conditions of peace;

(d) assisting the relief of suffering and the restoration and distribution of essential supplies and services in any part of His Majesty's dominions or in foreign countries that are in grave distress as the result of the war, or

(e) continuing or discontinuing—

Again the expression "in an orderly manner", is used.

—in an orderly manner, as the emergency permits, measures adopted during and by reason of the war.

Honourable senators, that was the second stage. The National Emergency Transitional Powers Act was not as broad and comprehensive as the War Measures Act. We have now reached the third stage in what I am glad to say is a dwindling of the extraordinary powers given to the government because of the emergency.

The present bill is designed to continue in a still more modified form the period of transition from war to peace. There are some important facts that I think I should state to honourable senators in that respect, and they are reassuring. The first is that this bill gives the government no power to initiate any new orders or regulations. That power is discontinued. The second fact, which I have learned mostly from the statements by the Minister of Justice, is that a departmental committee—primarily I think from the Department of Justice, but with personnel from other departments—has been in operation since last August, studying these extraordinary powers that the government has had and endeavouring to see how soon they can be cut down or completely eliminated.

Honourable senators know that a great many measures, orders and regulations have been entirely done away with in the last year. If I had had time, I should have liked to find out the exact number. This may be a good time to tell the leader of the government (Hon. Mr. Robertson) that that question undoubtedly will be asked in committee, so that we may judge of the progressive nature of this dwindling process by compar-

ing the number of orders and regulations now to be continued with the number actually rescinded up to this time.

What this bill does is to present to parliament 57 orders and regulations selected by the government, on the advice of its officials and, particularly, of the departmental committee which has been functioning. When we recall the stacks upon stacks of orders and regulations that we have been deluged with since the beginning of the war, 57 does not seem a very large number. Those regulations and orders are contained in about twelve specified groups. I notice that Mr. Ilsley said there were fifteen groups and classifications, but as I analysed and checked them I think there are only twelve. The bill provides that the orders and regulations enumerated—and which will be found in the printed document that has been circulated to all members of this house—are to continue for one year or less. I say less, for this reason: that, although the government has no power to extend any extraordinary regulations or to pass new ones, it is expressly empowered to abolish or rescind any of these orders or regulations prior to the expiry of the year which is granted by the proposed bill.

Honourable senators, with that short explanation I come to what I consider to be the express principle of the bill. The principle of the bill is: shall parliament recognize that this country has not fully recovered from the calamity of the war, and that the consequences of that calamity still leave us with a national emergency; and shall parliament recognize that it is desirable to deal with this continuing emergency for another year, preserving a reasonable degree of emergency powers in the government, to the end that there shall continue to be progressive transition from the emergency into normal conditions?

I take it, honourable senators, that there is not a member of this house of parliament who will not say "Yes" to those two questions. However, members may say: "We accede to that part of your proposition, but what are those emergency conditions? We do not propose to accede to merely conjured-up suggestions of emergency in order to perpetuate in the government powers that it really does not need."

Mr. Ilsley presented in the other house an analysis of what he considered to be the outstanding problems which constitute an emergency requiring these 57 enumerated extensions of power. Any honourable senators who have not read the analysis and wish to do so may find it in the Commons *Hansard*, at page 1584. I shall not take the time of the house to out-

line the extensions requested; the schedule at the end of this bill gives a complete general picture of them. The requests come from various departments—the department of Agriculture, the Department of Fisheries, the Civil Service Commission and so on. The Department of Finance requires extension of a large number of provisions under the War-time Prices and Trade Board, having to do with leasing and matters of that kind. Honourable senators who are members of the legal profession will find it interesting to consider in committee the extensions asked for by the Department of Justice.

The Department of Labour has some requests with respect to order in council 1003 which may require particular consideration in committee. I have been making an investigation of the way in which this order in council applies to the problems of British Columbia, and at the moment I am not quite satisfied that this proposed legislation is in the proper form. I do not intend to go into the details of that matter, because I may be misinformed. The British Columbia legislature, in its session that closed only a few weeks ago, passed a labour bill which, in my opinion, is very important legislation and may well be a model for the rest of Canada. It recognizes the fact that when a strike vote is taken men are, for their own protection, entitled to a secret ballot. It recognizes the principle that a secret ballot is just as essential to the voter and to the welfare of the country as a whole in a strike vote as it is in an ordinary election. This new legislation provides that before a strike may be called in the province of British Columbia there must be a report by a conciliation board, and after the report has been considered by both sides a vote shall be taken by a secret ballot under the supervision of properly constituted governmental officials. Because of P.C. 1003, that new act is not operative as yet in British Columbia. When the bill now before the Senate is being considered in committee I want to be clear, as no doubt senators from other parts of Canada do, that we are not continuing this order in council for one year. For my part—and I am sure the Minister of Labour is in agreement—I believe the sooner the dominion gets out of certain fields of labour and turns the authority over to the provinces, which are capable of handling it in a most effective way, the better it will be for all parties concerned.

In another place opposition to the bill was directed along two distinct lines. If I were on the defence on this subject I could not think of any better strategy than to read one line of criticism against the other. If that

were done one would pretty well cancel the other, and leave the supporters of the bill in occupancy of the entire field.

The C.C.F. leader in another place complained that there was too much decontrol, that the government, was going too fast in doing away with the regulations and orders and the great degree of regimentation imposed upon the people during the past few years. As I read his speech I felt that the honourable gentleman rather liked controls for control's sake; that he believed they were good things in themselves and that instead of doing away with them we ought to be looking around with a view to adding to their number. The honourable gentleman cited the Gallup Poll. I certainly do not agree with the suggestion by the C.C.F. that these controls are good in themselves. I feel sure all honourable members would support a measure to continue controls based on necessity and nothing else; but I think the house would be united in opposing a suggestion that regimentation in the form of controls is a good thing in itself.

The results of the Gallup Poll disturbed me a little. I take the figures given by the C.C.F. leader and I assume they are correct. The results suggest that within the past seven or eight years there has grown up in Canada a generation that has never known the full benefit of freedom that we in this country used to enjoy. Therefore it seems to me that, even if we were not subjected to personal inconvenience by controls we ought to accelerate this so-called decontrol, in order that the younger generation may not become inured to regimentation before it is too late for them to appreciate fully and impartially the benefits of the kind of life we enjoyed in this country before controls were necessary. I am reminded of a quotation that has stuck in my memory for many years. Perhaps it offers an extreme illustration, but this is it:

Vice is a monster of so frightful mien,
As to be hated needs but to be seen;
Yet seen too oft, familiar with her face,
We first endure, then pity, then embrace.

For my part this regimentation is a form of vice that ought to be outgrown in Canada as fast as possible.

Hon. Mr. BALLANTYNE: Hear, hear.

Hon. Mr. FARRIS: In another place the great Conservative party—I omit the prefix, which I sometimes cannot remember—has taken a definite position, with the principle of which I am in full accord. I do not see how any lawyer who practises under our constitution and has a full conception of what the administration of justice has meant in this

country could theoretically take any other position. It is that the manifold control organizations, with their officers and their petty authorities, offering no right of appeal from their decisions and none of the safeguards that have been thrown around our rights, are interfering with our civil liberties. They do that, I suggest, a great deal more in the appearance and form of legislation than in actual practice.

I was much impressed with a quotation which the Minister of Justice read from a book that I have in my own library, although I have not yet had an opportunity to read it through. That is Professor Lower's book, *From Colony to Nation*. In this work, after having been extremely critical of the present administration, the author stated:

The kindest thing the historian can say about the King war administration is that it consisted of men most of whom were too thoroughly saturated in Liberal principles to take advantage of the arbitrary powers they had assumed. Despite defence of Canada regulations, despite neglect of parliament, Canada remained a free country, her press remained free, her citizens substantially retained their freedom of speech, and their representative institutions.

The men charged with government had not within their breasts the spirit of the despot, and although they erected a machine for war which, along with the other qualities of fine mechanism, had all the powers of the despotic state, they could not bring themselves to harness it to the ways of despotism.

I would not for one minute confine that statement to the Liberal party. I believe that had honourable members opposite formed the government of this country, that same spirit of liberalism—I am using the word in its wider sense—would have prevailed. Perhaps even had another party been in power—unless their preaching of a doctrine makes them believe in it so thoroughly as to lead them away from their basic principles—or had any other group of men in Canada been in office, their actions would have qualified them for what the professor says here about the men who at the present time administer the affairs of Canada. So, although we may read extracts from certain orders and regulations which, when considered as detached from realities and the power exercised under them, might make us shiver, it can be said that we have come through this war with a mighty good record in the maintenance of the freedom and independence of action of our people. I do not think we need have any serious apprehension because of the extension of these rights, in a dwindling form, for another year.

In a way, details stand out more prominently in this bill than they do in the ordinary bill. The measures are divided into fifty-seven varieties—if I may use that expression without making too close a comparison with something else—and in committee we shall be able to sample each variety, one by one.

I commend the principle of this bill to the favourable consideration of the house.

Hon. C. C. BALLANTYNE: Will the honourable senator from Vancouver South (Hon. Mr. Farris) inform this chamber whether, had this bill not been introduced into parliament at all, parliament could not have taken care of all the so-called emergencies which the Right Honourable Mr. Ilsley referred to?

Hon. Mr. FARRIS: I have no doubt that it could. Many times in my experience of parliamentary and other matters I have seen a good proposal objected to on the ground that, "Well, there is something else you could have done." I do not want to speak at all facetiously to my honourable friend; I know he is asking a proper question, and I wish to answer him in that spirit. But it seems to me that in view of the continuous working of the system under these orders, and the assurance of their progressive dwindling, the most practical way to deal with them is the way the government has taken.

Hon. Mr. BALLANTYNE: Honourable senators, this bill could not have been entrusted to a more capable senator than the honourable senator from Vancouver South (Hon. Mr. Farris). I cannot compete with him for one moment in knowledge of legal questions, as he is a very talented lawyer and I have had no training whatever in that respect. I prefer to deal with this bill from a business and a practical angle, and to point out how it is restrictive of the development of this country, not only from an industrial point of view, but also from the standpoint of those who are engaged in wholesale and retail business.

When the war broke out the government was fully justified in creating, under the War Measures Act, the Wartime Prices and Trade Board. I have said before, and I repeat, that no more capable gentleman could have been appointed to administer that important and very difficult department than Mr. Donald Gordon. I would point out to honourable senators that another great strength, probably undisclosed, was behind Mr. Gordon and the wartime prices board: I refer to an enthusiastic public opinion and support.

The bill which has just been introduced is supposed to terminate at the end of this year, if parliament is in session. But parliament will not be in session; therefore this bill will remain in force until the end of March, 1948.

The bill, as my honourable friend (Hon. Mr. Farris) no doubt is aware, is not popular. A great many people think that it was unnecessary to prepare this bill and submit it to parliament. That is the reason why I asked the honourable senator whether parliament in its wisdom could not by necessary legislation have taken control and provided for all these emergencies which the Minister of Justice enumerated in another place and which have been emphasized here this afternoon. I believe that the business men of this country are of the opinion that this is not an emergency bill, and that its contents, outlining controls of 57 varieties, are unnecessary. After all, the war ended two years ago.

No doubt the honourable senator from Vancouver South has read the presidential addresses of the heads of our large financial institutions of the presidents of the Canadian Manufacturers' Association, Chambers of Commerce, and other important bodies, who presumably have a thorough knowledge of business conditions in this country and are as interested as is the government or anybody else in a wise conduct of our affairs.

Let us turn to the cost of living. My honourable friend said nothing whatever about the increased cost of living. While I am on that subject, may I say, with all due respect to my honourable friends across the way that they have never been fair or just to the Union Government that was in power during the first war. We did not have all the controls that were in force during the last war; but again and again when my Liberal friends, inside this house and outside, were making speeches over the radio or elsewhere they said: "Contrast the cost of living in this war with the cost of living in the first war." Large cards were displayed in Montreal departmental stores comparing the cost of living from 1914-18 with current costs. Of course, there was a wide difference, but no mention was made of the hundreds of millions of subsidies that the taxpayers of this country have had to pay to keep the cost of living down.

A great deal has been said about controls and decontrols. I venture the opinion that if not a single control whatever had been lifted the cost of living would have gone up, and it would have been beyond the power of the Wartime Prices and Trade Board to prevent manufacturers, wholesalers and retailers

from getting certain advances in prices. I make that statement because controls, after all, play only a minor part in regard to the increased cost of living. We have to consider the increased wages, how they have advanced during the last year, and the demands that are still being made from one end of this country to the other. Canada has unfortunately experienced strike after strike, resulting in hundreds of millions of dollars being lost to wage-earners and to the industries affected. Those strikes have been a big factor in the increased cost of living.

Let us turn to the industrialist for a moment. What are the problems that he has to contend with? Every raw material that he buys is not only scarce and difficult to obtain, but has increased in value. His payroll has increased, working hours are shorter, and the ultimate result is an increased cost of production, causing an increase in the cost of goods purchased by the consumer.

I am very grateful to the government for removing a certain number of controls, but I must say that I am not in sympathy with the 57 varieties that are outlined in this bill. Might I also point out that more than a year ago our neighbour across the line was forced by public opinion to remove all controls except those on rentals, sugar and rice. The chief executive of the United States government, in addressing a press conference a few days ago, said that controls could not be reimposed in that country, even if the government decided it wanted them. I venture the opinion that the majority of Canadians also feel that way. I stated a short time ago and I reiterate, the complete removal of controls would mean increased production, increased employment and, eventually, lower cost of goods to the consumer. There is not any doubt in my mind that this would be so.

The industries of Canada co-operated with the government, as they should have, all during the war. They turned their plants from peacetime production to wartime production; now they are operating again on peacetime production. The people in industries are longing for the freedom to go to their own offices and manage their own affairs and issue whatever directions they think are proper. Therefore, I cannot but regret that this bill is going to hold good until March, 1948. The government, of course, may remove a certain number of controls in what it calls an orderly fashion, but I do not think the country would suffer in any degree if all controls with the exception of the rental control—and I am not so sure about that one—were removed.

My honourable friend from Vancouver South (Hon. Mr. Farris) probably noticed in a newspaper article of a few days ago a statement by a very clever and efficient lady, Mrs. Leslie Hodges of Montreal, who was in charge of the women's organization in connection with the Wartime Prices and Trade Board. While addressing her organization and thanking them for the splendid work they had done during the war, she said that in her opinion the time had come when all controls ought to be abolished.

I say this in a most friendly manner to my honourable friend and to the members of the government. After having had such strict controls in operation during the war it is very difficult for the government to be brought to feel that the war has been over for two years, and that it is now time for cessation of those controls. The ministers have no doubt been largely influenced both by the controllers and the large organizations that have been under them. We have far too many of these officials in Canada today; I should say thousands too many, from one end of the country to the other. And when the government ask these so-called experts what should be done, the reply is: "Oh, you must continue this, and you must continue that, and you must continue the other thing".

I have looked over this bill only in a very hurried manner, but I have noticed one very important clause in it with reference to seamen. The honourable senator from Lunenburg (Hon. Mr. Duff) knows more about this subject than I do, but I am aware that under the Shipping Act, to be a ship's master you must hold a master's certificate, and to be a chief engineer you must hold a chief engineer's certificate. If this bill were passed without this clause being altered, almost any man could be master of a ship; the second engineer or the third engineer could be appointed first engineer—all this being left to the discretion of the Minister of Transport.

Honourable senators, I have perhaps spoken too long on this very important bill, but I want to reiterate that if the government desired to please the majority of the people, and not the minority, it would never have introduced the bill. I do not profess to be a constitutional lawyer in any way, but I say—and my honourable friend from Churchill (Hon. Mr. Crerar) will agree with me—that if this bill had never been introduced parliament could have functioned and carried on in a constitutional and regular manner in spite of every emergency that my honourable friend from Vancouver South (Hon. Mr. Farris) has referred to.

In conclusion, may I say that I am lining up with the financiers and business men of this country in a protest that the time is long overdue when controls should have been abolished. I know that we on this side of the house are too few in number to prevent the passage of the bill; but I do hope that it will be pared down and that it will receive the usual careful consideration when it is referred to committee.

Speaking more as a business man than anything else, for I am still closely associated with that class, I say that we shall continue to operate, but expansion will not be as great and costs will not be as low as if this bill had never been introduced into parliament.

Hon. THOMAS A. CRERAR: Honourable senators, we are all indebted to the honourable senator who explained this bill (Hon. Mr. Farris) for the clear exposition he gave of the necessity for the measure and of this manner of proceeding to enable the government to retain necessary powers for another year. Other methods of procedure might have been adopted. The government could have introduced 57 different bills, covering the matters referred to in this so-called omnibus bill. I think the procedure adopted is perhaps the best.

I do not like controls any more than does the honourable senator from Vancouver South (Hon. Mr. Farris), or any other member of this house. There is a good deal of truth in the honourable gentleman's statement that through the exercise of controls people become more or less habituated to them; and our younger generation grows up in an atmosphere of control and perhaps does not fully recognize and realize the value of liberty and freedom of the individual. But I differ with my honourable friend from Alma (Hon. Mr. Ballantyne) in his rather sweeping statement that all the controls might well have been abolished. Certain ones, I think, must be maintained for another year—perhaps two or three years.

The immense dislocations created by the greatest war in history are still with us. I have no doubt whatever that if, for instance, rental controls were abolished there would be a sharp increase in rentals and continuing dissatisfaction therefrom; and that would immediately become a factor in creating labour and other unrest. Therefore, I think it is essential that some measure of rental control be continued until conditions in the country become much more normal than they are today.

If we discontinued the control over the disposition of timber I venture to say that we would get very little lumber or building material for houses or any other kind of construction in Canada, except at much higher prices than we pay today. That condition would also lead to discontent among the people who want to build houses, and it would promote labour and other unrest. Controls on other commodities, such as sugar, are essential and should be maintained until we have more ample supplies.

I have no fault to find with the government for proceeding as it has with this bill. I do hope and expect that the controls will be removed as rapidly as can reasonably be done. Certainly we in this country do not want to get into a continuing atmosphere of regimentation and regulation of the individual. I believe honourable senators are sufficiently aware of my general views on that question so that I do not need to elaborate them.

The bill covers one order in council which I certainly should not like to see pass the Senate without a word of protest: it has to do with the control of Canadian citizens of Japanese origin. I know this subject is a delicate one, and I do not wish to discuss it in any way that will arouse feelings or antagonisms. I realize how strongly, and I think quite mistakenly, the people of British Columbia feel about this question, and I shall deal with it briefly from the angle of the elementary fundamental rights of Canadian citizens.

In this country we have several thousand Canadian citizens of Japanese origin. Some of them are naturalized; some were born in this country of naturalized parents and are just as much Canadian citizens and British subjects as are any honourable senators listening to my voice today.

For security reasons during the war it was considered necessary, not only in Canada but in the United States, to move people of Japanese origin from the Pacific coast. I have always thought that the security reasons were stretched to the very limit to justify that action; but, be that as it may, the action was taken. The war with Germany has now been over for two years, and it will soon be two years since the war with Japan ended; yet it is proposed that the extraordinary provision authorizing such action shall be continued for another year.

Honourable senators, let me emphasize that I am dealing with the case of Canadian citizens, British subjects—citizens who have just as much right to their privileges under the laws of Canada as has any honourable member seated in this house. We are asked to validate Order in Council P.C. 946 for another year.

Under subparagraph (ii) of section 3—which appears on page 110 of *Office Consolidation of Orders in Council*—the Minister of Labour may “determine from time to time the localities in which persons of the Japanese race shall be placed or may reside”. Furthermore, under subparagraph (iv), he may “employ persons of the Japanese race for such purposes at such rates of wages and on such terms and conditions as he deems advisable”. What does that mean? That the Minister of Labour may take Canadian citizens, British subjects, simply because they happen to be of Japanese origin, and put them at any sort of labour in Canada that he wishes to put them at and pay any rate of wages he wishes to pay. That is a drastic and unjustified control over a British subject and a Canadian citizen. If we get into the easy habit of accepting these restrictions, why could not this process be applied to some other minorities in Canada if some government in the future did not like them and wished to harass them?

That is why I wholly agree with what the honourable senator who introduced the bill said, that we should have in mind that it is easy to get our people thinking along these lines and difficult, sometimes, to get them to retrace their steps.

The order contains other remarkable provisions. The minister may prevent Japanese from moving from one place to another, and they cannot move from one place of residence to another place of residence without a permit from the minister. The persons subject to these restrictions are not alien enemies, but Canadian citizens and British subjects who happen to be of Japanese origin. Frankly, I think this treatment of a helpless minority is a blot on the good standards of our Canadian citizenship.

On the larger question I have very definite views. I am opposed to any wholesale or even moderate migration of Orientals to Canada. But we may have an opportunity of dealing with this aspect of our immigration problems at another time. I say this, that we in Canada, having accepted Japanese immigrants and given them naturalization papers—and their children, born here, being entitled to all the rights of Canadian citizens—it is a harsh and unjustified discrimination to maintain these provisions in the law. I was brought up in a school of liberalism that did not believe in that sort of thing, and at this time of life I am not going to change those convictions on any grounds of expediency, no matter how much the expediency may be urged.

I just wish, honourable senators, to make this protest against that particular order in this measure.

Hon. G. P. BURCHILL: Honourable senators, the purpose of this bill, as explained so ably by the honourable senator from Vancouver South (Hon. Mr. Farris), is to provide legislation whereby certain controls which operated under war emergency measures can be continued.

I want to detain the house for just a few minutes, because I feel that I cannot let the opportunity pass without saying a word about one of these controls which it is proposed to continue, namely, the timber control.

First, I should like to pay tribute to the men who organized the timber control and made it work, and were willing by their unselfish devotion to the cause, and at great personal sacrifice, to undertake this very unpopular and demanding commission. All of them have done a good job. But I refer particularly to Mr. MacMillan, Mr. Nicholson, Mr. Williamson, Mr. Rosenberry, Mr. Flahiff, and to their loyal and hard-working staffs, many of whom left their homes and worked long hours, day after day, here in Ottawa, doing a very thankless job. I think we are apt to forget the services these men rendered to the state, and particularly the job they had to do in the lumber industry, in which pioneering individualism has been conspicuous down through Canada's history, and in which still the risks and adventure and speculation involved mark it as an industry for men who hunt alone or in very small teams, preferring to swim or sink on their own judgment.

The first object of the timber control was to assist in stimulating increased production.

Hon. Mr. LESAGE: May I ask the honourable senator whether the gentlemen he mentioned were dollar-a-year, big-salaried gentlemen?

Hon. Mr. BURCHILL: I think that most of them were. Some of them were paid by their own firms who sent them here. How these men succeeded or how in that period success was attained in increasing production, I think is shown in very striking figures. In 1939 the total lumber production of Canada was 3,976,000,000 feet. In 1946 production had increased to almost five billion, or an increase of over one billion feet. Of this total the Maritime Provinces' production in 1939 was 420,000,000 feet; and last year, 1946, it was 632,000,000 feet, or an increase of almost fifty per cent.

Now, while I wish to give the timber control all possible credit for its share in directing and assisting, I feel that these figures could only have been possible by the

co-operation and achievements of the lumber industry itself. Over the whole home front during the war years, I do not think that any other industry excelled the achievement of the lumbermen of Canada; and when I say that I wish to include not only the executive and management, but I am thinking also of labour, with particular reference to that permanent staff in the office, in the mill and in the woods which every lumber operator from east to west depends upon, and without whose loyalty and devotion to the job the colossal output which I have mentioned would not have been possible.

The next function of the timber control was distribution, to allocate lumber to the various war industries here in Canada where the need was greatest. This distribution created many difficulties and encountered many obstacles; but Canada's war effort, which was not exceeded by any other of the United Nations on the basis of population, is, I think, the best proof of how fully that control succeeded. However, when you think of distribution you must also include the important question of export, for it must be remembered that previous to the war Canada's lumber industry was entirely dependent upon export trade. In fact, Canadian wood was one of the first products of this country shipped abroad. Down through the entire history of our land this trade has always been one of the main arteries through which circulated that world trade which is so essential to our growth and development and economic well-being.

Under the export regulations of the timber control you will find that much more lumber is being retained in Canada at the present time than in pre-war days. In 1939, of the 3,976,000,000 feet produced, 2,211,000,000 feet, or 55 per cent. was sent out of Canada, while in 1946 only 2,075,000,000 feet, or 42 per cent, was allowed to leave Canada. This means that in 1939 only 1,765,000,000 feet were sold in this country, while in 1946 nearly three billion feet of Canadian lumber was used in the domestic market. Of the Maritimes production, in the seven pre-war years, an average of approximately 90 million feet remained in Canada, while last year, under the regulations of the timber control, we were obliged to sell for consumption here not less than 240 million feet.

Honourable senators, to us in the Maritimes the question of export is a matter of life and death. Our natural market is the United Kingdom, where we have been shipping since the earliest times. The domestic markets of Ontario and Quebec are economic impossibili-

ties, on account of the long freight haul. And in addition to all this there is at the present time a difference of from \$15 to \$25 per thousand feet in the net return to the Maritimes mill between the Canadian ceiling price and the world price. In fact, there is not a single sawmill in the Maritime Provinces which could turn a wheel today if we were confined entirely to the Canadian market. I would estimate an actual difference of \$10 to \$12 per thousand feet as between this year's cost of production and the figure the Canadian ceiling would bring in an average lumber operation in the Maritime Provinces this year.

No one dislikes controls more than I do, but I think the honourable senator from Vancouver South (Hon. Mr. Farris) expressed all our feelings very ably this afternoon when he said that it was necessary, under present conditions, to remove these restrictions gradually.

While the present demand for lumber exists in Canada, with the shortage of houses, which particularly affects our veterans, and for that matter a large percentage of our population, I cannot join with those in the industry who favour immediate de-control. I think the policy of releasing controls gradually, as conditions permit is sound and is in the best interests of all concerned; but control of the lumber industry, or, in fact, of any industry, under war emergency, is one thing, and control in peace-time is quite another. To maintain a price structure and enforce it by government regulation which will suit the producer, the wholesaler, the broker, the retailer, the consumer and the exporter, seems to me to be rather beyond man's ingenuity. The result is that today there are some sections of the trade where the restrictions are bearing very heavily and creating many difficulties.

As I have mentioned above, the Maritimes industry—and I am speaking particularly for them, because the West has no lack of champions—must have more air in order to live. In other words, they must be allowed to export a larger proportion of their output if they are to be compelled to take, for what they sell in Canada, prices which are many dollars below their actual cost of production. As I have indicated, 240 million feet were sold in Canada in 1946 as against a normal sale of 90 million feet in 1939; 40 per cent as compared with 21 per cent.

The retailer in my section of Canada is very much dissatisfied because he cannot buy lumber. He cannot meet the prices which are being offered the operator for export shipment, and sell in the Canadian market. Personally, I think that many of these difficulties would

be lessened, if not eliminated, if the Canadian ceiling price schedule was revised upwards, and a closer relationship established between world prices and the domestic ceiling, so that when the time comes to lift restrictions prices would be more in line and the readjustments would not be so acute.

Just recently some adjustments were made in the regulations as they affect certain mills in British Columbia and other sections of western Canada. I want to plead for the industry in the East, where production was stepped up 50 per cent during the war and where the control authorities will agree they always received 100 per cent co-operation. I would earnestly suggest to the present control authorities that a close study be made of conditions in the industry in the Maritimes, with particular reference to our export trade, and also with a view to making adjustments which will, if not entirely eliminate, tend to correct some of these grievances which I have indicated and of which certain sections of the industry are complaining very much at present.

Hon. ARTHUR W. ROEBUCK: Honourable senators, may I join with the senator from Alma (Hon. Mr. Ballantyne) in the complimentary remarks he made respecting the honourable gentleman from Vancouver South (Hon. Mr. Farris), who so ably and lucidly explained this bill.

I cannot go all the way with the views of the senator from Vancouver South, nor can I agree entirely with the senator from Alma in his suggestion that all controls be abolished. I think perhaps it would be somewhat redundant on my part if I said that I too am not in favour of controls as such.

Hon. Mr. BALLANTYNE: Will the honourable gentleman pardon me? I said that possibly we ought to retain the control of rentals.

Hon. Mr. ROEBUCK: I was about to mention that point, but I thank the honourable gentleman for correcting my previous statement.

We are all anxious to see controls abolished as this becomes possible, but I hesitate to contemplate the picture that would present itself in this country if we at this time withdrew our controls over rentals and tenants. In an economy where housing is an absolute necessity to all the people, and where there are fewer houses than tenants, I hesitate to visualize what would happen if we had unrestricted competition for housing accommodation. I can imagine that the reaction of those who own houses would lead to a spiralling increase in rentals, and the eviction of people would be scandalous and disastrous. Until we get at

least a little closer to the ideal conditions of a house for each family, we must continue this form of control.

Hon. Mr. HAIG: Will my honourable friend answer a question?

Hon. Mr. ROEBUCK: Yes.

Hon. Mr. HAIG: Under what principle does the government assume the right to place controls on one particular kind of property and on no other. What I mean is this. Why should a man or woman who has invested money in a house be prohibited from getting the earned value of that property, when someone who has money in another type of investment can dispose of it at whatever price he or she likes? May I further illustrate it this way? If one has his money in stocks or bonds, and the price goes up, he is allowed to sell and take his profit. On the other hand, to the investor who has his money in houses the government says, "You must take only the rent you could get in 1941, when the cost of building was half what it is today". I have never been able to understand the principle of that type of control. I can appreciate the demand for housing, because there are ten thousand people renting compared to one thousand who are owners. I should like to have someone explain that principle to me.

Hon. Mr. ROEBUCK: I do not know that I can enter into a philosophical dissertation on the right of the government with respect to the control of individual property, but so far as the investment of money is concerned I can perhaps explain it this way. If I invest my money in bricks and you invest yours in straw, and your straw burns and my bricks do not, you have no complaint so far as I am concerned. If on the other hand, you invest your money in a house, and I invest mine in an automobile, you may rent the house, but I cannot claim the right to run over people on the street.

Hon. Mr. HAIG: That is not answering my question.

Hon. Mr. ROEBUCK: There is a control over how one may use property. The mere investment of money in property does not change the character of the property. It is not right that the members of a community who have invested in houses should be allowed to take advantage of their fellow citizens, and by virtue of their ownership of a necessity of life to mulct them for undue amounts or to exercise in an oppressive manner the right of eviction.

Hon. Mr. HAIG: May I add one more thought? No houses have been built for rental since the control measure went on. That is the logical result of such action.

Hon. Mr. ROEBUCK: I can scarcely agree with that observation of my honourable friend, for the reason that there was practically no new construction of houses in Canada since the market upset of about 1929. I have had the figures as to how little building was done in the years preceding the war. We were then ten years behind in the construction of houses, and of course during the war we built practically none. To some extent the government has a paternal responsibility to protect the weak against the strong. It has a responsibility at this time to say that those who own houses shall not take unjust advantage of and mulct their fellow citizens who are tenants.

Hon. Mr. LEGER: It is all right to say that the owner shall not take unjust advantage, but these regulations do not contemplate that he will get any advantage, even a just one.

Hon. Mr. ROEBUCK: I have heard some great wails from the landlord class, but we should not forget that during the past five or six years owners of buildings and property have had no expense in the renting of their properties: they have paid practically no commissions, incurred no bad debts, suffered no vacancies, and, as somebody has suggested, they have made no repairs. Landlords have derived a steady return from their property, notwithstanding the controls, and values have greatly increased. I think one condition offsets the other.

May I recall to my honourable colleagues in this house that there is no other factor in a community which tends more rapidly and certainly to business recession, breakdown and stagnation than an undue increase in land values and rentals. Do not forget that rents have two characteristics. There is the rent of the house, which is produced by industry, by the hands of men, and as to which there can be some competition under normal circumstances; and there is the rent of the land itself, which is purely a matter of monopoly, the right accorded to an individual to own a part of the earth to the exclusion of all his fellows, and, after paying a portion of its value in taxes, to keep the balance for himself. The latter is a monopoly; and there is no limitation, beyond the ability of the nation to pay, of the height to which those values may be boosted. I think we are entirely justified in retaining rent controls, and I see nothing but disaster ahead of us if we allow them to go.

But I did not intend to make a speech on that subject. It was my purpose to say a few words on something else.

The gentleman who explained the bill said that the men who had run Canada during this war could not bring themselves to act the part of despots. He generously extended that compliment to the opposition parties and to all of us, and so he has included me along with the rest. And I say to you, gentlemen, that I cannot bring myself at this time to act the part of a despot, either in dealing with this bill or in any other way. I, like the honourable senator from Churchill (Hon. Mr. Crerar), am a liberal. I mean it. I do not propose to vote for a measure, which in my judgment is anti-liberal to the last degree, merely because it is included in what is known as an omnibus bill. I am not going into the question of whether this legislation might have been brought before us in a more convenient form. It is here in this form, and we shall have to deal with it as it is.

I do not go along with the honourable senator from Vancouver South (Hon. Mr. Farris) when he says that the principle of the bill consists in the omnibus, to the total disregard of the passengers that the omnibus carries. I find included in the freight within this vehicle is the order in council to which the honourable senator from Churchill (Hon. Mr. Crerar) has referred with such eloquence, such force, and, I think, such logic. I wish to adopt every sentence which he has expressed, and to say that I cannot vote for this measure while it contains this particular objectionable feature. It is only one of the 57 varieties, but honourable gentlemen will remember that a little yeast leaveneth the whole. So a very little virus will, perhaps, spoil the whole, and a drop of poison makes an entire batch unacceptable. The drop of poison which I find in this omnibus bill makes it impossible for me to vote for the whole measure. I refer to Order in Council P.C. 946, at page 109 of the *Office Consolidations of Orders in Council*, a copy of which has been supplied to us. Section 2 of the order, reproduced on page 110, states:

2. It shall be the duty of the minister to plan, supervise and direct the evacuation from the protected areas of British Columbia of all persons of the Japanese race and the placement and control of such persons elsewhere in Canada and to take such measures—

And so on. Of course this order was passed some little time ago, on February 5, 1943. It provided for the evacuation of the Japanese. I am not going to criticize that action; it was done under pressure of war. Apparently the Japanese themselves hold no animus against us for what we did at that time, in

the removal of those of Japanese origin from coast districts. But they do hold resentment, and I think justly and rightly so, for the treatment which was accorded them. Incidentally to this experience their property was seized. Also it was sold, and sold at knock-down and sacrifice prices which, I think, are a scandal. I join with those who now demand an investigation into the sale of these people's properties and a just compensation to them for what they have unnecessarily suffered at our hands.

Hon. Mr. LEGER: Why were they sold?

Hon. Mr. ROEBUCK: I know of no good public reason and no excuse. I can guess reasons, but they would not be complimentary to some people, and I am not so fully posted that I can prove my suspicions. But they were sold, and sold at prices which in my judgment, and according to the knowledge which I now possess, were a disgrace. However, that episode is past. But this order heaps insult upon injury, and in a most unnecessary way. The crisis which justified the removal of the Japanese has gone by. It is dishonest and insincere to suggest now that that crisis justifies us in the control which we continue to exercise over this minority group.

I further read that:

3. (1) The Minister may—

(ii) determine from time to time the localities in which persons of the Japanese race shall be placed or may reside.

The Japanese are a small group, a minority. They number about 24,000 of our whole population of some twelve million. To say that there is any emergency which justifies this measure and should put that small group under control of officials of the government, is to be insincere and undemocratic.

Further, the minister may employ persons of the Japanese race under the conditions which have been referred to by the honourable member from Churchill (Hon. Mr. Crerar). Also, he may—

(vii) require, by order, any person of the Japanese race in any place in Canada to proceed to any other place in Canada at such time and in such manner as he may prescribe.

Once again: he may—

(viii) . . . prohibit such persons of the Japanese race or such other persons from moving or travelling anywhere in Canada, or from residing in any place or area in Canada, except subject to a permit issued by or on behalf of the Minister and on such terms and conditions as may be prescribed by him or by any person authorized to act on his behalf under these regulations.

That means, honourable senators, that so far as these Canadian citizens are concerned, Canada becomes a police state and they, like the

Helots of Russia, are tied to the land where they happen to stand and cannot move freely from place to place as British subjects should be allowed to move and as Canadian citizens have a right to move.

I object. I gag at legislation of that kind. I will have none of it. Honourable senators, let me point out that it provides penalties. It says:

The deputy minister may exercise all powers conferred on the minister under these regulations.

That is to say, this arbitrary control of the lives of individuals is in the hands of a civil servant.

Then the order says—and mark this:

There shall be a Commissioner of Japanese Placement who shall, under the minister and the deputy minister, be the chief executive officer charged with the administration of these regulations and who may under their control and direction exercise each and every power conferred by these regulations on the minister.

You talk about controllers. We have complained that controllers have interfered with our right to buy and sell, but what do you think of a controller who is appointed by the executive and has the right to say to a Canadian citizen: "You shall go from this spot to that spot. You may not stay here. You must go somewhere else."? Why, honourable senators, that is an interference with civil liberty.

Hon. Mr. HORNER: We are attempting to teach them democracy over in Japan.

Hon. Mr. ROEBUCK: I hope the Japanese people do not learn their democracy from this particular order in council.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROEBUCK: From a Toronto barrister I have received a letter which says in part:

This order provides that persons of Japanese origin shall not travel in British Columbia or reside there without permit. This as you will realize, raises important questions of principle in regard to civil liberties and racial discrimination. It applies to veterans, and seems inconsistent with our international obligations. It is based upon a supposed emergency which no longer exists.

We believe that it is the function of the Senate amongst other things to defend civil liberties, and that the Senate may be free from that pressure of sectional interest which sometimes affects the elected members of the House of Commons.

I have listened to representatives of British Columbia speaking on this or allied questions, and felt ashamed of their extreme statements

and the loss, it seemed to me, of their grip upon liberal principles or common decency between man and man.

The situation of the Japanese group in Canada bears, in my mind, a striking resemblance to that of the Jewish group under Hitler. Except that we do not perpetrate murder upon them as he did, I find it rather difficult to differentiate between the principles of Hitlerism as it applied to the Jew in Germany and the principles of this order as it applies to the Japanese in Canada. I say to my fellow members in the Senate that I would have none of this kind of legislation; that I would not soil my hands or my reputation by voting for legislation that contains a measure of that kind. I would have none of it.

Some Hon. SENATORS: Hear, hear.

Hon. W. A. BUCHANAN: It was not my intention to participate in the discussion, but since the honourable senator for Churchill (Hon. Mr. Crerar) and the honourable senator from Toronto (Hon. Mr. Roebuck) have touched on a phase of the controls as to which I am in complete accord with their views, I feel I should express my feelings at this time.

I go back to the First Great War, when most of us went about the country saying that Britain and Canada were standing for the pledged word that Britain had given to Belgium. We boasted to the new citizens of Canada at that time, and have done so ever since, that Britain and Canada stood by their word.

When I come to deal with the question of the Japanese who have become citizens of this country, I feel that we are breaking our pledged word to them by the action we took during the war and have been taking since the end of the war.

Hon. Mr. ROEBUCK: Hear, hear.

Hon. Mr. BUCHANAN: When we allowed them to become citizens of Canada they pledged themselves to live up to the obligations of Canadian citizenship, and we accepted them as Canadian citizens under these circumstances. We have not treated them as Canadian citizens and have not trusted them as they were entitled to be trusted. I have had enough experience with them to say this: during the period of the war and since that time, the Japanese have been just as good citizens of this country as has any other element. We had no crime in which they participated during the war years, and as far as I could ascertain, they

were thoroughly loyal to us; at any rate, they were citizens of Canada and deserved the same treatment as all other citizens of this country.

I think a dangerous precedent has been established in that, under certain circumstances, with a certain type of government in control of the affairs of Canada, we could endanger the position of many minorities in Canada by penalizing them on the ground of colour, race or religion. That would be disastrous. I agree completely with the senator from Toronto (Hon. Mr. Roebuck) and the senator from Churchill (Hon. Mr. Crerar) that this is entirely contrary to liberalism—and I mean with a lower-case "l". I am not speaking of party politics at all. I feel it is a dangerous precedent that we are establishing. I myself think it would be an advantage to the Japanese element and to Canada if they were distributed more evenly over the country at large and not settled in one province. I am opposed to group-settlement anywhere in this dominion. If we are going to allow citizens of other countries to enter Canada and become acquainted with our principles of government and standard of living, it is better that they mix with people who have been here for a long period of time.

May I say something else in respect to the Japanese people? They have sought and obtained education in the schools and universities of Canada. They have been taught in these schools that Canada and Britain stood for certain high principles. These young people have grown up with these thoughts impressed upon them by teachers in schools and by professors in universities and what has happened has been absolutely in contradiction to what they were taught.

Honourable senators, I do feel very seriously that this is dangerous legislation, and that it should not be placed upon our statute books and maintained. It is not only hypocritical on our own part, but in the minds of people who have come here from other lands and taken the oath of Canadian citizenship it creates the feeling that Canada does not live up to the obligations it has imposed upon them.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. WHITE moved the adjournment of the debate.

The motion was agreed to.

MILK PRICES DISCUSSION POSTPONED

On the Order:

Resuming the adjourned debate on the motion of Hon. Mr. Murdock, that the Senate instruct the Natural Resources Committee to ascertain

by official inquiry how much the milk producing farmers of Canada secure for their milk product less than five cents a quart, and to also inquire how much the milk collectors and distributors of Canada secure for milk collecting and distributing at better than ten cents a quart.

Hon. Mr. SINCLAIR: Honourable members, I move that this order be postponed and placed on the order paper for consideration on Thursday, May 15.

The motion was agreed to.

MEETING OF COMMITTEE

On the motion to adjourn:

Hon. Mr. ROEBUCK: Honourable senators, before the motion to adjourn is put may I make an announcement? Notices of a meeting of the Standing Committee on Miscellaneous Private Bills in Room 368, after the rising of the house today, have been sent out, and persons interested in the bill before the committee are present in the building. We hope to have at the meeting a sufficient number of senators to facilitate consideration of the bill, so that it may be reported back to the house.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 8, 1947.

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

Prayers and routine proceedings.

PATENT BILL REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented and moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill 16, an Act to amend the Patent Act, 1935.

He said: Honourable senators, the committee have in obedience to the order of reference of April 24, 1947, examined the said bill and now beg leave to report the same with the following amendments:

1. Page 2, line 15. Delete "emanation" and substitute therefor "agent or servant".
2. Page 2, line 27. Delete "emanation" and substitute therefor "agent or servant".
3. Page 5, line 46. Delete "thirtieth day of September" and substitute therefor "fifteenth day of November".
4. Page 6, lines 2 and 3. Delete "thirtieth day of September", and substitute therefor "fifteenth day of November".

5. Page 6, line 4. Delete "thirty-first day of March" and substitute therefor "fifteenth day of May".

6. Page 6, lines 25 and 26. Delete "thirty-first day of March, 1947" and substitute therefor "coming into force of this section".

7. Page 6, line 26. After the word "had" insert "Canada".

8. Page 12, line 22. Delete "first day of May" and substitute therefor "fifteenth day of June".

The motion was agreed to.

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. ROBERTSON: With leave of the Senate, I move the third reading now.

The motion was agreed to, and the bill as amended was read the third time, and passed.

EXPORT AND IMPORT PERMITS BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce on Bill 11, an Act respecting export and import permits.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 30, 1947, examined the said bill, and now beg leave to report the same without any amendment.

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. ROBERTSON: Next sitting.

MERCHANT SEAMEN COMPENSATION BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce on Bill W5, an Act to amend the Merchant Seamen Compensation Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of May 1, 1947, examined the said bill, and now beg leave to report the same without any amendment.

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

Hon. Mr. HAIG: Though my memory of these matters is not always reliable, it is my recollection that this bill was discussed the other day in the Senate. Because of what was said at that time, I am surprised that no

amendment was made in committee. I cannot understand that. Two distinguished members of this house objected very strenuously to the draftsmanship of the bill—a matter on which I did not comment—and I am astonished that they have not something to say now about the reporting of the bill without amendment. I wonder what was wrong with the committee this morning. Was it improperly advised as to how this bill should be drawn, or what happened? It seems to me that the two distinguished gentlemen who criticized the bill should think twice before making statements that lead to so much publicity as we received the other day. I have no objection to the third reading of the bill.

Hon. Mr. ROBERTSON: Honourable senators, unless there is some objection the bill might well be given third reading now. I believe the points brought up the other day by the senator from Lunenburg (Hon. Mr. Duff) have been thoroughly explained to his satisfaction.

Hon. Mr. FARRIS: I think the bill should have third reading, whether a "spanking" is given or not.

Hon. Mr. ROBERTSON: Being a layman, I did not participate in the legal discussion; but some of my brethren who are versed in the law gave their most careful consideration to the points that were raised, and the committee has reported the bill without amendment.

Hon. Mr. ROEBUCK: I was one of those who raised objection to the bill. However, the bill was referred to committee: it was evidently studied there, and it is now reported without amendment. My objection was not to the substance of the bill, but only to its form. I still think the objection was a salutary one, because the bill recited things as facts—which is bad draughtsmanship—and the notes did not explain it so that it would be understood. But I have no objection to third reading if the committee's study shows that the bill does in fact carry out the substance of the explanatory note.

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. ROBERTSON: If there is no objection, I move the third reading now.

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

• PRIVATE BILL

REPORT OF COMMITTEE

Hon. ANTOINE J. LEGER presented the report of the Standing Committee on Miscellaneous Private Bills on Bill R5, an Act to incorporate Workmen's Circle of Canada.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 24, 1947, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. ROEBUCK: 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.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill V6, an Act for the relief of Evelyn Florence Esson Pugh.

Bill W6, an Act for the relief of Katie Rhoda Brick McGrath.

Bill X6, an Act for the relief of Louise Guiol Ghetler.

Bill Y6, an Act for the relief of George William Curtis Johnson.

Bill Z6, an Act for the relief of Melville Mae Rundle Swinburne.

Bill A7, an Act for the relief of Ruby Weldrick Hunt.

Bill B7, an Act for the relief of Doris Shapiro Kolman.

Bill C7, an Act for the relief of Mary Margaret Rider Brown.

Bill D7, an Act for the relief of Fennie Nettie Adelstein Waldman.

Bill E7, an Act for the relief of Gustave Lucien Verhelle.

Bill F7, an Act for the relief of Ruby Campbell Matts.

Bill G7, an Act for the relief of Dorothy Kathleen Morrison Germain.

Bill H7, an Act for the relief of Sophie Radwolsky Closner.

Bill I7, an Act for the relief of Muriel Emma Wood Durrell.

Bill J7, an Act for the relief of William John Carmichael.

Bill K7, an Act for the relief of Guido Verdoni.

Bill L7, an Act for the relief of Ronald John Park.

Bill M7, an Act for the relief of Gloria Avon Roland.

Bill N7, an Act for the relief of Gilberto (Albert) Belmonte.

Bill O7, an Act for the relief of Mildred Lillian Flude.

Bill P7, an Act for the relief of Pauline Joan Hyde Murphy.

Bill Q7, an Act for the relief of Alsyne Mae Lissemore Lawrence.

Bill R7, an Act for the relief of Jessie Leonard Simpson Clunie.

The bills were read the first time.

SECOND READINGS

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. ASELTINE: With leave of the Senate, I move second reading now.

The motion was agreed to, and the bills were read the second time, on division.

The Hon. the SPEAKER: When shall these bills be read the third time?

Hon. Mr. ASELTINE: Tomorrow.

IMMIGRATION

INQUIRY

On the Orders of the Day:

Hon. ARTHUR W. ROEBUCK: Honourable senators, may I ask a question of the leader of the government (Hon. Mr. Robertson)? I believe that either yesterday or the day before he laid on the table a number of treaties of peace. The question of whether those treaties are now in effect is of great importance from the standpoint of immigration, because for immigration purposes the nationals of those countries are considered alien enemies. It would be of service if the government leader would inform the house what countries are involved in the treaties laid on the table, and whether the nationals are still alien enemies from the standpoint of immigration. Is Finland, for instance, still considered an alien enemy? Probably the honourable gentleman cannot answer my question off-hand, but if he would provide the information tomorrow it would be of real service.

Hon. Mr. ROBERTSON: Honourable senators, I shall be glad to secure whatever information I can, but the matter would be facilitated if the honourable gentleman would prepare a draft of his specific question, which could be handed to the appropriate department.

Hon. Mr. ROEBUCK: I shall do so.

CANADIAN WHEAT BOARD BILL

MOTION FOR THIRD READING POSTPONED

On the Order:

Third reading of Bill 23, as amended, an Act to amend the Canadian Wheat Board Act, 1935.

Hon. Mr. ROBERTSON: Honourable senators, I had intended that third reading of this bill should be proceeded with today, but yesterday the honourable senator from Vancouver South (Hon. Mr. Farris) intimated to me that there was a question he wished me to have answered before this order was proceeded with. I am not in a position to give the answer today, and therefore I ask that this order stand, to be proceeded with tomorrow afternoon.

Hon. Mr. HAIG: Honourable members, I have no authority to say so, but I understand that bills of this character will be considered in another place tomorrow night. This bill should get there by that time.

Hon. Mr. CRERAR: It will.

Hon. Mr. ROBERTSON: I wish to facilitate the progress of the bill as much as possible, but since I am not able to answer the honourable gentleman's question I ask that the order stand until tomorrow.

The order stands.

CONTINUATION OF TRANSITIONAL MEASURES BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 104, an Act to provide for the continuation of certain orders and regulations of the Governor in Council for a limited period during the national emergency arising out of the war.

Hon. R. B. HORNER: Honourable senators, I do not intend to speak at any great length, but there are a number of phases of the bill which I wish to touch on.

May I say first that I enjoyed listening to the explanation of the bill by the senator from Vancouver South (Hon. Mr. Farris). The honourable gentleman likes to joke a little about the name of the official opposition party. A number of other members have seemed to imply that because they belong to the Liberal party they are the only Simon-pure liberals. I must say right now that I have been a liberal all my life; in fact, I grew up under the great old party which was then named the Liberal Conservative party. There is a part of this bill that I would call mature socialism or communism or dictatorship; and another part strikes me as being green or undeveloped

socialism. I may tell the honourable senator from Vancouver South that his party, if it keeps on leaning over backwards and sponsoring this kind of legislation, will take on not merely a double name, but a triple name.

I consider that good law is reasonable law, and my colleagues who are members of the legal profession will no doubt agree with me. From my experience I believe that even in managing a family a man should give only such orders as are capable of being obeyed, and he should see to it that they are obeyed.

As to the sale of used cars, I can think of nothing more ridiculous than the abolition last spring of the ceiling on prices. In Western Canada, at least, there is a great difference between the amount of use which cars receive in one employment and in another. A farmer may own a car, give it special care, and use it only to take drives on Sundays. Another car of the same make and the same year may be driven forty thousand miles more than the farmer's car. Yet there was a uniform ceiling price, and a great many men were fined for selling their cars above that price, and orders were issued from Ottawa to refund this or that person \$600, and so on. When the order was ignored and new court proceedings were taken, the judge, considering that the defendant had been fined on the first occasion, would impose a fine of about \$25; and in many cases the order from Ottawa has not been obeyed to this day.

Then, tractors needed by farmers to handle their crops have been sold, even when three or four years old, for \$1,000 or more above the price of new tractors. Apparently no objection has been taken to machine men gathering up a train-load of second-hand machines to sell at these inflated prices. At any rate, we heard no word of protest from the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck); he seems to think it is all right for people to make money in that way.

But the situation is viewed differently when a man happens to own a house. In this connection I speak for myself; I do not profess to represent anyone. I honestly believe that we would not have had any trouble with housing if either we had not had rent control, or it had been abolished long ago. Last fall I received a fine pamphlet in which the author told the story of the San Francisco fire and the housing shortage which resulted; and he stated—giving percentages to support his statement—that when there was interference with private enterprise the great majority of houses were for sale and not for rent, while as soon as control was relaxed any

number of houses were available for rent and not for sale. People were satisfied because they had control of their property.

While I agree absolutely with the senator from Toronto-Trinity (Hon. Mr. Roebuck) as to the order affecting Japanese Canadians, I disagree with his view that an increase of prices is a sure forerunner of a general breakdown. To me that is a strange argument—as strange as the idea that money is bad for the farmer but good for everyone else, especially the machine companies.

I am coming to the defence of the average man and woman. The person who makes a study of company statements and company finance, and is thoroughly capable of sizing up industrial prospects and stock values, can invest his money safely in industrial enterprises and receive a satisfactory return. Nbbody would deprive him of that opportunity. But average men and women whose experience is less specialized feel that their money is safer in a house, in a bit of property. I know of women who are struggling to live and would like to sell their house property, so as to get some money; but they cannot sell, because the tenants in occupation are paying less than the rental value and will not move out, and no one will buy a house unless the vendor can give possession. Such a state of affairs amounts to pure dictatorship.

As to shortage of houses, the evidence of the daily newspapers confirms what the author of the pamphlet said. Take, for example, the *Victoria Daily Colonist*. We find two full pages advertising houses for sale. I read at random:

Reasonably priced house, bargain price Gorge; special five-room modern bungalow, white siding, large living room, dinette, kitchen, tiled sink, two lovely bedrooms, tiled bath and shower room, full basement, \$7,300.

There are any number of houses for sale, but not for rent.

Hon. Mr. ASELTINE: With immediate possession?

Hon. Mr. HORNER: With immediate possession of a whole lot of them, yes. I certainly do not want to see the government build any more houses. Here is a Toronto paper in which any number of houses and apartment buildings are offered, with immediate possession, and at what look like reasonable prices. I do not know why they would want to build any more houses in Toronto; I think there are too many people there now. Here is a Vancouver paper with pages of

advertisements of houses for sale, the great majority of them with possession immediately or by the 1st of June or the 1st of July.

You will find the same story in the Calgary newspapers: two pages of advertisements, showing that there are plenty of reasonably priced houses. I have before me an Edmonton newspaper and once again there is the same thing—houses for sale, with immediate possession. The prices look reasonable. For every house offered for rent there are a hundred offered for sale. That bears out what was said in the pamphlet I mentioned.

Hon. A. L. BEAUBIEN: Does my honourable friend feel that these prices are reasonable?

Hon. Mr. HORNER: I think they are. Perhaps in your judgment they are not.

Hon. Mr. A. L. BEAUBIEN: You have not seen the houses, have you?

Hon. Mr. HAIG: He has seen them in Calgary.

Hon. Mr. HORNER: I have seen some in Calgary, yes. In Saskatoon it is the same story: houses are going down in price.

Hon. Mr. BEAUREGARD: What about Quebec?

Hon. Mr. HAIG: And Winnipeg?

Hon. Mr. HORNER: There are houses for sale in Quebec and Montreal. I have the *Montreal Gazette* here, and its advertisement pages contain any amount of offers that look to me like good bargains. The same is true of the *Leader Post* of Regina and the *Saskatoon Star Phoenix*.

I can take you on a trip fifty miles from Ottawa and in an hour or two show you a dozen vacant houses that would suit the need of returned men who are anxious to get on the land. These are farm houses, in some of which as many as twelve children have been raised. Surely it ought to be made possible for veterans to live for some time in these houses. The difficulty arises from rent control. To my mind there is no justification for continuing that control. It is interfering, not with the wealthy people, but with the poorer class. Owners have been allowed a slight increase in rents, but because of the control they find it almost impossible to sell property.

There is another feature of the argument in opposition to rent control. We all know of people having large apartments with far more room than they need. They secured them at reasonable rentals prior to the war; and they hang on to them; whereas, if there was no rent control they would take smaller quarters

and make their present apartments available to larger families. That condition is pretty general. All over the country there are people using more space than they need.

Somebody stated that there has not been any construction work going on. If he took a look at the building records for the past year in Calgary or Victoria or Vancouver he would change his mind. I was visiting Calgary and Edmonton a year ago, and I would be taken for a drive and shown new building sites here and there, each with perhaps fifty houses under construction. It is not right to say that there has been no building. Construction is going on today, and there would be more if private enterprise were allowed and a man could handle his own property.

I say that the control means discrimination against one class of investor. After all, from the standpoint of the country's welfare the best investor is the man who has the faith to put his money in the land, in a house. He is the real Canadian, the real citizen. It is the worst kind of dictatorship to continue now, two years after the war, to single out owners of residential property as a class and say to them, "You cannot do this, and you cannot do that". And this nonsense has been carried even to the villages. In the village of Blaine Lake, where I live, there are people who bought houses but cannot get into them. Rent control may have been needed at one time, in the larger cities, but it is no longer necessary even there. It never should have been extended to villages, where it has worked much hardship.

I am going to remain free and opposed to Socialism here. I got a dose of it out in Saskatchewan, and that will keep me going for quite a while.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HORNER: May I give one instance to show how public ownership works out? The Canadian National Railway works the town in which I live, and yet the government has gone into the bus business there. It has incurred the expense of grading the highway and widening it by eight feet, not because the community had any particular need of the improvement, but simply so that a bus could be operated parallel to the railway from Battleford to Prince Albert. The people are paying out of their pockets for two government-owned transportation systems, running side by side, and taking business away from each other. I say again that I have seen enough of that sort of thing, and as long as I have a vote I will vote against it.

Some Hon. SENATORS: Hear, hear.

Hon. W. D. EULER: Honourable senators, while it is my hope that the many controls continued by this bill will not remain in effect long, it is my intention to deal only with that part of the measure that has to do with the rights, privileges and disabilities of Canadian citizens of the Japanese race, especially those born in Canada. This matter was discussed at some length yesterday.

Some years ago, during the war, I expressed my disapproval of the harsh treatment of these people. It may be felt by many that the treatment was justified under war conditions. But the war is now over, and this bill proposes to continue the treatment. Under the bill and its regulations no Japanese Canadian—I do not like the term, but it expresses what I mean—

Hon. Mr. CRERAR: Canadian of Japanese origin.

Hon. Mr. EULER: The term is still cumbersome.

Under the provisions of the bill no Japanese Canadian may set foot upon the sacred soil of his native province of British Columbia. Surely that is bad enough, but the bill goes on to provide that upon the order of a prescribed government official he may be forced to remain at any other place in Canada, or to go to work in any other part of Canada. I was much interested in the remarks of the senator from Churchill (Hon. Mr. Crerar), and particularly in his quotation from the order in council embodied in the bill now before us. May I read it? It says that the minister may: employ persons of the Japanese race for such purposes at such rates of wages and on such terms and conditions as he deems advisable.

I admit that that provision was a surprise to me. If this regulation is as I interpret it, that the minister or official may direct any Canadian citizen of the Japanese race to go to any part of Canada and be compelled to work for wages and on such terms as he may decide, I say that it is nothing short of slavery and is a disgrace to the parliament of Canada.

Hon. Mr. ROEBUCK: What does it mean?

Hon. Mr. EULER: I do not know if my interpretation is the correct one, but the provision is certainly capable of being interpreted in that way. I should like the leader of the government to explain what that portion of the bill is intended to mean.

I wonder if we are losing sight of the fact that Canadian citizenship implies duties and responsibilities, as well as privileges and rights. This bill does nothing to exempt these particular people from tax-paying and other responsibilities which they, as citizens, have; it does,

however, rob them of the greatest right that any free citizen may have—the right to move about at will, as every other Canadian may do.

What is really behind this particular legislation? We may as well be frank. It is not fear of the Japanese as a race, or the Japanese Canadian, but fear of business competition in some parts of Canada. I might even say that, so far as parliament is concerned, it is fear of the votes of people opposed to Canadian citizens of Japanese origin. Surely no one will contend that the comparatively few thousand Japanese Canadians are or can be a menace to the 12 million Canadians of other origin. I emphasize, and I speak advisedly, that in this bill principle again yields to political expediency, as it so often does. I say that democracy—a word we use too freely, and perhaps insincerely—is in danger of becoming a synonym for autocracy and, if you will, hypocrisy.

The argument is sometimes heard that Japanese Canadians will not assimilate with other Canadians. That may be true, and if so it would be a good argument against further immigration from the Orient. But these people are here under the law of Canada, and if there be any fault for that fact it is the fault of those governments, whatever their political complexion may have been, which permitted immigration from Japan.

Inevitably this thought comes to my mind: if the government can do this to Canadians of one racial origin, it may do the same thing to other minority groups in the country.

I am particularly shocked at this legislation. Perhaps I speak with a little more feeling than I otherwise should because of the fact that I might personally become subject to legislation of this kind. Though I was born in this country, honourable senators know that I come of a race recently at war with Canada. I may be the only member of this honourable body who is in that position. I am no more a citizen of Canada than are these Canadians of the Japanese race. It could consistently be demanded that nearly half a million Canadians of the same ancestry as mine be subjected to such outrageous discrimination as that to which Japanese Canadians are subjected. I add, without fear of contradiction, that the war record of these citizens of the German race will bear comparison with that of any other race in Canada.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. EULER: I wonder if any government would insult these thousands of fine Canadians with the same sublime courage that is shown in the treatment of a few thousand helpless Canadians of the Japanese race.

I emphasize that this legislation is based upon political expediency, and I judge by what has taken place here and in the other house that the fear which prompts it possesses the members of both political parties, with some honourable exceptions. Nevertheless, the government of Canada has initiated this measure, and with some reluctance I say that it must take the greater blame. If this is an indication of the trend of liberal thought, I must dissociate myself from it. I trust that this unprincipled and unjust part of this bill will receive short shrift in the committee, if the bill does go to a committee. If it does not, then in the interests of justice and decency and of the honour of Canada I shall vote against the bill, and I shall only wish I had enough votes to defeat it.

Hon. NORMAN P. LAMBERT: Honourable senators, I do not wish to detain the chamber for any length of time in the discussion of this bill. With the general statements of the senator from Vancouver South (Hon. Mr. Farris), who explained the purpose of limiting the application of controls to one year, I am in full agreement. I think it is in the minds of a majority of the members of the Senate that the limited period of application is the bill's chief merit.

I take no exception to the majority of the provisions relating to the economic and financial interests of this country. I do, however, associate myself with those who have expressed as a matter of principle their regret at having to deal, among these fifty-seven orders in council, with order No. 946, relating to citizens of Japanese origin. Essentially this bill lends itself to discussion in committee, where any one of the 57 orders in council to which it relates may be dissected and examined. I trust that the particular order in council to which I have referred and which is exceptional, may be discussed further and if possible amended by agreement. My chief objection to it is that it applies a discriminatory and invidious yard-stick in measuring rights of citizenship in Canada; and this, in a year when great emphasis has been placed upon our independent national status in relation to other countries, and particularly as a North American country with increasing responsibilities on this continent. It also affects the very essence of Canadian citizenship as expressed in the Citizenship Act, which so recently was introduced to the people of this country with some ceremony and fanfare. I think it is regrettable that so discordant a note should be sounded, especially at this time. In my opinion the very suggestion of discrimination in the status of Canadian citizens is a blot on the national escutcheon, and particularly so just now, when

the full strength of a national aspiration on the part of all our people is needed for the future.

Having made that expression of opposition in principle to this order in council, I trust that the bill will be referred to committee, where it can be discussed further.

Hon. Mr. McKEEN: I wish to move the adjournment of the debate.

Hon. JOHN T. HAIG: Perhaps the honourable gentleman would move his motion after I have spoken.

• Honourable members, I do not intend to indulge in any detailed discussion of the 57 orders and regulations. I wish to congratulate the senator from Vancouver South (Hon. Mr. Farris) on the very able way in which he explained the bill. I would also express my appreciation of the speech of the member from Alma (Hon. Mr. Ballantyne); I agree with the thoughts he expressed. I might add that I find myself in agreement with the other speeches.

I rise more particularly, however, to support the views put forward by the senator from Blaine Lake (Hon. Mr. Horner). The orders comprised in this legislation may be necessary for some time—a year, or a year and a half—but the greatest merit of the bill is that they will expire within a year, although by resolution they may be extended for another year. The best feature of the bill is that it contemplates an end of controls. I believe that the government is making a political mistake in the way it is handling de-control. From a political point of view I am quite willing that it should go on with that kind of policy, but I do not believe it is in the interests of the country.

What I mean is this. The government discontinues the subsidy on a commodity and allows the price to rise to the amount of the subsidy. Take butter as an example. The subsidy on it was 8½ cents a pound. The government dropped the subsidy and let the ceiling go up ten cents a pound. That caused an agitation all over the country. Unfortunately for the government the removal of the subsidy occurred the same morning that the budget speech was reported, and I venture to suggest that hundreds of people said, "Though I save so much on my income tax, I have to pay it back in the extra cost of butter." They did not go into a detailed examination of how the 8½ cents was contributed; they just decided that the loss counterbalanced the gain.

The government policy upsets the national equilibrium. We are used to doing business only when full knowledge of the subject-

matter is before us, whether or not we choose to exercise our knowledge. But here are 57 controls which are outside the area of normal conditions and understanding. For instance, if I want to build a house, or some houses, I have first to find out what are the controls in connection with house building, what materials required for houses are under control. In fact, all the items which enter into the construction of a house are under control; and I have to take that into consideration.

One factor to which the senator from Blaine Lake (Hon. Mr. Horner) called particular attention is rent control. Whether you live in Winnipeg or Montreal or Vancouver, you can find, I suggest, two solid pages in your local newspaper advertising houses for sale, with possession within two months. What is wrong with our economy that accounts for that state of affairs? There can be only one thing amiss: the nature of the control is such that people will not rent their houses, but they will sell them. In my own city of Winnipeg, the *Free Press* and the *Tribune* carry in their Saturday issues four pages of advertisements of houses for sale. While I know something of the value of houses, I would not pronounce as to the value of those at present offered, but my point is that possession may be had by the first of June or the first of July, or at latest by the first of September. Why is that?

An Hon. SENATOR: The very high price?

Hon. Mr. HAIG: No, that is not the reason. I have been in the building business and I know what I am talking about. When you built a house you naturally built to sell, but you always knew that if you did not sell you could rent the house at a reasonable figure. But what is the situation to-day? I know of many people in Winnipeg who are living in houses that are completely equipped on each floor and have six bedrooms and the owners are asked, "Why do you not rent some of the rooms?" The answer is that the owners do not know where they will get off at if they rent them.

Once you start a control—and here is the danger in these 57 varieties—you encounter difficulties all along the line. The senators from Churchill (Hon. Mr. Crerar), Toronto-Trinity (Hon. Mr. Roebuck), Ottawa (Hon. Mr. Lambert), Waterloo (Hon. Mr. Euler) and Lethbridge (Hon. Mr. Buchanan) have been talking about the situation of the Japanese in Canada. That situation is the result of a control. Once you start a control it is very hard to stop it, because of demands for its continuation. That is the difficulty.

The senator from Vancouver South (Hon. Mr. Farris) said the other day that some of our young people have got to the point of liking controls. There are 57 varieties of these controls, and there are tens of thousands, or hundreds of thousands of people interested in every one of them. When a control helps people, they are for it; and when it is not in their interest, they are opposed to it. You have that reaction all over the country, and there is turmoil every day.

Hon. Mr. HORNER: What about giving away the property of poor people?

Hon. Mr. HAIG: I am not going to discuss this fully, but the honourable senator from Blaine Lake (Hon. Mr. Horner) is quite right. Labour Progressive buildings in my city—I think they were called Communist buildings; they were owned by the Communists anyway—were seized, and sold at a sacrifice. I certainly do not agree with the Communists, but I think they should get the same deal for their property as I would want for mine.

The sooner it is recognized that controls are interfering with general trade and business, the sooner we shall get back to economic stability. My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) says that greedy landlords want the money from the poor people. But under the government's present control arrangement poor people cannot get any place at all to live in, and there never will be any homes for them as long as there is rent control. In the city of Winnipeg I know a young lawyer—he is not so young perhaps; about fifty—who is well to do. He moved into a house which he happened to rent at a low rental. Will he get out? Not at all. He hangs right on. If he can rent a house worth \$100 for \$50, why should he move?

I have been connected with the building business and I know a good deal about rent control. When this country was going through the depression period the dominion government and the municipalities under its control put a minimum rental of \$12 to \$16 a month on certain houses. At least, that was done in my city, and I presume it was done in other Canadian cities. A man who was employed continued to rent a house at the rent he had been paying, say \$35 a month; but to an unemployed man the same house would be rented to them at \$16 a month. With today's cost of building, a house that rented for \$35 at that time should now in order to yield the same return, rent for approximately \$65. What happened to the decent landlord? Perhaps he owned only two or three houses. When the war came along he did not raise the rent; and even by October 1, 1941, he had not raised it.

He said to himself: "Each of these tenants is a good fellow. He has looked after the house, not wanted too many repairs, and he has paid his rent punctually." That type of landlord did not raise the rent. But the sharp landlord raised the rent in 1940, and by October 1941 he had managed to get it up to a pretty fair level, at which it was frozen, while the decent landlord's rent was frozen at the lower level. That no doubt happened all over the country as well as in Manitoba.

Why should one form of wealth be specially taxed and not another? Well, this control is placed on rent because of the effect it has on the cost-of-living index. I do not know the exact figures, but I understand rent makes up about twenty per cent of the index; and so long as rent is held down, the cost-of-living index can be kept down. But the only people who benefit by this are those who rent. That is absolutely unfair. It is a tax on the property owners. Of course, I know that there are ten renters to one owner. From a political point of view, once you start a control it is awfully hard to stop it.

Anybody who knows anything about building conditions knows that controls are interfering with construction. Any builder will tell you that he would not build a house to rent under present conditions.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: There is no doubt about that. You do not have to be a builder to understand that principle. Would any honourable senator enter into an enterprise in which his opportunities are cut in two by legislation before he starts? In the housing business there should be an opportunity to sell and an opportunity to rent, but the renting alternative has been cut off altogether. You may say that the rent control board will fix the rate. Yes; but how do you know what rate will be fixed? In Winnipeg I have seen a new house standing side by side with one fifteen years old. The fifteen year-old house is perhaps much the better; but, under control, it rents at only \$35. Assessors for the rent control board come to the new house and say that it should rent at \$55 a month. Who is right? That is the test.

I have talked longer than I should have, but I am delighted to think that the bill will go to committee. I am not going to ask anybody to put up any great resistance to the bill there. I accept the principle of the bill, that these controls will expire in one year. I strongly advise the government—though I do not suppose it will listen to my advice—to get out of this control business just as fast as it can. I suggest too that it never go back to these controls, because there are 57 reasons

why the people of this country will be angry at them if they do. There may be individual cases of opposite opinion, but throughout the country there is an agitation and an irritation that will exist so long as these controls last.

I will not vote against the bill. Owing to the difficulty we are in, I personally want to help the government. I believe that if I were the government today, under these conditions, I would not smash the controls all at once. I would have done so right after the war, when people had a lot of money and we were riding high, wide and handsome. I would have dropped the controls then and taken the consequences. But the government has waited too long now to do that. However, we in this chamber ought to do all we can to assist the government in getting rid of these controls. We should urge it to do this, in the economic interest of the country. The sooner controls are lifted the better it will be for the people of Canada.

Hon. S. S. McKEEN: Honourable senators, there seems to be some suspicion that British Columbia is the one province that is picking on the poor Japanese, and that there is something wrong with us, that we are either immoral or unchristian. Our people are just as Christian as those of any other province in this dominion, and I do not think you would have any fault to find with British Columbia on this issue if the Japanese were distributed evenly throughout Canada. Unfortunately all, or at least about 96 per cent of them, were concentrated on the west coast of British Columbia. Before the recent war a great many Japanese, some of them retired army and naval officers and some not retired, worked along our coastal and inland fishing areas, and they knew more about the west coastline than we did. Evidence of that came out at the war trials. If these men are allowed to come back to that area they will continue their explorations. They possessed boats with high-powered radio devices, boats speedier than any craft we had, with a sailing range of from eight to ten thousand miles. These people were not there for the purpose of trying to be assimilated into British Columbia; they were there with the avowed intention of taking over the country.

Most of the trouble the government had was with the second generation Canadian Japanese. The bad riots—for instance, when the doors were torn off the immigration shed—were caused, not by Japanese who came from Japan, but by native-born Canadian Japanese. They were the ones who were so cocky after Singapore; they were going to run this country and were prepared to take over the government. We in British Columbia felt the

situation very keenly at that time because there were so many of them in proportion to our own population.

If Quebec and Nova Scotia, for instance, were prepared to take their share of the Japanese fishermen, there would be no objection. I believe British Columbia would take her share on a *per capita* basis. We feel that there should be some restrictions on these people, at least for a while. This bill continues the regulations for only one year. My opinion is that if the Japanese came back to the west coast at this time conditions would be very bad; we might have riots and even bloodshed out there. The problem may iron itself out after a lapse of some time following the war, but men who passed through British Columbia after suffering from conditions in Hong Kong and other eastern places did not feel very kindly towards the Canadian Japanese.

As to the standard of living in British Columbia, I would point out that the Japanese came in on a sub-standard basis. We are trying to raise the conditions for the labouring man and others in that province to a high standard. We now have eight-hour-day working laws on our statutes, but in the lumbering and fishing industries we found Japanese working on an eighteen-hour-day basis. The Department of Labour tried to get figures from their books, but the Japanese said they did not know how to keep books and did not know how many hours their men were working. I made inquiries about one small saw-mill, and learned that it had a camouflaged co-operative. When the mill was checked up the Japanese said the men were all owners, partners in the business. No set wage was paid and there were no fixed hours. That condition is not the best for raising the standards of living in our province.

In the Fraser River and other fishing grounds it was learned that when the Japanese found a white man fishing they would blanket his net by operating above and below him on the stream. Under those circumstances his catch would be so small it would not be worth while. Eventually all the white men were driven out of an area. The Japanese did the same thing to Indians. An incident occurred in a harbour on the coast where the Japanese were not allowed to come in, and a fight ensued. The Japanese did not complain to our government, but they wrote to their own war department. That is who they thought could control this country. The Indians got a lot of their revenue out of fishing, but the Japanese drove them out.

For some weeks I have been sitting on the Joint Committee inquiring into the Indian Act, and when I heard some honourable senators plead for the Japanese I began to wonder. The Indians, who are the original owners of this country, are restricted to reservations and are not allowed the privilege of going where everyone else may go; they are prevented from taking various kinds of employment, are not permitted to attend certain schools or accept public office. I think we should clean our own house first before we concern ourselves about others. The time has come, I believe, when we should talk about the rights, not of minorities but of majorities in this country. In this instance we should be fair to and consider the great majority for at least one year.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROEBUCK: May I ask the honourable gentleman a question? Are not the restrictions which he mentions with regard to Indians imposed only on those who are on government reservations? When they renounce their privilege of being wards of the Crown do they not assume all the rights of a citizen of Canada?

Hon. Mr. McKEEN: I know that an Indian cannot go into a beer parlour or a tavern.

Hon. Mr. ROEBUCK: That is while he is a ward of the state.

Hon. Mr. McKEEN: An enfranchised Indian, I understand, cannot get a liquor licence.

Hon. Mr. TURGEON: Honourable senators, may I rise to ask a question concerning procedure? Naturally I am interested in the subject of this debate. I understand from the honourable leader of the government that the bill will be referred to committee, and I presume there will be an opportunity for further discussion when it returns from committee.

Hon. Mr. ROBERTSON: Yes, there will be an opportunity for further discussion on third reading.

Honourable senators, I had not intended to speak at this time, but before the question is put I perhaps should say something. A number of specific points have been brought up by the honourable senator from Waterloo (Hon. Mr. Euler) and others. The bill covers so many subjects that I felt it would be wise to have the ministers of the various departments concerned, appear before a committee, where they could give much more intelligent answers than I could secure and provide to

the house. Consequently, it would seem desirable to give the bill second reading and refer it to committee.

I wish to remind honourable senators that the controls incorporated in this bill are put there because of the reasonable and probable likelihood that they will not be necessary for a longer period than one year, and in some instances less than that.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. ROBERTSON: Honourable senators know that other legislation is proposed in regard to measures of longer duration.

I speak as one having liberal instincts—not in the party sense—when I say we all know that the problem of controls is not a simple one. Canada has emerged from a period of war when, rightly or wrongly, passions were high, and it was not always possible to legislate so that every person would do the kindly thing to others. To my mind it is very gratifying that public opinion in Canada since the war has shown such a commendable change. Only a short while ago there was a terrific protest against the deportation of certain people from Canada.

As time went on public opinion changed. Let us bear in mind that public opinion is changing now, and that, perhaps even in the interests of the individuals for whom such eloquent pleas have been made, it is arguable that if the statutory restrictions were removed too soon and deep feelings were aroused there might still be discrimination against individuals. The question is neither easy nor simple; and I bespeak from honourable senators their customary calm consideration in dealing with these matters in the days which lie ahead.

The Hon. the SPEAKER: Honourable senators, the question is on the motion for the second reading of this bill. Is it your pleasure to adopt the motion?

Hon. Mr. ROEBUCK: On division.

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

REFERRED TO COMMITTEE

Hon. Mr. ROBERTSON moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. ROBERTSON: Honourable senators, when the Banking and Commerce Committee adjourned this morning it was difficult to tell how much time might be consumed in

the house with the various bills before us. Among the business for tomorrow afternoon will be the third reading of the Canadian Wheat Board Bill, the second reading of the bill to amend the Immigration Act and to repeal the Chinese Immigration Act, and the third reading of the Export and Import Permits Bill. Although the committee adjourned until this evening, I would point out that I am in no position to know how long the inquiry regarding details of the Transitional Measures Bill will continue. Therefore, unless there is some objection on the part of the chairman of that committee, I should like to have it resume its sittings immediately after the senate rises, as well as this evening.

Hon. Mr. McLEAN: Why not refer this bill to the Canadian Trade Relations Committee? It seems to me that every bill before the Senate is sent to the Banking and Commerce Committee, and those of us who are on other committees walk up and down the corridors with very little to do. Of course, we can attend the sessions of the Banking and Commerce Committee, but I suggest that some of this legislation should go to other committees.

Hon. Mr. ROBERTSON: The point which my honourable friend has raised in regard to this and some other bills is not without importance, and I gave him an undertaking that if I enjoy the honour of continuing the leadership of this house I shall make an effort to see to it that this work is more equally distributed. However, as the Banking and Commerce Committee is now in session and the bill in question has been referred to it, matters might be facilitated if my honourable friend would withdraw his objection in this particular case. The bill covers a great many different items which perhaps are more properly referable to the Banking and Commerce Committee than are some of the bills at present before it; for instance, the one relating to export and import permits. What my honourable friend says is very much in point, and I shall endeavour to correct this situation in future. Let me remind honourable senators that while they can vote only in the committees of which they are members, they are welcome to attend any committee meeting and not only listen to but take part in the discussions. On behalf of the members of the Banking and Commerce Committee, I extend to the honourable senator from Southern New Brunswick (Hon. Mr. McLean) a cordial invitation to attend its meetings.

The senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, May 9, 1947.

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

Prayers and routine proceedings.

AGRICULTURAL PRODUCTS BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented and moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill 25, an Act to provide for the sale and export of agricultural products.

He said: Honourable senators, the Committee have, in obedience to the order of reference of April 23, 1947, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 4, line 8. Delete "such".
2. Page 4, line 15. Delete "such".

The motion was agreed to.

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: With leave of the Senate, I move the third reading now.

The motion was agreed to, and the bill as amended was read the third time, and passed.

CONTINUATION OF TRANSITIONAL MEASURES BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce on Bill 104, an Act to provide for the continuation of certain orders and regulations of the Governor in Council for a limited period during the national emergency arising out of the war.

He said: Honourable senators, the committee have, in obedience to the order of reference of May 8, 1947, examined the said bill, and now beg leave to report the same without any amendment.

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. COPP: Next sitting.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill S7, an Act for the relief of Fern Catherine Kerr Ekins.

Bill T7, an Act for the relief of Lilly Elizabeth Ingborg Lindfors Crowhurst.

Bill U7, an Act for the relief of Romeo Richard.

Bill V7, an Act for the relief of Charles Augustus Dolling.

Bill W7, an Act for the relief of Charles Frederick McDowall.

Bill X7, an Act for the relief of Woolf (Robert) Cook.

Bill Y7, an Act for the relief of Adele Brown Kerkofsky.

Bill Z7, an Act for the relief of Ellen Heathcote Taschereau.

Bill A8, an Act for the relief of Molly Marcovitch Schwartz.

Bill B8, an Act for the relief of Betty Gertrude Bernstein Schreiber.

The bills were read the first time.

SECOND READINGS

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. ASELTINE: With leave of the Senate, I move second reading now.

The motion was agreed to, and the bills were read the second time, on division.

The Hon. the SPEAKER: When shall these bills be read the third time?

Hon. Mr. ASELTINE: With leave of the Senate, next sitting.

PRIVATE BILL

FIRST READING

Hon. Mrs. WILSON presented Bill C8, an Act to amend the act incorporating The Canadian Council of The Girl Guides Association.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mrs. WILSON: Tuesday next.

On the Orders of the Day:

DIVORCE BILLS

THIRD READINGS

Hon. Mr. ASELTINE moved the third reading of the following bills:

Bill V6, an Act for the relief of Evelyn Florence Esson Pugh.

Bill W6, an Act for the relief of Katie Rhoda Brick McGrath.

Bill X6, an Act for the relief of Louise Guiol Ghetler.

Bill Y6, an Act for the relief of George William Curtis Johnson.

Bill Z6, an Act for the relief of Melville Mae Rundle Swinburne.

Bill A7, an Act for the relief of Ruby Weldrick Hunt.

Bill B7, an Act for the relief of Doris Shapiro Kolman.

Bill C7, an Act for the relief of Mary Margaret Rider Brown.

Bill D7, an Act for the relief of Fennie Nettie Adelstein Waldman.

Bill E7, an Act for the relief of Gustave Lucien Verhelle.

Bill F7, an Act for the relief of Ruby Campbell Matts.

Bill G7, an Act for the relief of Dorothy Kathleen Morrison Germain.

Bill H7, an Act for the relief of Sophie Radwolsky Closner.

Bill I7, an Act for the relief of Muriel Emma Wood Durrell.

Bill J7, an Act for the relief of William John Carmichael.

Bill K7, an Act for the relief of Guido Verdoni.

Bill L7, an Act for the relief of Ronald John Park.

Bill M7, an Act for the relief of Gloria Avon Roland.

Bill N7, an Act for the relief of Gilberto (Albert) Belmonte.

Bill O7, an Act for the relief of Mildred Lillian Flude.

Bill P7, an Act for the relief of Pauline Joan Hyde Murphy.

Bill Q7, an Act for the relief of Alsye Mae Lissemore Lawrence.

Bill R7, an Act for the relief of Jessie Leonard Simpson Clunie.

Hon. Mr. PATERSON: Honourable senators, I would like to ask the Chairman of the Divorce Committee (Hon. Mr. Aseltine) a question. When so many of these bills are put through at one time we get a blast from another place. Would it not be advisable to have a smaller number put through at one time? I would like to point out, for the information of the other house, that while the number of Quebec divorces to be put through this year is large, it is, after all, only about four hundred, as against Ontario's sixteen or eighteen hundred. The matter is far more serious in Ontario, but nothing is ever said here about that. There will be another blast from the other house when these bills get there.

Hon. Mr. ASELTINE: In answer to the honourable senator from Thunder Bay (Hon. Mr. Paterson), I say: the more the merrier.

I welcome those blasts from the other house, because the more of such blasts we get, the sooner this work will be taken out of the hands of the Senate and dealt with in the proper way.

Some Hon. SENATORS: Hear, hear.

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

CANADIAN WHEAT BOARD BILL

THIRD READINGS

Hon. A. B. COPP, on behalf of Hon. Mr. Robertson, moved the third reading of Bill 23, as amended, an act to amend the Canadian Wheat Board Act, 1935.

Hon. J. W. de B. FARRIS: Honourable senators, I crave the indulgence of the Senate to make some remarks in connection with one paragraph of this bill. If I proposed to deal with the merits of the bill as a whole, I should feel very much out of place. A senator coming, as I do, from British Columbia and being a lawyer should not presume to take from those with more experience and more immediate interest a discussion in this connection. But one section, in my opinion, involves questions entirely outside the scope of the bill itself, and has such wide ramifications that I am presuming to ask you to hear me for a short while this afternoon.

Section 39 of the bill reads:

For greater certainty . . . it is hereby declared that each and every one of the grain elevators and mills mentioned or described in the schedule to this act is a work for the general advantage of Canada.

At the end of the bill there is a schedule setting out the various flour mills. The mills in Alberta are enumerated on pages 18 and 19; those in Manitoba, on page 20, and those in Saskatchewan, on page 21. These mills are for the first time declared to be for the general advantage of Canada.

I wish to call attention of the house to just what we are doing and what the constitutional implications are, on the basis of the information we have. Honourable senators, and particularly those who are members of the legal profession, know that the general powers as between the Parliament of Canada and the provincial legislatures are set forth in sections 91 and 92 of the British North America Act. Section 91 enumerates the powers given to the dominion, and also contains a residual clause which includes anything not specifically given to the provinces. Section 92 enumerates sixteen specific classes of subjects as to which the provinces are given exclusive jurisdiction. One of these, and perhaps the most important,

is "property and civil rights," which embraces a great range of matters. One of the things falling within that exclusive jurisdiction under "property and civil rights" would be flour mills.

Subsection 10 of section 92 contains a rather unusual provision. It says the provinces may exclusively make laws in relation to:

Local works and undertakings, other than—

I emphasize the words "other than".

—such as are of the following classes:

(a) Lines of steam or other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province;

(b) Lines of steamships between the province and any British or foreign country.

There is a third exception to the exclusive jurisdiction of the provinces over local works and undertakings. That exception is:

(c) Such works as, although wholly situate within the province, are before or after their execution declared by the Parliament of Canada to be for the general advantage of Canada or for the advantage of two or more of the provinces.

That is what we are doing here. Although a flour mill is as much within provincial jurisdiction as, say, a sawmill in British Columbia, parliament has power, by making what Chief Justice Duff termed "a solemn statutory declaration," to transfer that jurisdiction from the province to the dominion. So by passing this bill parliament will in effect be making an amendment of the British North America Act to take away a province's jurisdiction and substitute dominion jurisdiction, without the leave or consent or sanction of the provinces involved.

What I am concerned about, honourable senators, is not the particular effect this enactment will have on some flour mills in Saskatchewan. I want to go on record here as pointing out the wide effect of the precedent we are setting by what we are doing now and the way we are doing it. I submit that it is a bad practice, and that it may lead to consequences seriously detrimental to the rights of the provinces.

In my opinion the section presents for our consideration two very definite questions. The first is, what is a "work"? The second is, when is parliament justified in declaring that a local work is "for the general advantage of Canada", and in taking it out of provincial jurisdiction and, contrary to the general provisions of the British North America Act, transferring it to federal jurisdiction?

Now, what is a "work"? On this question the courts have helped us somewhat, but not a great deal. They have already said that a "work" is not a service; that it is a physical

act. That was said in the through-traffic case, which, as we all remember, began in Montreal and went to the Privy Council quite a number of years ago.

Then, the British North America Act itself contains illustrations of what are "local works". For instance, ships and railways and canals and telegraphs are all "works" within the meaning of section 92; and so are lines of steamships between provinces. The Privy Council held in the Bryden case that a coal mine is a "work".

I am not here raising any question whether a flour mill is a "work" within the meaning of the act; but I am emphasizing the wide range of things that are "works". Ships, coal mines, telegraph lines, telephone lines—all these are "works"; and if a flour mill is a "work", so also is a sawmill, a shingle mill, a shoe factory; and I am debating in my mind whether, if we are to think of grain elevators and flour mills as "works", we may be creating a tenable argument that a farm, being the physical thing on which wheat grows, is itself a "work".

Honourable senators can see the very comprehensive field of provincial jurisdiction that might be affected by parliament's tampering with "works" in a province. Once we declare something to be a work for the general advantage of Canada, then—provided that declaration is upheld by the courts—all provincial jurisdiction over it is gone and is left entirely to the Dominion government.

Honourable senators are familiar with the expression "works" as used in the phrase "public works." For instance, in that sense a highway is a "work", a bridge is a "work", and so on.

Having that appreciation of the wide range of things within the potential power of parliament to transfer by statute from provincial to dominion jurisdiction, the next question we must consider—this is what I want to impress on the Senate—is: When is parliament justified in declaring a work to be for the general advantage of Canada? That involves two questions; a legal one, and one that strictly is a parliamentary question. I want to mention the legal one—not to presume to offer an opinion here, but merely to suggest the possibilities of the legal question that may arise after our legislation has been disposed of here. If honourable senators will look again at section 92 (10) they will see that the provincial legislature has exclusive jurisdiction over local works except:

Such works as . . . are . . . declared by the Parliament of Canada to be for the general advantage of Canada . . .

Honourable senators, what is it that is declared to be for the general advantage of Canada? It is not the jurisdiction; it is not the legislation; it is the work itself. I have a strong suspicion that in this bill the government has got the cart before the horse. I am going to call attention in a minute to section 39 of the bill, and I want to say that we are not seriously deciding that a flour mill is a work for the general advantage of Canada, and that, having so declared, it necessarily follows that we have jurisdiction here. I have a strong suspicion that what we are really doing is this: we are saying we want jurisdiction and that we will acquire it by declaring each of these elevators and mills to be a work for the general advantage of Canada, whether it is or not. Now, it may possibly not be within our jurisdiction to do that. If parliament reaches an honest conclusion, based on known facts, that it is a work for the advantage of Canada, and so declares by a solemn statutory declaration then, of course, it follows, as night the day, that parliament has jurisdiction. But in a few minutes I shall leave it to your judgment to decide if we have solemnly investigated the question or if we have in our minds the remotest information as to whether, for instance, a flour mill in the province of Saskatchewan is a work for the general advantage of Canada or not. Let us just keep that in mind.

So far as I can see by reading the court decisions no absolute test has been laid down as to what constitutes a work for the general advantage of Canada, but there has been some discussion about it. It came up in the Eastern Terminal Elevators case, when the former Chief Justice of Canada—then Mr. Justice Duff—suggested that parliament might acquire jurisdiction by a declaration of this kind. But he did not suggest that parliament should do so, nor did he suggest a procedure by which the facts could be investigated as a condition precedent to the making of such a solemn declaration by parliament.

In the through-traffic case—the Montreal Street Railway case—the same question came up. Lawyers in the Senate will recall that there was a dispute between a dominion railway and the Montreal Street Railway Company, and the Railway Board imposed certain obligations on the street railway—a purely provincial railway—and it was held that the board, acting under authority of parliament, did not have jurisdiction to do so. However, the court said that if the street railway had acquired such a status in Canada that its operations affected the body politic as a whole, then parliament might invoke section

92 (10) of the British North America Act and declare the railway to be "a work for the general advantage of Canada". I am not saying that it is only in cases of that kind that parliament may declare a work to be for the general advantage of Canada. I would not presume to go that far. But I say that there must be some test in the mind of parliament, not as to what constitutes a benefit to Canada but as to what makes a physical work of general benefit of Canada.

I suggest—and I do so because this body is not a tribunal that makes decisions on legal points—that if parliament, under the guise of investigating whether or not this measure is for the general advantage of Canada, has as its real purpose the acquiring of jurisdiction, the courts may decide that the legislation is colourable. The Privy Council has decided many times that parliament cannot do indirectly what it cannot do directly; and if what parliament seeks to do is in fact outside its jurisdiction, it cannot be done by camouflage. One of the earliest cases in that connection was the Bryden case from British Columbia, which had to do with regulations under the coal mining act, a matter within provincial jurisdiction. The province declared, among other things, that no Chinaman should work underground. The Privy Council held that if the province had really legislated in regard to the safety of coal mines, it would have had complete jurisdiction; but that the pith and substance of the legislation was to prevent Chinamen, as Chinamen, from working underground. The legislation was therefore held to be *ultra vires*.

There are many cases on the subject, but I shall refer to only one more—the *Quebec Insurance Reference*, cited in Plaxton's *Canadian Constitutional Decisions of the Judicial Committee*, at page 81. That case has to do with a dominion statute requiring insurance companies to obtain a federal licence. The Privy Council had held in three previous cases that the conduct of insurance business was a subject exclusively within provincial authority; and in this case it held that the dominion could not "in the guise of legislation as to aliens and immigration, matters within the dominion authority, seek to inter-meddle with the conduct of insurance business."

There is a chance that owing to the off-hand way in which we are proceeding, this legislation may be held by the courts to be *ultra vires* because it is colourable, under the written declaration—without investigation—that these mills are works for the general advantage of Canada. That is a question for the courts, but it is important that we keep it in mind.

I wish to proceed on the assumption that the courts decide that the dominion has absolute jurisdiction to make the declaration, and that they cannot investigate it. On that assumption, do we realize the responsibility that is being put on parliament? If the courts cannot investigate the declaration, we are on our honour as members of parliament to make sure that what we are doing is done honestly and with no ulterior motive. That is a duty not to be taken lightly or ill-advisedly. The honourable leader opposite (Hon. Mr. Haig) will appreciate the importance of that statement.

May I read what the former Chief Justice of Canada had to say about what we do when we declare a work to be for the general advantage of Canada? I quote from *Reference re Waters and Water-Powers*, in 1929 *Supreme Court Reports*, at page 220:

The authority created by section 92 (10c)—

That is the section we are talking about.

—is of a most unusual nature. It is an authority given to the Dominion Parliament to clothe itself with jurisdiction—exclusive jurisdiction—in respect of subjects over which, in the absence of such action by parliament, exclusive control is, and would remain vested in the provinces. Parliament is empowered to withdraw from that control matters coming within such subjects, and to assume jurisdiction itself. It wields an authority which enables it, in effect, to rearrange the distribution of legislative powers effected directly by the Act, and, in some views of the enactment, to bring about changes of the most radical import, in that distribution; and the basis and condition of its action must be the decision by parliament that the work or undertaking or class of works or undertakings affected by that action is for the general advantage of Canada, or of two or more of the provinces; which decision—

I ask honourable senators, in view of the vote they have to give in this case, to listen to these next words.

—must be evidenced and authenticated by a solemn declaration, in that sense, by parliament itself.

So, in the words of the former Chief Justice, when we vote on this section, we as members of parliament are taking a solemn declaration that these four pages of works which we have looked over here are, to our knowledge, "works for the general advantage of Canada." I ask honourable senators how many of them are prepared to stand up and say, "Yes, we have investigated, and we have information and we know that this enumerated list is for the general advantage of Canada." Let us look at the section itself. Sometimes one gets information from the side-notes. On page 17A it is stated:

This is the third declaration of this kind.

One was in 1927; another was in 1935.

The proposed section 39 brings the list up to date and includes mills in Western Canada.

They have never been included before. That does not say much, honourable senators. Let us turn to the language of the section itself:

39. For greater certainty . . . it is hereby declared that each and every one of the grain elevators and mills mentioned or described in the schedule to this act is a work for the general advantage of Canada.

Greater certainty of what, and by whom? Are we presuming to establish by "greater certainty" that in our wisdom, based on our knowledge, these are "works for the advantage of Canada"? Not that they may become works which will be for the advantage of Canada. That is not the point at all. I thought that this explanation did not enlighten us much so two days ago I gave our leader (Hon. Mr. Robertson), who is not here today, written notes. I inquired: What information has the Department of Trade and Commerce on which to base a request to parliament to declare certain mills mentioned in the schedule to Bill 23 to be "works for the general advantage of Canada"? Here is the answer: "The government is informed by the Canadian Wheat Board that the mills referred to in the schedule accept delivery"—listen to this—"or are in a position to accept delivery of relatively large quantities of grain from producers. They are therefore important as a factor affecting the regulation of deliveries of grain for the general advantage of Canada."

Honourable senators, are we prepared, should we be prepared, on a statement that some flour mills are in a position to deliver wheat in large quantities if they wish to do so, to say that that constitutes them in fact and in law "works for the general advantage of Canada"? So far as this particular case is concerned, I do not object, I am not interested in it, nor do I intend to move any amendment. But what I am saying is that if this provision goes through without protest, if the actions of this parliament are to be based on that kind of flimsy nothingness, if we assume the right to remove jurisdiction in regard to a flour mill from the province of Manitoba and vest it exclusively in the dominion, we may in the like manner do so in regard to every sawmill, shingle mill and factory, and, step by step, every kind of work in the Dominion of Canada which can be conceived. That is a wrong principle. It creates a sense of insecurity. I say that in adopting it we are not being honest with ourselves or performing our duties properly; and I feel, honourable senators, that I should call attention to this and express

the hope that the next time parliament is asked to declare that any work is for the "general advantage of Canada" we shall be provided with real reasons to show that the declaration is honestly in accord with the facts, and that when we vote on the matter we shall be able to vote as our consciences direct us to do in the light of our knowledge.

Hon. ARTHUR W. ROEBUCK: Honourable senators, may I express on behalf of myself and, I think, of all other members of this house, appreciation of the very learned and capable discussion which we have just heard on the application of the British North America Act in this particular instance. It is not for me to presume off-hand to answer adequately the excellent arguments advanced by the honourable senator from Vancouver South (Hon. Mr. Farris); but he must remember that all members of this house are constitutional lawyers. Of necessity we must be so, and I do not think that the fact that a person is by profession a lawyer puts him in any special class in the study of these more or less simple, fundamental, primary questions of law with regard to our constitution. All of us in this chamber are constitutional lawyers, and each one of us is as well qualified as the others to apply his mind to the facts as they present themselves to us.

With all respect to the honourable member who has just sat down, I do not go with him in his argument on the two main contentions that have been laid before us. First, that this is an amendment of the British North America Act which, he says, may seriously impair the jurisdiction of the provinces. I take issue with the word "amendment", and that is the word he used.

Hon. Mr. FARRIS: I would agree with my honourable friend. But its effect is that of an amendment.

Hon. Mr. ROEBUCK: It is an act in pursuance of the British North America Act. The British North America Act provides that the Parliament of Canada may declare a work which is wholly local, within the bounds of a province, to be for the "general advantage of Canada", and as soon as the parliament of Canada has made that declaration, the work, although it is entirely local in its boundaries and its location, is in fact within the jurisdiction of this parliament.

Furthermore, the grant of the privilege and the power also confers upon the Parliament of Canada the obligation and the duty to act in that way under appropriate circumstances. So that when these mills—and, I

think, elevators as well—are declared, as they will be when the bill is passed, to be for the general advantage of Canada, irrespective of the methods or the facts by or upon which we act, they will then be classified and deemed to be “for the general advantage of Canada” within the meaning of the British North America Act, and therefore within the jurisdiction of this parliament.

I point out to my fellow-members of the Senate that this is not the first time parliament has made a declaration of this kind in very similar circumstances. The explanatory note opposite section 39 of the bill says:

This is the third declaration of this kind. The Canada Grain Act, 1927, listed the elevators then existing, and the 1939 amendment to the Act added additional elevators constructed in the interval. The proposed section 39 brings the list up to date and includes mills in Western Canada.

Hon. Mr. FARRIS: May I ask my honourable friend if any information was given parliament when those statutes were passed?

Hon. Mr. ROEBUCK: Far be it from me to say that in enacting those statutes parliament acted without knowledge. Every member of this house, and I suppose every member of the other place, has a general knowledge of the facts connected with this business. It is not necessary that he know the metes and bounds of each individual elevator or mill to know the type of business that a certain elevator or mill is doing, and to decide whether or not that type of trade can be honestly and properly declared to be for the general advantage of Canada. If you know what a mill is doing you do not need to see it to be able to make a declaration with regard to its business.

May I recall to the members of this house the fact that we ourselves have passed bills for expending out of the consolidated revenue fund very large sums in the bonusing of wheat-growing. Why? Because the growing of wheat was a local matter? Because the fields were within the boundaries of the provinces and therefore within the jurisdiction, and under the property and civil rights of the respective provinces? Not at all. We made those grants because the production of wheat within the dominion was for the general advantage of Canada. In this instance what do you find? You find a trade consisting in the growing of wheat all the way across Canada, from British Columbia to Nova Scotia. You find that wheat is transported by our general railroad system, which is interprovincial in its character. You find that on its way, incidental to transportation, the wheat is handled by elevators and sometimes

the mills. Export trade is a Canadian-wide by the mills. Export trade is a Canadian-wide dominion law whose maladjustment would be a national disaster; and therefore, legislation with regard to it is essentially, normally, and naturally legislation with regard to a matter for the general advantage of Canada.

I do not propose to pass upon this general measure because I approach it with the same diffidence as did the member for Vancouver South (Hon. Mr. Farris). That is to say, as a lawyer he rather apologized for discussing a matter as to which others may have greater knowledge and certainly a more direct interest. I feel the same way about it. I have not as yet discussed the merits of the bill on the floor of the house, but when it comes to the legal rights of parliament with regard to an enactment of this kind, I feel that I have as much right and ability to address myself to the problem as have those engaged in the industry itself. Therefore, I presume in an off-hand way to offer my suggestions.

So far as I can see, the British North America Act has given to the parliament of Canada the right and privilege, and has imposed upon it the duty, of declaring works to be for the general advantage of Canada. In my judgment, no court will go behind the exercise of that right on our part and substitute its opinion for the opinion of parliament. It is true that were somebody able to show that these things about which we legislated were not “works” within the meaning of the British North America Act, then we would have exceeded our powers. But it is admitted that these elevators and mills are works; and when we decide—as we have both the right and the obligation to decide—that these works are “for the general advantage of Canada”, no court will properly substitute its judgment for ours.

That brings us down to the one question: are we justified to ourselves, are our consciences free, when we declare these works to be “for the general advantage of Canada”? If each member decides that point as he sees fit, he will have satisfied the obligations that are on his shoulders.

I do not think honourable senators need worry very much about the legal interpretation of this problem. These mills are works. Is there anyone in this chamber who would declare, on his responsibility as a member of this house, that these works are not for the general advantage of Canada? My friend asks us to consider whether we know what we are talking about before we pass this

measure, but is he ready to tell us that these works are not for the general advantage of Canada?

Hon. Mr. FARRIS: That is not the issue.

Hon. Mr. ROEBUCK: That is the issue. If they are not for the general advantage of Canada, then we should not pass this bill. If they are for the general advantage of Canada, then we should pass this bill, and it is as much up to those who oppose the bill to make their case as it is for those who favour the bill to make their's.

Hon. Mr. FARRIS: If a member found that he did not have enough information, how should he vote?

Hon. Mr. HOWARD: Vote for the government.

Hon. Mr. DUFF: He should take a little course.

Hon. Mr. ROEBUCK: He should go for knowledge, because as a member of this chamber it is his obligation to know what he is doing and not to act in the dark. But will my honourable friend say that we are in the dark in regard to this matter?

Hon. Mr. FARRIS: Yes.

Hon. Mr. LAMBERT: May I ask my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) a question? If I am not satisfied that wheat accepted by a mill located in a certain province is 100 per cent devoted to the general benefit of Canada—in other words, if a considerable percentage of its operation is for the exclusive benefit of the local community where the mill is situated—am I justified in supporting a measure that declares the mill to be “a work for the general benefit of Canada”?

Hon. Mr. ROEBUCK: That is a very good question, but I point out that if it is necessary for a work to be 100 per cent devoted to the general advantage of Canada, as distinguished from the local advantage, there is no work which will fall within that classification. Interprovincial railways, which by the British North America Act itself are placed under the jurisdiction of the dominion parliament, have a local as well as a general benefit; and local railways which have assumed a character sufficient for us to declare them to be for the general advantage of Canada, have general as well as a local benefit. The fact that some “work” performs a local service does not take it out of the character of being also for the general advantage of Canada. If it is for the general advantage, then the local advantage must stand aside in the national interest.

The British North America Act recognizes throughout the principle of the supreme authority of the dominion government. That is a vital and most important distinction between our act and the constitution of the United States. In that country the final sovereignty rests with the people; a secondary sovereignty being with the states, and a third degree of sovereignty with the federal authority. In our country the government of Canada is vested in the Queen—to use the words of the act—and from this flows the conclusion that the highest and most important authority is the Parliament of Canada. If a work has local significance and benefit, and also is of advantage to Canada at large, parliament is justified in declaring that it is a work for the general advantage of Canada.

Hon. Mr. DUPUIS: May I ask the honourable gentleman a question? What is the effect of declaring in a bill like this that a work is for the general advantage of Canada?

Hon. Mr. ROEBUCK: The only effect that I know of is to place the work under the jurisdiction of the dominion parliament.

Hon. Mr. BOUFFARD: The exclusive jurisdiction.

Hon. Mr. ROEBUCK: That is correct, the exclusive jurisdiction of the dominion parliament. Such a declaration does not interfere with ownership or operation, but simply places under federal jurisdiction a work which may previously have been under provincial jurisdiction.

Hon. Mr. DUPUIS: I have a further question. Might such a declaration not constitute a precedent for declaring all “works” to be for the general advantage of Canada, thus depriving the provinces of control over those works? I have in mind coal mines and textile works which by their nature could be said to be for the general advantage of Canada. If we proceed in this direction long enough, would the provincial governments not become useless?

Hon. Mr. ROEBUCK: I recall to the memory of my honourable friend a statement I made previously, that this does not create a precedent. This is the third time that a similar declaration has been made.

It must be remembered also that section 92 of the British North America Act applies to “works” only. It is agreed that mills and elevators are “works.” There is a distinct limitation to physical properties.

If the federal parliament chose to exercise its jurisdiction to the fullest extent it could steal the rights of the provincial legislatures.

It is an old game for a stronger body to filch jurisdiction of a weaker body. But our parliamentary system has been operating for about eighty years, and so far we have not done that, nor do I think we are likely to. We should not be frightened by the bogey of our own *mala fides* and hold our hand, if this legislation is required. We are not going to steal jurisdiction from the provinces, even if we could; and certainly what is being done in this bill would advance us very little along that line.

Up to date we have considered the wheat trade to be of benefit to the country as a whole, and I point out that we have been bonusing the trade out of the dominion treasury. That money has been paid, not for a local purpose but because the trade has a national significance. To say now that it is purely local and that we must hold our hand is to contradict our history of the past few years.

Hon. Mr. LAMBERT: I should like to ask the honourable gentleman another question. If he were convinced that the main purpose of the bill was to maintain for five years a guaranteed price of \$1.35 a bushel for wheat, would he consider that the declaration that these mills are "for the general advantage of Canada" is justified?

I have a further question. The honourable gentleman has just referred to the bonusing of wheat producers during certain years. Does he say that there is a distinction between that bonusing and the payment of relief subventions to unemployed people in those years?

Hon. Mr. ROEBUCK: As to the last question, does the honourable gentleman ask if there is an analogy?

Hon. Mr. LAMBERT: I assumed that my friend's argument was that the bonusing of wheat producers in certain years was for the general advantage of Canada.

Hon. Mr. ROEBUCK: No. I say the fact that we have bonused the growers of wheat out of the national treasury is at least a circumstance which would lead to the conclusion that the trade is considered to be for the general benefit of Canada.

Hon. Mr. LAMBERT: If I may say so, I do not think that bears on the point.

Hon. Mr. ROEBUCK: Would my friend say that the giving of relief to the unemployed was a purely local matter? Have we not almost reached the conclusion that large bodies of unemployed people are a national responsibility?

Hon. Mr. LAMBERT: An international responsibility.

Hon. Mr. ROEBUCK: Even an international responsibility. If we had before us at the moment a declaration that unemployment was for the general disadvantage of Canada, and that full employment was for the general advantage of Canada, my friend and I would have no hesitation in accepting that declaration. I am not worried about the analogy.

Hon. Mr. FARRIS: May I ask my honourable friend a question?

Hon. Mr. ROEBUCK: Do you not think I had better answer the other questions? There are two of them.

Hon. Mr. FARRIS: I am sorry.

Hon. Mr. ROEBUCK: And I may be asked to remember too much.

The honourable gentleman from Ottawa (Hon. Mr. Lambert) asked me whether my judgment that the bill was to the general advantage of Canada would be influenced were I to come to the conclusion that its real purpose was to fix the price of wheat for the next five years. That, as I understand it, is the question. My answer is that I would not be influenced in the slightest by that decision, for this reason. If I came to the conclusion that the real purpose of this bill was to fix the price of wheat for the next five years, and I was opposed to that, I would vote against the bill on its merits, and my decision on that point would have nothing to do with my decision on the legal aspect of the right of parliament to legislate at all. Those problems are separate and distinct. If I—perhaps, like the honourable member for Vancouver south (Hon. Mr. Farris)—wanted to beat the bill on its merits, I would argue the legal question; and if I succeeded on that I would gain my point on the general question of the merits, because I would kill the bill. But at the moment I am not doing that at all; I am arguing the legal question. As I have already said, I am not passing on the merits of this bill; I am arguing the right of this parliament to pass this legislation, and my judgment is that we have a perfect right to pass it if we wish to do so. If we are not convinced of its merits we shall not pass it; but that should not cause us to determine that we have not a right which, I think, we possess.

Hon. Mr. FARRIS: I was going to ask the honourable senator this question, based on his observation that we have bonused wheat. We have also bonused milk. Would that be

a ground for taking over the dairies, with the cows, as "works for the general advantage of Canada"?

Hon. Mr. ROEBUCK: That might be carrying the thing *ad absurdum*.

Hon. Mr. FARRIS: Why?

Hon. Mr. ROEBUCK: We are not likely to declare the cows to be "for the general advantage of Canada".

Hon. Mr. HAIG: I think they are.

Hon. Mr. ROEBUCK: I say that for this reason: We do not wish to transfer legislative jurisdiction over cows from the provincial legislatures to the dominion.

But let me ask this in return: were it a fact that the very existence of Canada as a nation depended upon some regulations with regard to cows—

Hon. Mr. MOLLOY: It does.

Hon. Mr. ROEBUCK: Yes, but if the necessity of regulation by the dominion government was vitally important, would we have any hesitation in declaring cows to be for the general advantage of Canada? Get my next point: if it were essential to the life of Canada, to the national existence or the national welfare, that farm stock be declared "for the general advantage", why should we hold our hand? It is for that reason that the legislators who passed the British North America Act gave to this parliament the right to declare any "work"—it is so termed, and a cow is not a "work" within the legal meaning of the British North America Act, although dairies might be—to be "for the general advantage of Canada", and to assume control over local works when they in their judgment determine that they are for the general advantage of Canada.

Hon. Mr. FARRIS: My honourable friend asked me a question which I should like to answer. I would say that if legislation involving cows were necessary for the welfare of Canada, the proper way to deal with them would be as something necessarily ancillary to the legislation. As you have declared each of these enumerated mills individually, so you would have to pick out every cow in Canada and say that that particular cow is operating as "a work for the general advantage of Canada". That is the fundamental fallacy of my honourable friend's position.

Hon. Mr. ROEBUCK: But could you not come to the conclusion that all cows were for the general advantage of Canada?

Hon. Mr. FARRIS: That is not the statement in this bill.

Hon. Mr. ROEBUCK: You would not have to state whether "Bossy" was red and "Tillie" was white before you declared all cows to be for the general advantage of Canada. You would not even have to know the owners of the cows or where they were located.

Hon. Mr. FARRIS: I would call my honourable friend's attention to the fact that there is no statement in this bill about "all mills" in Canada.

Hon. Mr. ROEBUCK: No; it does not say "all mills"; it enumerates certain mills which are believed to be for the general advantage of Canada. So the illustration does not illustrate, and the analogy is not analogous. Anyway, the case of cows is a rather ridiculous illustration of the legal point. Cows are not analogous at all. Dairies are another matter; and the time may come when we in parliament will declare dairies to be "for the general advantage of Canada".

Hon. Mr. BOUFFARD: You will have serious difficulties.

Hon. Mr. ROEBUCK: That is, if the provinces were to neglect a duty to the people of Canada. But that question is not before us today.

Hon. Mrs. FALLIS: May I ask the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) a question? Is not the doctrine which he has enunciated—that if it be to its advantage, the state could take over anything without consulting individuals or provinces—the doctrine of all dictatorship countries?

Hon. Mr. ROEBUCK: Of course, all dictators pass laws and enforce them. Perhaps the same philosophy of power applies to dictators as to legislative assemblies. But because dictators have power, is not to say that democratic institutions should renounce power. It is a mere matter of the use of power on the one hand and the abuse of power on the other hand. To say that we must not do something because dictators did it is hardly a good argument, unless it is also shown that the doing of it constitutes an abuse.

Hon. Mrs. FALLIS: Perhaps the honourable senator misunderstands me. My point is that he is stressing the centralization of power under a national government. The foundation of all dictatorships is the taking away of power from individuals and local administrations and centralizing it in the state. And this sort of legislation, as the honourable senator from Vancouver South (Hon. Mr. Farris) has pointed out, evidences—no matter whether it is a precedent or whether it is the fourth or fifth enactment of the kind—that there is a

decided tendency in this country towards centralization of power. That, I think, is something which some of us object to.

The Hon. the SPEAKER: I think the honourable senator should be allowed to continue his speech.

Hon. Mr. ROEBUCK: I have finished my speech, Mr. Speaker, and I am now attempting to answer questions. I wish to reply to the honourable senator from Peterborough (Hon. Mrs. Fallis) because she has brought up a really important point, and this is the first time it has been raised. I too am opposed to unnecessary and undue centralization of power. The honourable senator from Peterborough knows that. I suppose that we all wish to preserve provincial jurisdictions, to have strong municipalities, and not to have an overburdening power centred in Ottawa. If the honourable member thinks that this bill tends unduly in that direction, I would suggest that she vote against the bill on its merits. I also suggest that that has nothing to do with the legal question with which we are now struggling.

I also want to point out where, as I see it, we are going with this type of legislation. The vital distinction between democracies and autocracies is the respect which democracies pay to the individual. Autocracies glorify the state and make it superior to the individual, so that you find all kinds of cruelty applied to the individual; the subservience of the mere little man to that gilded idol called "the state". It is the modern worship of Baal, and is heathenism in its worst form. But that has nothing to do with this bill. If I felt that it was an undue encroachment on provincial jurisdiction and was tending to an autocracy here, I would vote against the bill on its merits.

Hon. Mr. PATERSON: May I ask the honourable senator from Vancouver South (Hon. Mr. Farris) whether in his opinion this question was not settled some thirty or forty years ago, when the Dominion Government required every flour mill, every elevator and every flat warehouse in the three prairie provinces to obtain federal licences before being allowed to take in a bushel of wheat? Was that question not settled when the Canada Grain Act was passed?

Hon. Mr. FARRIS: I am glad my honourable friend from Thunder Bay (Hon. Mr. Paterson) asks that question because it enables me to make a distinction which I think has been overlooked.

My honourable friend (Hon. Mr. Roebuck) has been criticizing my speech, while appropriating most of it, but there is only one real

issue as far as parliament is concerned. We are not dealing with the problem of how far parliament, under its general powers, may go in legislating with respect to provincial operations. That is not the question. The question is a simple one coming under section 92 (10) of the British North America Act. Are we justified in this case in declaring an enumerated group of flour mills about which we know nothing, to be "works for the general advantage of Canada"? My honourable friend said parliament could pass legislation covering all cows. There is nothing to suggest that all the flour mills in Manitoba, Saskatchewan, and Alberta are included in this bill. A selected group of mills is said to be for the general advantage of Canada. I suggest that honourable senators look at the list and ask themselves what they know about each of these mills. Why is any particular one of them included? Perhaps next door to one of these mills is another mill which is not included. What is the explanation?

The Hon. the SPEAKER: I would call the attention of honourable senators to Rule 35, which provides:

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.

I call attention to this rule merely because, after all, we are not in Committee of the Whole. Questions may be asked, but I think that in speaking the second time the honourable senator from Vancouver South (Hon. Mr. Farris) is out of order.

Hon. JOHN T. HAIG: Honourable senators, I do not wish to say very much. I agree with the honourable senator from Vancouver South (Hon. Mr. Farris). My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) may argue that we should do certain things because they are for the benefit of Canada. But, as senators, we ought to remember, that we are here especially to guard the rights of the provinces. If we can encroach on one provincial jurisdiction we can encroach on another, and we might ultimately have in control at Ottawa a government such as the government that is now in control in Saskatchewan. It might desire to transfer all the powers of the provinces to the Dominion. I do not think it is any answer for my honourable friend from Toronto-Trinity to say that all these works are for the general advantage of Canada. I agree with him that they probably are for the general advantage of Canada, but if I wanted to kill this bill I should probably use the legal argument first,

so that I would not have to kill it on its merits. However, that is not the point raised by my honourable friend from Vancouver South (Hon. Mr. Farris). His point is one that has always been troublesome to me. In the Senate we have got to guard the rights of the provinces and protect them from any encroachment by the Dominion government upon their jurisdictions; and in years to come we may be called upon oftener to guard provincial rights. This is an important point.

There is a mill at Moosehorn, a mill at Altona, a mill at Beausejour. I know of these mills, but I do not know whether it is necessary to place them under dominion jurisdiction. It does not matter whether we did this kind of thing three or four times before. There is a tacit agreement in Canada that wheat handling and wheat trading benefit the people as a whole and that is why we passed federal legislation covering this business.

I agree with my honourable friend from Vancouver South (Hon. Mr. Farris) that it is our duty to satisfy ourselves as to whether jurisdiction over these mills should be taken away from the provinces. I have no doubt that if we had a record of the debates of the Fathers of Confederation we would learn the power given to the dominion by section 92 (10) was given especially for war purposes. But we are not in a period of wartime emergency now, and we should watch our step. I am in favour of the bill on its merits, but I want to join with the honourable member from Vancouver South in saying that every time we are presented with a measure like this we should be very careful to see whether it does not encroach unnecessarily upon provincial jurisdiction.

Some Hon. SENATORS: Hear, hear.

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

EXPORT AND IMPORT PERMITS BILL

THIRD READING

Hon. A. B. COPP, for Hon. Mr. Robertson, moved the third reading of Bill 11, an Act respecting export and import permits.

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

IMMIGRATION BILL

SECOND READING

Hon. A. B. COPP, for Hon. Mr. Robertson, moved the second reading of Bill 10, an Act to amend the Immigration Act and to repeal the Chinese Immigration Act.

Hon. Mr. HAIG: Honourable senators, before the bill is given second reading, may I ask if it is intended that it be referred to committee?

Hon. Mr. COPP: I do not know that that will be necessary.

Hon. Mr. HAIG: I should like to ask the minister some questions in committee.

Hon. Mr. COPP: I was about to ask the honourable senator from Churchill (Hon. Mr. Crerar) to explain the bill. Perhaps he will give the honourable leader opposite (Hon. Mr. Haig) the information he requires.

Hon. T. A. CRERAR: Honourable senators, the amendments to the Immigration Act contained in the bill before us are fairly simple in meaning and easily understood. The most important feature of the bill is the repeal of the Chinese Immigration Act, R.S.C. 1927.

The first section of the bill adds two new subsections to section 33 of the Immigration Act. This section of the Immigration Act has to do with the admission of people to Canada from other countries, and it lays down the conditions under which entry may take place. It has nothing to do with the general immigration policy as to who and what number may be admitted. The section outlines the procedure for officers of the Immigration Branch stationed at various ports of entry.

Under the new subsection 15 of section 1 an immigration officer at any port of entry may, in respect, for instance, of persons from the Orient passing through Canada to another destination, require the railway company to put up a bond assuring the transportation of these people throughout Canada, and prevention of their escape. This provision is occasioned by the fact that at times Oriental labour has been brought through the port of entry at Vancouver, travelled across Canada to the Atlantic coast and on to the West Indies or elsewhere. When their work was completed they returned across Canada to Vancouver and sailed for home. The Chinese Immigration Act covered the bonding of labourers passing through Canada. With the repeal of that Act it is necessary to incorporate into the Immigration Act a provision of this nature. Subsection 16 provides that the Governor in Council may prescribe the amount of the bond required from the transportation company.

By section 2 of the bill, section 80 of the Immigration Act is repealed. When the Chinese Immigration Act is repealed, section 80 will no longer be required.

Section 3 of the bill has to do with the sections of the Immigration Act prohibiting the entry of immigrants into Canada because of health or other reasons. For instance, persons suffering from epilepsy or tuberculosis cannot enter Canada; and persons convicted of crimes involving moral turpitude are also forbidden to enter. Several prohibitions in that respect are defined. This section waives these prohibitions during the pleasure of the Governor in Council for the purpose of admitting to Canada dependants of soldiers who married overseas. A soldier may have married in Britain, and when his wife makes application to come to Canada it may be found on examination that she would come under the ban of one of these prohibitions, so this section is intended to waive the prohibition so far as soldiers' dependants are concerned. Also it provides that such people shall be medically inspected and a record of their physical condition taken, and that this record shall be passed on to the public health service of the province to which they are destined. If they are suffering from an infectious or contagious disease, they are not permitted to come here until the disease has passed from them. Then the bill goes on to define "approved medical practitioner", "dependant", "member of the forces", and so forth.

The next and final section of the bill is—

Hon. Mr. HAIG: The real section.

Hon. Mr. CRERAR: Well, the important section. It is the repeal of the Chinese Immigration Act, which, as I stated earlier, appears in the Revised Statutes of Canada, 1927. The Chinese Immigration Act was passed a good many years ago. Under that statute there are definite prohibitions of Chinese coming to Canada. Briefly, the only Chinese who were admissible to Canada under the Chinese Immigration Act, were, first, members of the diplomatic corps; second, the children born in Canada of parents of Chinese race or descent who were resident in Canada and who had left Canada for educational or other purposes; third, merchants, as defined by regulations which might be laid down by the minister; that is, merchants desiring to come to Canada on business and admitted for the purposes of business, but who had to go back, of course, when their business was completed. The other admissible class was Chinese students who desired to study in Canadian universities, and who had to return home when their period of study was over. Those were the vital sections which governed admission of

Chinese to Canada under the Chinese Immigration Act, which by this bill is being repealed.

Whatever view one may hold about Oriental immigration to Canada—and I have some fairly definite views on that subject—there can be no gainsaying the argument that the Chinese Immigration Act was really an exclusion act, and singled out one particular nation in a way which was definitely repugnant to them. The question involved was not one of Chinese wanting to come to Canada; the real question was that the Chinese Immigration Act put a "bar sinister", as it were, on the Chinese as a nation, and of course that is a discrimination that should not be perpetuated in our laws. There is an order in council passed under the Immigration Act which deals with the migration to Canada of Asiatics of any race, but we do not put that mark of disapproval, may I call it, upon Japanese, East Indians, Malayans or any other class of Asiatics. For this reason the Chinese Immigration Act was regarded by the government of China as constituting a peculiarly black mark against them, and on that account I personally welcome its repeal.

What, then, will be the position as regards the admission of Chinese to Canada after the repeal of the Act? It will come under the order in council governing the admission of Asiatics. That order will apply to Chinese as it applies to other Asiatics. The Chinese who is a citizen of Canada can now bring to this country his wife, and children under eighteen years of age, if they are in good physical condition, because that is the regulation which governs admission of Asiatics generally. By this bill we remove the obnoxious discrimination against the Chinese. I venture to say that the bill should pass this house without any serious opposition.

Hon. Mr. ROEBUCK: How many Chinese are there in Canada who are supposed to be married and whose wives and children are in China?

Hon. Mr. FARRIS: And how many wives?

Hon. Mr. ROEBUCK: Well, I supposed they would have only one wife; if they have two, we would like to know which one will be permitted entrance.

Hon. Mr. CRERAR: I cannot give information on the second question. I understand that there are about 30,000 Chinese in Canada.

Hon. Mr. ROEBUCK: Some figures were given at one time in the newspapers, and I wondered if there was any authenticity to them. I forget the figure which was published, but it was a considerable number—a very con-

siderable part of the 30,000. I welcome this legislation, because to me it seems such an unnatural thing to allow Chinese men to come to this country and deny them so long as they are in Canada the right to a family life. It is not a healthy condition for married men who have wives and children in China, to be doomed to celibacy in this country. It is not a humanitarian condition, or one that tends to the best social results. I welcome the change in the law which allows these men to bring their wives here. Just in passing, I think it is perhaps only fair to the Chinese who in years past have been denied this right, to say—and this is not out of place—that they have been a very law-abiding section of our society, and that perhaps they have behaved themselves better than some others might have behaved if in their place. I wish to acknowledge that and give credit to them.

The honourable senator who has just explained the bill (Hon. Mr. Crerar) said he had some definite views on the immigration of Chinese. I am sorry that he did not express them. I too have views in connection with that subject. They were very well expressed by the Prime Minister when he said that entry to Canada was a privilege and not a right; that Canada accorded to other nations the right and privilege of deciding who should enter their country as permanent residents, and reserved to herself the same right to use her judgment as to what immigrants she would admit. It is necessary that we enforce that right, because this is a white man's land. I am not basing that statement on any ground of colour or race. It is necessary for the maintenance of our social conditions and our way of life that we restrict the immigration of hordes of Chinese to this country. That does not justify us in not giving very considerate treatment to those Chinese who are already here. Whether we admit more Chinese, and whether we act with decency and kindness and consideration to those who are already here—particularly those who have become Canadian citizens, secured Canadian domiciles and justified their stay by the observance of our laws as good citizens—are two different problems.

I am glad to say that I shall vote for this bill with pleasure.

Hon. Mr. FARRIS: Honourable senators, I am sorry, to be speaking so much, but I regard this bill as of some importance. I intend to vote against it. I shall not say much, and I shall not seek to influence the vote of anybody else.

So far as the Chinese in this country are concerned, the simple fact is that they were not shanghaied and brought here. They came

of their own free will. A large portion of them stayed in British Columbia at a time when they must have known that the sentiment in that province was against their coming there at all. There was nothing to compel them to come and there was nothing to compel them to remain. Their being allowed to come to this country was a concession. I cannot see how the theory comes about that one good turn deserves another. I have great admiration for the Chinese people, and I had a very warm and personal admiration for one Chinaman in particular, whom for a number of years I employed as a cook. He was a loyal and good servant, and when he died I felt his passing almost as much as though he had been a member of the family. But, that is not the point. The point is the society in our country, and our social and political conditions in the future.

So far as my experience tells me—I am speaking now entirely without previous preparation or thought on what I might say—there would not seem to be any reasonable prospect whatever of assimilation of orientals in this country. What I mean by assimilation is the marriage with other classes and the disappearance of a distinct race, leaving only a Canadian people of a common race. I can see no prospect of that. It has not happened in regard to the Negro in the United States.

Hon. Mr. ROEBUCK: It is happening very fast in the United States.

Hon. Mr. FARRIS: I admit it has happened to a certain extent, but it has not happened to the extent of in any way eliminating the Negro problem as such.

Hon. Mr. ROEBUCK: Not yet.

Hon. Mr. FARRIS: There is no such problem in regard to the European people who come to our country. They go to our western country, and it is not long before they are merged in a common citizenship and identity. That is not the experience we have had with Orientals. It is no reflection on the Orientals any more than it is on us, for they have their distinct characteristics which they may rightly think are superior to ours. There is no reasonable prospect of assimilation of Chinese in the future, and I believe the introduction of the Oriental into our country, without a reasonable prospect of this assimilation, only makes for trouble. The problem will grow until perhaps seventy-five years from now our grandchildren and our great-grandchildren will look back with regret to some well-intended theories that left sections of Canada with a racial problem. Once this has started

to grow it will never be eradicated. I saw figures in the newspapers, and I am mighty skeptical about them.

Hon. Mr. ROEBUCK: What are the figures?

Hon. Mr. FARRIS: I do not know the figures, but I am skeptical; I doubt very much if they are as trifling as the newspapers suggested. A great many wives, to say nothing of children in China, would come in under this legislation. That would create a problem for the future. The immediate problem has been in existence for years and, of course, it is an unfortunate situation that men should be in this country without their wives. However, men go to work in the logging camps and in the woods, and under no circumstances would an employer permit their wives to go with them. It is a voluntary matter. It is also a voluntary matter when these Chinese come to Canada, and there is nothing to stop them from returning to their own country.

I repeat that I do not wish to influence the vote of any honourable senator, but I intend to vote against this bill.

Hon. Mr. ROEBUCK: May I have the indulgence of this house to put on the record the figures I have been asked for, and which my honourable friend from Medicine Hat (Hon. Mr. Gershaw) has just supplied me with? I quote from a statement made in another place by the Minister of Mines and Natural Resources on May 5, 1947:

The Chinese male population, married, is 23,556; the Chinese male population, single, is 5,866; the Chinese female population, married, is 1,177, and the Chinese female population, single, is 2,569. The separated, divorced or widowed number 1,459. There are 6,694 persons of the Chinese race born in Canada, who are therefore citizens of Canada, and 2,055 persons naturalized. This makes a total of 8,748, leaving approximately 26,000 of Chinese origin in Canada who are not Canadian citizens.

Those are all the pertinent figures.

Hon. Mr. FARRIS: I read an article in the newspaper indicating how few Chinese could bring wives into big Canadian cities; but it did not say how long it would take the rest of the Chinese to become Canadian citizens.

Hon. JOHN T. HAIG: Honourable senators, I wish only to relate a little experience I had when I was one of the Canadian representatives to the United Nations conference. The most acrimonious debate I witnessed in that assembly was waged by India against South Africa. It appears that some fifty or sixty years ago a few labourers from India were admitted to Natal, on the east coast of South Africa. They now number about 50,000. A bitter attack was made on

the government of South Africa, and it was charged that these Indians were not being treated as a sovereign people. It was admitted that they had better living conditions and more employment and were better off than their own people in India. The only privilege they did not have was the right to become candidates for the Parliament of South Africa, and the right to vote. The wartime regulations which amounted to conscription in that country did not apply to them. The Indians were limited to a certain extent as to the ownership of property and that sort of thing. They or their ancestors were indentured labour a long time ago. The government offered them transportation back to their own country but they would not leave South Africa.

The thought occurred to me at that meeting of the United Nations, and it comes back to me now, that we should never admit Asiatic people into this country. There was a clear demonstration in South Africa of the inability of the Indians to assimilate themselves into the national life.

I do not intend to vote against the bill, but I feel that if we pass it we shall be making a mistake. It is my opinion that the government should look carefully into this matter, because there is no use in just saying that it affects only six or eight thousand people. These Canadian Chinese have been here for years, they are all naturalized or will have no difficulty in getting naturalized. They are all unmarried and will go back to China, marry and bring their wives into this country. In reply to a question in the other house the minister said that any naturalized Canadian could go and get a wife and bring her into Canada. Of course, there could be no such thing as telegraphic marriages. These Chinese will all bring women to this country; and, as my honourable friend from Vancouver South (Hon. Mr. Farris) has said, that will create a problem. If we want an example, let us look at South Africa.

I repeat that the debate I witnessed in the United Nations was a most bitter one, and every race that was not white—with the exception of Russia and her satellites—were on the one side.

We who represent Canada today must not forget that probably seventy-five years from now someone will ask why a measure of this kind was passed. I have brought this illustration of South Africa to the attention of the house not with a view to opposing the bill, but I regret that it has been introduced.

Hon. Mr. CRERAR: Honourable senators, if I might be permitted to say a word, in closing the debate on this bill—

Hon. Mr. HAIG: My honourable friend can only speak with the consent of the house. He cannot speak for the second time on second reading of a bill.

The Hon. the SPEAKER: The honourable gentleman from Churchill (Hon. Mr. Crerar) explained the bill, and I think he has exhausted his rights.

Hon. Mr. HAIG: I am quite agreeable that the honourable gentleman speak, but he may do so only with the consent of the house.

Hon. Mr. CRERAR: Apparently the rules of this house differ from those of the other house.

Hon. Mr. HAIG: They are different.

Hon. Mr. CRERAR: Honourable senators, I have very little further to say on this matter. I recognize the problems that have been referred to by the honourable senator from Vancouver South (Hon. Mr. Farris) and the honourable leader opposite (Hon. Mr. Haig), but we are dealing with a rather complex situation. China today is recognized throughout the world as a great power; she is one of the five nations represented on the permanent council of the United Nations organization. She is there by right of being an ally in the war and because of her world position. We know that scholastically and from a literary standpoint a great many Chinese have attained high distinction.

I recall the occasion during the recent war when Madam Chiang Kai-shek addressed a joint meeting of the houses of parliament, and the fine impression she made upon all who heard here. The Chinese have rightly a pride in their country and their ancestry.

If we consider this new policy only on the ground of justice and fair play, I think it becomes our duty to remove the stigma—that is not too strong a word—that was placed upon the Chinese people by our Chinese Immigration Act. If we judge the repeal of this act on a purely materialistic basis, it will be seen to be to our advantage. I do not regard this as the highest ground, but it must be remembered that Canada is on the North Pacific, as is China. Unquestionably in this century, when the troubles of the present day have passed—if they do pass—China will be a great world market. Honourable senators, is it not a matter of common sense and in our own interest to avoid anything that would create antagonism among four hundred million people?

I believe that the admission of the wives of Chinese to Canada is a matter of elementary justice. How can we place on our statute books laws prohibiting wives of Canadian citizens of Chinese origin coming here, when we admit the wives of citizens of other origins? That would be a discrimination which we could not successfully maintain without damage to our own good name.

The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) remarked that he would be glad to know my views on the general question of Oriental immigration to Canada. I have no hesitation in saying that I am opposed to it, but I want my opposition to be on a basis that will not offend countries like India, China, and—when she regains her sovereignty—Japan. I agree with the honourable senator from Vancouver South (Hon. Mr. Farris) that we have two civilizations and we cannot look forward to combining them; and the honourable senator from Toronto-Trinity is right in saying that we have the right to say whom we shall admit to this country; but we can do so in a way which will not be offensive to these new and rising powers in the Far East. We have the right to guard our own citizenship, but the Chinese have the same right to guard theirs; and it should not be difficult for the government of Canada to reach an understanding with China which will be mutual in its operation and will not stamp either country as being inferior to the other.

These are the reasons why personally I am glad to see the Chinese Immigration Act repealed. I have every confidence that the government will take the wise steps which are necessary to protect the good citizenship of this country.

Hon. Mr. FOSTER: Would the honourable member tell us how many Chinese are in Canada now?

Hon. Mr. TURGEON: about 34,000.

Hon. Mr. FARRIS: There will be 20,000 more coming in.

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

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: I do not want to impose too much on the good nature of the senate, but we are nearing the end of this week and we have some important matters to deal with next week. This bill is a matter of urgency, and if there is no objection I would suggest that it be now read a third time. With leave, I move that the bill be read a third time now.

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

PRIVATE BILL

SECOND READING

Hon. Mr. GOUIN moved the second reading of Bill U6, an Act to incorporate Federation Insurance Company of Canada.

The bill was read the second time.

REFERRED TO COMMITTEE

Hon. Mr. GOUIN moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

The Senate adjourned until Monday, May 12, at 3 p.m.

THE SENATE

Monday, May 12, 1947.

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

Prayers and routine proceedings.

PATENT BILL

CONCURRENCE BY COMMONS IN SENATE AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 16, an Act to amend the Patent Act, 1935, and to acquaint the Senate that they have agreed to the amendments made by the Senate to this bill, without any amendment.

CANADIAN WHEAT BOARD BILL

CONCURRENCE BY COMMONS IN SENATE AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 23, an Act to amend the Canadian Wheat Board Act, 1935, and to acquaint the Senate that they have agreed to the amendments made by the Senate to this bill without any amendment.

AGRICULTURAL PRODUCTS BILL

CONCURRENCE BY COMMONS IN SENATE AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 25, an Act to provide for the sale and export of agricultural products, and to acquaint the

Senate that they have agreed to the amendments made by the Senate to this bill, without any amendment.

TRADING WITH THE ENEMY BILL

FIRST READING

A message was received from the House of Commons with Bill 22, an Act to continue the Revised Regulations respecting Trading with the Enemy (1943).

The bill was read the first time.

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

Hon. Mr. ROBERTSON: Honourable senators, with leave of the house, I should like this bill to be given second reading a little later in this sitting. At the present moment we have only about half a dozen copies of the printed bill, but I am hopeful that the rest of them will be available in a short while. If it is acceptable to honourable senators, I suggest that the order for second reading be placed at the foot of today's order paper.

Hon. Mr. HAIG: Agreed.

JUVENILE DELINQUENTS BILL

FIRST READING

Hon. Mr. ROBERTSON presented bill D8, an Act to amend the Juvenile Delinquents Act, 1929.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. ASELTINE moved the third reading of the following bills:

Bill S7, an Act for the relief of Fern Catherine Kerr Ekins.

Bill T7, an Act for the relief of Lilly Elizabeth Ingborg Lindfors Crowhurst.

Bill U7, an Act for the relief of Romeo Richard.

Bill V7, an Act for the relief of Charles Augustus Dolling.

Bill W7, an Act for the relief of Charles Frederick McDowall.

Bill X7, an Act for the relief of Woolf (Robert) Cook.

Bill Y7, an Act for the relief of Adele Brown Kerkofsky.

Bill Z7, an Act for the relief of Ellen Heathcote Taschereau.

Bill A8, and Act for the relief of Molly Marcovitch Schwartz.

Bill B8, an Act for the relief of Betty Gertrude Bernstein Schreiber.

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

CONTINUATION OF TRANSITIONAL MEASURES BILL

THIRD READING

Hon. WISHART McL. ROBERTSON moved the third reading of Bill 104, an Act to provide for the continuation of certain orders and regulations of the Governor in Council for a limited period during the national emergency arising out of the war.

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

TRADING WITH THE ENEMY BILL

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of Bill 22, an Act to continue the Revised Regulations respecting Trading with the Enemy (1943).

He said: Honourable senators, this bill was given first reading a few moments ago, and at present only about a half dozen copies of it are available. I have asked the honourable senator from Toronto (Hon. Mr. Hayden) to explain the bill. Two methods of procedure are open to the house: we may adjourn during pleasure until copies have been distributed, or proceed with the explanation and distribute the copies as soon as received.

Some Hon. SENATORS: Go ahead.

Hon. Mr. ROBERTSON: Then I will ask the honourable senator from Toronto (Hon. Mr. Hayden) to explain the bill.

Hon. SALTER A. HAYDEN: Honourable senators, this bill is entitled, "An Act to continue the Revised Regulations respecting Trading with the Enemy (1943)." As honourable members know, the administrator of enemy property in Canada is called the Custodian of Enemy Property. It is not a new office. During the First World War it became necessary to set up a custodian's office to take charge and control the disposition of enemy property in Canada and occupied territories. As illustrating how these things hang on, some remnants of the administrative functions of that office were still in existence when the Second World War began, in 1939. At that

time, by reason of experience gained during the previous war, an order in council was passed, under the War Measures Act, providing regulations by which the custodian would deal with enemy property. Those regulations were revised in 1943, and subsequently the order was continued under the National Emergency Transitional Powers Act. The purpose of this bill is to continue some of those regulations in force, in legislative form, until such time as peace treaties with all enemy countries have been concluded.

To a great extent we are now discussing something after the event. The regulations provided that the custodian shall be the Secretary of State, and he was given authority to delegate his duties to certain other persons. Pursuant to that authority he appointed a deputy custodian. At the beginning the main purpose, of course, was to investigate, take possession of, locate, control and administer assets of enemies of this country which were found in Canada. And as various countries in Europe were overrun by our enemies it became necessary in the interest of our common war effort that the control of the assets of nationals of these occupied countries should come into possession of the government of Canada, so as to forestall any effort of our enemies to get possession of these assets and dispose of them as a means of strengthening their financial position.

So two divisions came under the administration of the custodian's office. One pertains to what may be called technical enemies, the other to what are known as belligerents. Technical enemies would consist of nationals of occupied countries, such as France, Belgium, Holland, Denmark and Norway; enemy belligerents, of course, would be Germany and the satellite powers, including Italy, Romania and, later, Japan. One strange circumstance is that, whereas during the First World War a very substantial amount in dollar values of assets of our enemies came into possession of the custodian, during the recent war the peak amount of assets from all sources held by the custodian was, I understand, a little over a billion dollars. Only about \$11,000,000 of this represented German enemy assets, and all the belligerent enemy assets on which the custodian was able to lay his hands amounted to possibly twenty or twenty-one million dollars.

The manner in which these countries which became enemies of ours were functioning for some period prior to the war enabled them to utilize their foreign assets to provide themselves with what they needed to feed the war machine which they expected soon to set on its way. The net result was that they had little if anything in the way of assets

which the custodian could seize; and the fact is that out of the billion dollars to which I have referred the amount of German and other enemy assets seized was very small.

With respect to the other assets, it will be appreciated that as soon as the invaded countries ceased to be occupied, and as soon as satisfactory arrangements were made with each country involved—and such arrangements have already been concluded with several states, including France and Belgium—there would be returned to those countries their state assets which were under the control and direction of our custodian. Then, as individuals or nationals in those countries would be able to prove to the satisfaction of the custodian that they were entitled to those particular assets, those assets would be released to them. Identification and proof of ownership, of course, would be required. As regards the release of state funds to the various countries, friendly nations and allies, that were overrun by the enemy, at the end of December, 1946, there remained in the hands of the custodian, out of that billion dollars, approximately \$320,000,000. That does not mean that all that money is in his physical possession; it includes assets held by trust and investment companies; but all these are subject to the control and direction of the custodian. It will be seen that, of the \$320,000,000 to which I have referred, only about \$20,000,000 represent enemy assets.

That is the background of this matter. We are talking now of something that is in the past. Were it necessary to do so, it would be a simple matter to justify the appointment of a custodian. Every country found it necessary to appoint one. The manner in which our custodian's office was set up was somewhat different from the procedure in England. We provided for the taking over and vesting in the custodian of all assets that Canada could get her hands on and that belonged to enemy countries or nationals, or to occupied territories or their nationals.

Hon. Mr. ASELTINE: Might I ask the honourable senator a question?

Hon. Mr. HAYDEN: Yes.

Hon. Mr. ASELTINE: Can he tell me what charge the custodian makes for the administration of this property?

Hon. Mr. HAYDEN: Yes. The custodian could charge up to two per cent commission; that would be two per cent of the capital value of all assets that came into his possession, and two per cent of any dividends

or interest on securities. Out of these revenues, he had to defray the expenses of administering his office.

I might point out to honourable senators that during the period the custodian has been operating there has been no annual accounting to parliament of the funds or assets taken over, or of the commissions charged or expenditures made. However, each year an audit has been made by an outstanding firm of chartered accountants, Price Waterhouse and Company, who report in great detail to the minister. A complete report was furnished during the progress of this bill in another place. I am holding up a copy in my hand, and from the size of it honourable members can get some indication of how thoroughly it covered the operations of the custodian during the period in which he was functioning.

Hon. Mr. HAIG: What became of the surplus money, if there was any, received from the two per cent commission?

Hon. Mr. HAYDEN: Undoubtedly there is surplus money. It is still in a bank account, or several accounts, in the name of the custodian, that is, the Secretary of State, whose sanction must be obtained before withdrawals can be made. There has been no transfer of that money from the custodian to parliament or to consolidated revenue, but the cost of administration has been charged against the money. Undoubtedly there is a surplus, and there must be a fairly substantial one. If there ever is a winding-up of the custodian's office, any funds left over will have to be disposed of in some fashion.

There is still a big job to be done by the custodian. If there ever was a time when the custodian was truly a custodian, it is at the present time, because although the duties of locating assets and investigating them have, in the main, been discharged, the Canadian and other troops who went into Germany obtained information that has enabled the custodian to locate further assets. These are now few and far between. The custodian's function at this time is to hold all the assets until peace treaties are concluded with the various enemy countries. Those peace treaties will provide for the handling of reparations, the manner in which the enemy assets held by Canada are to be applied in satisfaction of Canadian claims either for damage sustained by illegal warfare or for destruction of Canadian assets in enemy countries. Those matters were dealt with in pursuance of provisions in peace treaties after the last war. It will be recalled that at that time reparation commissions were set up in Canada and hearings were held to

deal with claims of Canadian citizens for damages sustained through illegal warfare and loss of Canadian assets in enemy countries. But, unlike then, there is not now available in Canada sufficient enemy funds to take care of possible claims. When speaking on this matter in another place, the minister intimated that although no advertising has been done inviting Canadians to file and record their claims, already the claims that have been sent in exceed greatly in dollar value the enemy assets held by the custodian to satisfy these claims, once they have been proved. The procedure for proving claims is something that still has to be set up, and will have to be provided for in the peace treaties.

The bill before us simply provides that the revised regulations, which are successive orders in council passed under the War Measures Act and now in force under the National Emergency Transitional Powers Act, be continued in force until a day fixed by proclamation of the Governor in Council. That day will not be so fixed until all treaties of peace have been concluded, and the functions of the custodian as holder of these assets is at an end. I should say that the functions of the custodian will not be fully completed until some far distant date. As I pointed out earlier in my remarks, when war broke out in 1939 the custodian was still discharging some duties arising out of the First World War.

Hon. Mr. HAIG: May I ask the honourable gentleman one more question? My observation may not be in order, but I noticed that there was considerable discussion on this subject in a committee of the other place. Did the members of that committee consider the financial aspect of this measure?

Hon. Mr. HAYDEN: May I be permitted to defer answering that question for a moment?

The bill is a simple one, containing only four sections, and its purpose is to continue in force the regulations set out in the schedule. In any instance where a regulation has been found unnecessary, for convenience the original numbering has been preserved and the regulations marked "revoked". From section 2 (2) it will be observed that all amendments to the regulations have been put right into the bill itself. They are, for convenience, also written into the schedule. If honourable senators consider there should be some further amendments, they can be put right into the bill.

In the main the amendments are for the purpose of permitting a person who so desires to establish that he is not an enemy. After giving notice, he can go to the Exchequer

Court; and if he satisfies the court that he is not properly designated as an enemy, and that he is the owner of certain assets, the court will make an order that the custodian deliver the assets to him. A series of such amendments will be found in subsection 2 of section 2.

Section 3 provides that the custodian must make an annual report to parliament. Section 4 provides for the duration of the bill, and is followed by the schedule of regulations. All the features in the regulations during the war which might have been described as "tough" have been taken out of the bill, and are marked "revoked." Powers to search, locate and investigate are no longer necessary; everything that can be found has been found. The bill is a sort of holding order, to continue authority in the custodian to hold certain assets until their ultimate destination is determined by peace treaties and court proceedings, or as a result of claimants satisfying the custodian with proofs of ownership.

Considerable discussion developed both publicly and in another place as to the financial aspects of the bill on two points: First, the sale of property such as labour temples, and so on, which had been seized during the war under the Defence of Canada Regulations and whose owners had been declared illegal concerns; second, the seizure and sale of evacuees' property and assets owned by the Japanese in British Columbia.

May I make this general observation in relation to the assets of Japanese? First of all, the responsibility was not primarily that of the custodian. As a matter of policy, several orders in council were passed by the government which provided for the taking over of these properties and assets and appointed the custodian as the person to administer and dispose of them. They also provided for the appointment of what might be called appraising commissioners, who went around and appraised assets and properties of these aliens. At least this much can be said, that the moneys realized by the sale of the various assets taken over under those orders in council, and administered and sold through the custodian's office, exceeded the value of those properties and assets as determined by the appraising commissioners. In that connection I would draw attention to the following statement which was made this year in another place by the Prime Minister:

With respect to the property of persons of Japanese origin who were removed from the Pacific coast, and whose property was sold by the custodian, the government is of the opinion that the sales were made at a fair price. In all cases a complete appraisal was made before disposition. The total of the prices secured is

greater in aggregate than the total appraisal value. To ensure, however, the fair treatment promised in 1944, the government is prepared, in cases where it can be shown that a sale was made at less than a fair market value, to remedy the injustice.

So much for the Japanese phase.

In connection with the other phase, relating to the sale of labour temples and other properties, honourable senators will remember that during the period of the war there were sudden changes in property values. In the first several years of the war, values did not reach their peak. It was not, I believe, until 1942 that they started to ascend. Some of these properties were disposed of by the custodian shortly after their acquisition; and at a later period, when apparently some of these organizations were able in some fashion to purge themselves of illegality and become legal organizations in Canada, the question of restoration of their properties came up. Of course, those which had been sold could not be restored, and it then became a question of turning over the moneys realized through the sales. The matter of the sale price came up, and there was quite a storm.

As honourable members will recall, investigations were made at that time, and values were determined. While it was not admitted that the custodian had erred in selling or in respect to the prices he received, yet property had appreciated so much over the years since these assets were acquired that in some instances the government, through the custodian, set upon the properties which had been sold an additional value, as appraised, over and above the prices which had been realized, and the custodian paid to these organizations the difference between the sale prices and what was subsequently determined to be the real value. The money to pay the difference was taken by the custodian out of revenues representing commissions which he received on the handling of the various assets, belonging to enemy aliens, internees and nationals of occupied territories which came to him as custodian. Whether this was the proper procedure, or whether the money should have come out of the consolidated revenues of Canada, is a question which I suppose, we might debate from various points of view. But, in any event, that is the manner in which the problem was dealt with. Like most of the operations of the custodian's office, it is now a thing of the past; and unless honourable senators have some specific questions in connection with the financial aspect of it, that is all I propose to say about that phase of the administration of enemy property.

There are just one or two other things I think I should mention in connection with this bill. I want to emphasize that in the main we are dealing with something which is behind us. We are in possession of certain assets. The quantity of them will decrease rapidly as we conclude arrangements with our allies and those occupied countries. When they rehabilitate themselves and are able to establish satisfactory arrangements with Canada and with the custodian, their assets will be returned. We have a picture of the custodian holding possibly \$20,000,000 or \$22,000,000 worth of enemy assets against the day when the procedure in connection with reparations is settled and we shall embark on the business of proof of claims by Canadian citizens and others ranking against these assets in satisfaction of those claims.

Hon. Mr. HORNER: What was the necessity for selling these properties? Was it necessary, for instance, to sell the labour temples?

Hon. Mr. HAYDEN: The explanation which was given—and perhaps I should express my view that it is a reasonable one—is this. The labour temples were located in areas containing large populations, frequently of foreign birth, and it was found that some of the properties deteriorated very quickly, not only as a result of their own wear and tear but in consequence of outside contributions to the condition of deterioration. People went in and wrecked the interior of buildings; and the custodian felt that he was faced with the choice of providing a constant watch on and care for these properties all across Canada—and he had a lot of other things to do besides that—or of selling them when there was a market for them. The course he chose was that of selling them and realizing what he thought at that time was a fair price.

Hon. Mr. HOWDEN: Had the custodian power to rent any of these buildings? I know that on many occasions offers were made to rent them, but were always declined.

Hon. Mr. HAYDEN: If I am asked for my opinion, I should say that, the properties having been vested in the custodian, I think he had the power either to hold them or dispose of them, as in his discretion he thought best. He exercised his discretion, and sold them. In some instances it turned out that in the following year or two property values appreciated very considerably; and the government, through the custodian, has made compensation for that increase in price. I do

not propose at this time to argue the question of whether the custodian should have rented the properties at that time. They would have needed repairs, I suppose, before they were rented; and I assume that he was not prepared to go into the rental business. We can form our own opinions on the merits of the question; but whether our attitude is one of praise or criticism, the thing is in the past, the government has made compensation to the extent that it feels is in keeping with the condition which developed, and there the matter rests.

I do not know that there is anything I can usefully add. I have not gone into any detailed survey of the regulations, because so many of them relate to things which have already happened. There will not be much opportunity to use many of these regulations in future, because very little enemy property will be coming into the custodian. The purpose of the bill is just to "hold the fort", as it were, until we can get on with the next step, which will be the matter of reparations.

Are there any questions? I have gone into a rather lengthy explanation—more than I would have given ordinarily—because of the fact that honourable members have not the bill before them.

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

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. ROBERTSON: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, May 13, 1947.

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

Prayers and routine proceedings.

GENTLEMAN USHER OF THE BLACK ROD

REPORT OF INTERNAL ECONOMY COMMITTEE

Hon. GERALD V. WHITE presented the eighth report of the Standing Committee on Internal Economy and Contingent Accounts, as follows:

That the salary of Mr. Charles Roch Lamoureux, appointed by Order in Council P.C. 180, of January 14, 1947, to the position of Gentleman Usher of the Black Rod, be fixed at \$4,140, plus \$600 living allowance, effective April 1, 1947.

The Hon. the SPEAKER: When shall this report be considered?

Hon. Mr. MURDOCK: Stand.

The report stands.

TRADING WITH THE ENEMY BILL

THIRD READING

Hon. WISHART McL. ROBERTSON moved the third reading of Bill 22, an Act to continue the Revised Regulations respecting Trading with the Enemy (1943).

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

WAR CHARITIES BILL

SECOND READING

Hon. GRAY TURGEON moved the second reading of Bill T6, an Act to amend the War Charities Act, 1939.

He said: There are just two features of this amendment. One is the result of a purely clerical error. Section 1 of the bill as printed reads: "On and after the coming into force of this Act", and then goes on to say what the amendment will do. I believe that all honourable senators will wish to take out of the bill the words "On and after the coming into force of this Act."

The amendment is designed simply to do away with federal jurisdiction over future war charities. As honourable senators know, during the war any organization raising funds for a charitable purpose in connection with the war was compelled to submit a statement of its objectives for approval of the Minister of National War Services, or, later, the Minister of National Health and Welfare. It was also necessary for every such organization to submit annual statements of its financial transactions, and a final accounting on termination of its activities.

Up to the end of April of this year, 1,824 licenses were granted to organizations carrying on war charities. Of this total, 947 were branches of the Independent Order of the Daughters of the Empire and 127 were Canadian Legion war memorial funds.

Under this proposed amendment, the federal government will no longer have the right to grant or refuse a license since, apart from the war, the raising of funds for such charitable purposes is a matter outside federal jurisdiction. Funds already in existence will, of course, be subject to all the provisions of the Act, but their activities are now being rapidly wound up.

Hon. Mr. ASELTINE: Does the bill take away the right to deduct from taxable income amounts subscribed to these charities?

Hon. Mr. TURGEON: The bill will do nothing more than abolish the necessity of getting federal government approval of the raising of funds by war charities established in the future.

Hon. Mr. WHITE: May I ask the honourable senator how many of these funds are yet in operation?

Hon. Mr. TURGEON: Altogether there were 1,824, but they are being very rapidly wound up. I do not know how many are left, but it is not a great number.

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

CONSIDERED IN COMMITTEE

Hon. Mr. TURGEON moved that the Senate go into committee on the bill.

He said: As it seems necessary to make one amendment, honourable senators may wish to have the bill go to a standing committee; but I personally would recommend that we deal with it immediately in Committee of the Whole. However, I shall not press the motion if honourable senators prefer reference to a standing committee.

The motion was agreed to, and the Senate went into committee on the bill.

Hon. Mr. Sinclair in the Chair.

On section 1—War Charities Act, 1939, to apply only to a fund established prior to this Act:

Hon. Mr. TURGEON: Honourable senators, I move that the words, "On and after the coming into force of this Act" be struck out.

Hon. Mr. ROEBUCK: Honourable senators, before we carry this amendment, I think we ought to have some additional information. As the section now stands, it seems to do two things. First, it prevents application of the War Charities Act to charities that are established in the future; and secondly, it has the effect of continuing application of that Act to war charities already established before the act comes into force. I feel that this house should know what charities we are now placing under dominion jurisdiction for an indefinite period. That is rather important. It is just possible that we have not got the constitutional jurisdiction to do anything of the kind. We certainly had that jurisdiction at the time the act was passed, because then a

war was in progress and a crisis existed. However, that crisis has gone and we now have no power to legislate with regard to the raising of money for war charities, which is a civil right under the jurisdiction of the provinces and not a dominion matter at all. We ought to know what we are doing.

Hon. Mr. ROBERTSON: Honourable senators, in reply to my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck), I may say that our Law Clerk has recommended the striking out of the words "On and after the coming into force of this Act," on the ground that they are superfluous. If any honourable member requires more information than is now available, I am quite willing—as I am sure the honourable senator from Cariboo (Hon. Mr. Turgeon) is—to have the bill referred to one of the standing committees, where witnesses could appear and be questioned.

Hon. Mr. ROEBUCK: Then I suggest, honourable senators, that the bill should be referred to a committee. I do not think we have jurisdiction to pass legislation applying to war charities.

The amendment and the section as amended were agreed to.

The preamble and the title were agreed to. The bill was reported, as amended.

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of the bill, as amended.

The motion was agreed to, and the bill, as amended, was read the third time, and passed.

PRIVATE BILL

SECOND READING

Hon. CAIRINE R. WILSON moved the second reading of Bill C8, an Act to amend the Act incorporating The Canadian Council of the Girl Guides Association.

She said: Honourable senators, this bill is merely for the purpose of raising the limitation on the value of property that may be held by the national council of the Girl Guides of Canada.

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

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mrs. WILSON: 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.

JUVENILE DELINQUENTS BILL

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of Bill D8, an act to amend the Juvenile Delinquents Act, 1929.

He said: Honourable senators, the purpose of this bill is to permit the parent or guardian of a juvenile delinquent to appeal from the decision of a magistrate as well as from the decision of a judge of the Juvenile Court. The amendment will serve to correct an inequity as between juvenile delinquents convicted in areas where there is a juvenile court and those in areas where such cases are disposed of by magistrates. At present there is no appeal in cases of juvenile delinquents convicted by a magistrate. The amendment was recommended by the Canadian Bar Association's committee on Uniformity of Legislation.

Hon. Mr. MORAUD: May I ask the honourable gentleman two questions? First, shall we be given an enumeration of the special grounds under which an appeal from a decision of the magistrate or the juvenile court may be taken? Second, to what tribunal will such an appeal be taken in the province of Quebec? It would appear that this amendment, like others, was drafted by officers conversant with the common law but ignorant of the organization of tribunals in our province. We have no "Supreme Court" in the province of Quebec. Where will the appeal be lodged? I think the bill should stand until we have some explanation on these points.

Hon. Mr. ROBERTSON: I am not in a position to enter into a discussion of the matter which my honourable friend has—very properly—brought forward. I have explained the object of the bill as clearly as I can. I am content that the information my honourable friend seeks should be obtained through the medium of a standing committee, or if I obtain it personally I shall be glad to let him have it. However, in view of the points to which he has referred, it might be desirable to send the bill to a standing committee, which could deal with all phases of the questions he has suggested. I am prepared to follow whatever course is regarded as desirable.

Hon. Mr. MORAUD: Is there any special urgency for passing this bill?

Hon. Mr. ROBERTSON: Not so far as I know.

Hon. Mr. MORAUD: Then why should it not be sent to a committee?

Hon. Mr. ROBERTSON: I do not know of any reason why it should not go to committee.

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

REFERRED TO COMMITTEE

Hon. Mr. ROBERTSON moved that the bill be referred to the Standing Committee on Transport and Communications.

He said: The reason I suggest this committee is that it is to meet tomorrow morning. It has a large membership, including most members of the Senate. If honourable members prefer that the bill be sent to the Committee on Banking and Commerce, or to some other committee, I have no objection; I am in the hands of the Senate. In the past we have been pretty free when choosing committees to which to refer bills.

Hon. Mr. ASELTINE: I suggest the Banking and Commerce Committee.

Hon. Mr. ROBERTSON: My only object in proposing that the bill be referred to the Committee on Transport and Communications was that I thought it might convenience honourable senators not to have two committees meeting tomorrow morning.

Hon. Mr. MORAUD: There is no special hurry. Why should this bill not stand over until after the expected recess? Then we could give it a little more study than would be possible tomorrow morning, when the Committee on Transport and Communications will have two or three bills before it.

Hon. Mr. ROBERTSON: I am quite willing to adopt the suggestion of my honourable friend.

Some Hon. SENATORS: Stand.

Hon. Mr. ROBERTSON: With the consent of the Senate, I will withdraw my motion and move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. HAIG: Does that mean that there will be a meeting of the Banking and Commerce Committee tomorrow morning?

Hon. Mr. ROBERTSON: It is my distinct understanding that there is no urgency so far as this bill is concerned; and unless an urgency so far undisclosed should appear, I would suggest that consideration of the matter by the committee stand until after the adjournment.

Hon. Mr. HAIG: Yes.

Hon. Mr. COPP: Honourable senators, this is an opportunity to bring before the Senate an idea that I have had in my mind for a

long time: that we should have a committee on law practice and procedure, to which we could refer bills such as this. I am not moving for the appointment of such a committee now, but I feel that one should be appointed at a future session.

The motion was agreed to, and the bill was referred to the Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 14, 1947.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Honourable Thibaudeau Rinfret, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 5.45 p.m., for the purpose of giving the Royal Assent to certain bills.

PRIVATE BILL

CONCURRENCE IN COMMONS AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill H, an Act to incorporate Quebec North Shore and Labrador Railway Company, and to acquaint the Senate that they have passed the said bill with several amendments, to which they desire the concurrence of the Senate.

When shall these amendments be taken into consideration?

Hon. ELIE BEAUREGARD: With leave of the Senate, now.

Honourable senators, I move concurrence in these amendments. I am informed by the attorney for the promoters that they are willing to accept the bill as now amended. Though possibly I do not know much more about the bill than any other senator, while I am on my feet I might acquaint the house with the substance of these amendments and the reasons therefor.

It will be recalled that the bill empowers the promoters to incorporate the Quebec North Shore and Labrador Railway Company. The main powers are to construct a railway, but there are a certain number of ancillary powers attached. It is on these ancillary powers that the amendments bear.

For instance, section 11 provides:

Subject to the provisions of section 368 of the Railway Act, the company shall have power to generate, acquire, use, transmit and distribute electric and other power or energy—

Then follow these words, which by amendment are deleted:

—and for the purposes of such generation, acquisition, use, transmission and distribution may construct, acquire, operate and maintain lines for the conveyance of light, heat, power and electricity.

I am told that the purpose of this deletion is to limit the powers of the company to those specifically enumerated in section 368 of the Railway Act.

The next amendment is to section 14, where under the company was authorized to enter into certain agreements with municipalities in the locality. But as there are no municipalities in that northern part of Quebec, the following words have been added:

and/or the Department of Municipal Affairs of the province of Quebec.

Section 15, which empowers the company to operate a motor service for collecting and delivering freight, has been amended by deleting the words:

. . . but no rate or charge shall be demanded or taken until it has been approved of by the Board of Transport Commissioners for Canada, who may also revise such rates and charges.

The following words have been substituted:

Provided however that the exercise of the powers conferred on the company by this section shall be subject to all provincial and municipal enactments and the provincial regulations of general application to highways, the regulation of highway traffic, rates and charges, and the operation of motor vehicles thereon.

This also is an amendment to comply with the existing laws of the province of Quebec.

The last amendment deletes the original section 16 and substitutes a redrafted section. I am told that this amendment was introduced in another place by the Minister of Transport. The section authorizes the company to transport oil and gas by pipe line, and as amended it is designed to bring these operations more clearly within the various sections of the Railway Act than the original section did.

The motion was agreed to.

APPROPRIATION BILL No. 3

FIRST READING

A message was received from the House of Commons with Bill 204, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1948.

The bill was read the first time.

SECOND READING

Hon. Mr. ROBERTSON: Honourable senators, with leave I move the second reading of the bill.

He said: Honourable senators will recall that some time ago parliament approved interim supply in the amount of two-twelfths of the estimates. On a theoretical apportionment of the expenses, this would ordinarily cover the first two months of the fiscal year, April and May. However, there are two factors which prevent that. In the first place, some of the expenditures do not follow the exact arithmetical division of one-twelfth for each month. For instance, it is obvious that in the early part of the year there are heavy expenses on the legislative programme. Secondly, there are special expenditures, such as subsidies, on account of which the payments are made in the early part of the year instead of being spread evenly over twelve months. There is still another factor. Ordinary interim supply might not become exhausted for another week or so, but as Royal Assent has been suggested today in connection with other measures which it is necessary to have passed, the government has asked that at the same time assent be given to supply to cover an additional period of some thirty days.

This bill votes one-twelfth of the year's estimates, together with some specific items more or less urgently needed for payment on account of subsidies, including the subsidy on feed and grain. If the house sees fit to give second reading to the bill, any detailed expenditures may be discussed from time to time, or on the debate on the final supply bill.

Hon. Mr. HAIG: Honourable senators, I presume that any criticism we have to offer may be presented in the general debate on supply.

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

THIRD READING

Hon. Mr. ROBERTSON: Honourable senators, with leave, I move the third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. B. COPP presented the report of the Standing Committee on Transport and Communications on Bill T5, an Act respecting the Ottawa Electric Railway Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 24, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. BISHOP: 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.

PORT ALBERNI HARBOUR COMMISSIONERS BILL

REPORT OF COMMITTEE

Hon. A. B. COPP presented the report of the Standing Committee on Transport and Communications on Bill S5, an Act to incorporate the Port Alberni Harbour Commissioners.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 24, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. ROBERTSON: With leave of the Senate, I move the third reading now.

Hon. Mr. BALLANTYNE: Honourable senators, I was not present at the second reading, but my understanding is that these commissioners are to be part-time officials, not permanent.

Hon. Mr. COPP: I am sorry that I have no information on that point.

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

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill E8, an Act for the relief of Margøret Joan Anstey Steven Hyslop.

Bill F8, an Act for the relief of Elly Zahn Kaminsky.

Bill G8, an Act for the relief of Naomi Joan Williamson Cantlie.

Bill H8, an Act for the relief of Matilda Jane Cumming.

Bill I8, an Act for the relief of Agnes Dowd Brown.

Bill J8, an Act for the relief of Ursula Catherine Tetreau Black.

Bill K8, an Act for the relief of Eleanor Edith McKechnie Martineau.

Bill L8, an Act for the relief of Jack Wallis.

Bill M8, an Act for the relief of Evelyn Margaret Morrison Cryer.

Bill N8, an Act for the relief of Frances Eileen Scribner Mackay.

Bill O8, an Act for the relief of Irene Lafamme Kattas.

The bills were read the first time.

SECOND READINGS

Hon. Mr. ASELTINE: Honourable senators, with leave, I move that these bills be read the second time now.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. ASELTINE: With leave of the Senate, I move that these bills be read the third time now.

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

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

PROPOSED COMMITTEE

Hon. WISHART McL. ROBERTSON: Honourable members, through a combination of circumstances—partly because of the continued excellent attendance of senators, which for some time has been consistently ninety per cent or more of the membership, and has enabled us to function most efficiently in the various committees to which legislation has been referred—we have reached a point where, so far as I can ascertain, there is not likely to be before us in the next two or three weeks any specific legislation that would demand our immediate attention. As a consequence, I have it in mind to move today that when the Senate adjourns it stand adjourned until the evening of Tuesday, June 3, at 8 o'clock.

Only one problem faces me in relation to our responsibilities, and that is to avoid interfering in any way with the progress of

legislation in parliament. I am advised that on Friday of this week in another place a motion will be made to proceed with the appointment of a Joint Committee on Human Rights and Fundamental Freedoms. Were we to continue sitting until the end of this week, presumably we should receive notice of the adoption of that motion, and I should then present to the Senate a resolution appointing senators to act on the committee. There is hardly enough reason for me to suggest that we either continue sitting or reassemble for that specific purpose; so with leave of the Senate, I shall move at this time, seconded by the leader opposite (Hon. Mr. Haig), that we appoint certain senators to act on such a committee. Under ordinary circumstances, on the motion to appoint the committee some honourable senators might wish to discuss the general subject. That perhaps would not be advantageous at this moment. I am sure the house will agree that by adopting the motion today we shall not preclude debate later on. I should be glad to give the house an assurance that when we reassemble an opportunity will be given in one form or another to any honourable senator to discuss the question generally if he sees fit.

Therefore, with leave of the Senate I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Haig):

That it is expedient that a Joint Committee of both Houses of Parliament be appointed to consider the question of human rights and fundamental freedoms, and the manner in which those obligations accepted by all members of the United Nations may best be implemented;

And, in particular, in the light of the provisions contained in the Charter of the United Nations, and the establishment by the Economic and Social Council thereof of a Commission on Human Rights, what is the legal and constitutional situation in Canada with respect to such rights, and what steps, if any, it would be advisable to take or to recommend for the purpose of preserving in Canada respect for and observance of human rights and fundamental freedoms;

That the Honourable Senators Ballantyne, Bouffard, Burchill, Crerar, Fallis, Gouin, Horner, Leger, McDonald (Kings), Roebuck, Turgeon, Wilson, be appointed to act on behalf of the Senate as members of such a committee.

The motion was agreed to.

IMMIGRATION

NOTICE OF INQUIRY

On the Notice of Inquiry by Hon. Mr. Roebuck:

Have treaties of peace been concluded between Canada and some of Canada's enemy countries during the recent war, so that their nationals are no longer alien enemies for Canadian immigration purposes, and, if so, what countries?

Hon. Mr. ROBERTSON: This notice of inquiry has been on the order paper for some days, and I wish to assure the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that I have not overlooked it. I have consulted with him privately as to the sufficiency of the answer which I was given, and it is not entirely satisfactory either to him or to myself. Therefore, I would ask his indulgence to let the matter stand until I am able to secure a little more information.

Hon. Mr. ROEBUCK: Certainly.

The notice stands.

GENTLEMAN USHER OF THE BLACK ROD

CONCURRENCE IN REPORT OF INTERNAL ECONOMY COMMITTEE

The Senate proceeded to consideration of the eighth report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. GERALD V. WHITE: Honourable senators, I move concurrence in this report.

Hon. JAMES MURDOCK: Honourable senators, until last evening I did not intend to say anything on this matter. The report reads as follows:

That the salary of Mr. Charles Roch Lamoureux, appointed by Order in Council P.C. 180, of January 14, 1947, to the position of Gentleman Usher of the Black Rod, be fixed at \$4,140, plus \$600 living allowance, effective April 1, 1947.

The salary mentioned in the report is the highest in the range provided for the position of Gentleman Usher of the Black Rod. In other words, the committee proposed, by a substantial majority, that the new Black Rod should start, not at the bottom rung of the salary ladder, but at the top, and that in addition he should be paid an annual living allowance of \$600.

I have nothing but respect and admiration for what I understand to be the war record of this distinguished employee of the Senate, but it seems to me that we are going a long way when we disregard entirely the classified rates of pay for the position to which he has been appointed. The classified rates of pay, with increases from year to year until the maximum is reached, were made up for the employees of the various branches of the service. In the reading room of the Senate there was one man who for seven years did not get even the increases in the classified rates of pay. Why he did not receive them, I do not know, but that is a sample of what we are doing, and I think it is a great mistake.

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The distinguished returned man was appointed to the office of Gentleman Usher of the Black Rod by the cabinet. Had that body fixed his rate of pay I would not be on my feet talking about it today. They appointed him—in other words, pull and influence, coupled with a distinguished service record, got this returned man what is being given to him. There are tens of thousands of other ex-soldiers in Canada who will breathe a breath of communism when they read what is done for one man in disregard of the rights of tens of thousands of others. Honourable senators, if we want—and I know we do—to remove any of that kind of thought in the case of this gentleman, instead of giving him approximately \$6,000 a year let us place him on a reasonably equal basis with other men.

Hon. Mr. WHITE: May I ask my honourable friend a question? He has just suggested that the new incumbent of the office will be entitled to a salary of about \$6,000. Upon what basis?

Hon. Mr. MURDOCK: The approximate amount is \$6,000 a year. As we figured out the salary yesterday in a lengthy and earnest discussion in the committee, it is \$5,540. I am open to correction as to whether that includes all the money which would come from the government to this distinguished soldier.

Hon. Mr. WHITE: The amount was four thousand seven hundred and some dollars.

Hon. Mr. MURDOCK: I know, but I am talking about the amount of money which this official as a returned man will secure from the government of Canada.

Hon. Mr. WHITE: I do not think that his military pension should enter into the question at all.

Hon. Mr. MURDOCK: Well, the honourable senator is entitled to that view. I hold the view, which I shall elaborate in a moment, that what is to be considered is the total amount which is received by a returned man from the federal government.

Hon. Mr. BALLANTYNE: No.

Hon. Mr. MURDOCK: I have in my hand a file of papers which deals with another matter. It came to me last evening, before I had intended to speak on this motion. The file refers to a widow in Manitoba who gave four sons to the armed forces and lost one of them in 1942.

Hon. Mr. MORAUD: On a point of order: what we are discussing is a report recommending a salary for one of our officers. I do not see what the case of a widow in Manitoba has to do with it.

Hon. Mr. MURDOCK: I am discussing the question.

Hon. Mr. MORAUD: And I am raising a point of order, if my honourable friend will resume his seat for a minute.

The Hon. the SPEAKER: The honourable senator from Parkdale (Hon. Mr. Murdock) is discussing a report on a matter of salary. It is not reasonable to introduce a Manitoba case into the discussion. I trust my honourable friend will confine his remarks to the subject before us.

Hon. Mr. MURDOCK: Well, I realize, Your Honour, that your most insistent and distinct backing-up of this matter for over a year—

Some Hon. SENATORS: Order!

Hon. Mr. MURDOCK:—and the fact that you took up probably more of the time of the committee than any other member—

Hon. Mr. VIEN: Honourable senators, I rise to a point of order. A reflection on the honour and dignity of the Speaker of this House is a matter which affects every member, because the Speaker embodies the honour and dignity of the Senate. It is out of order, and most undignified, for any honourable senator to suggest that a ruling made by the Chair is directed by an opinion which His Honour the Speaker may have entertained when sitting as a member of a committee. Therefore, Mr. Speaker, I raise a point of order, and ask that the honourable gentleman be requested to withdraw his remark.

Hon. Mr. MURDOCK: I will do so, Mr. Speaker. All I would like to do, if you will permit me, is to draw a comparison between the case of the four sons of a widow—

Some Hon. SENATORS: Order.

An Hon. SENATOR: Go ahead.

Hon. Mr. MURDOCK: —one of whom is dead—

Hon. Mr. MORAUD: Order. I again suggest that this matter has been decided by the Speaker on a point of order, and I do not see what the case of the sons of a widow in Manitoba has to do with the report before us.

Hon. Mr. MURDOCK: That is a splendid argument. I know of nothing which will do more than the honourable senator's statement to spread communism in this Canada of ours, the statement that we cannot discuss—

The Hon. the SPEAKER: Order. My honourable friend knows the rules. He has been a member—a distinguished member—of this parliament for many years, and he knows that

on a motion of this kind he is not permitted to go afield as he has done. The question relates to the salary of an officer of this house, and I ask him to confine his remarks to that matter.

Hon. Mr. MURDOCK: Your Honour, I know, from the experience of seventeen years, that never before has a question of this kind been raised to prevent a senator from drawing a reasonable comparison. But if you and others say that it cannot be done now, all right, I shall have to sit down; but I say that it is an absurdity to take the position that this widow, who has no home to live in—

Some Hon. SENATORS: Order.

Hon. Mr. MURDOCK: —and had four sons overseas—

Some Hon. SENATORS: Order.

Hon. Mr. MURDOCK: —one of whom died,—

Some Hon. SENATORS: Order.

Hon. Mr. MURDOCK:—and who herself is not getting any consideration from the government—

The Hon. the SPEAKER: My friend is not discussing the resolution, but has strayed very far from it. I have asked him to confine his remarks to the matter before the house.

Hon. Mr. MURDOCK: Well, if we cannot talk about the widow and her four sons overseas, we will talk about this. I think that we are making a serious mistake. Distinguished senators, some of whom are prolific in criticism of attempts to bring out the facts, are the first to express concern at the onrush of communism among our people. What was done yesterday by a substantial vote of the committee will do much, in my humble judgment, to encourage that movement. If I may be pardoned for saying so, I believe I have more right than many distinguished ladies and gentlemen here assembled to speak about the rights of the ordinary underpaid and underprivileged Canadian, and I say that to release this particular man—whom I honour and admire—wholly from the wages regulations of this government and put him on a basis where he will, I repeat, draw about \$6,000 in government money for the rest of his life—and again, more power to him—provokes the question: why are not tens of thousands of other returned soldiers in this Canada of ours entitled to the same sort of thing? I am sorry that you will not let me talk about the widow and her sons; but I shall do so yet, on another motion, in order to

draw a comparison between what the committee did yesterday and you are doing now, and the treatment of this widow and her family, who, because they were Conservatives, were given no consideration.

The Hon. the SPEAKER: The honourable senator has rights, but he is not entitled to abuse them. Has he finished?

Hon. Mr. MURDOCK: Yes. I cannot say what I have to say, so I am through.

The Hon. the SPEAKER left the Chair.

Hon. THOMAS VIEN, P.C., in the Chair.

Hon. J. H. KING (Speaker): As this is a matter in which an important officer of the Senate is the subject of the remarks of the honourable senator who has just spoken, I, as Speaker of the Senate, feel it is incumbent upon me to endeavour to clarify the situation.

The office of Gentleman Usher of the Black Rod is an old and distinguished one, established at the time of Confederation. In 1923 it was decided that appointment to the office should be made by the Governor in Council, and that has been the practice ever since. The salary at that time—twenty-four years ago—was fixed at a certain figure. When this new appointment was made, in view of the increase in the cost of living during the last twenty-four years, and considering the salary that the holder of this office in the Senate would require in order to maintain himself, it seemed to me only reasonable that he, an officer appointed by the Crown, should have the same consideration as has been given to members of the Civil Service throughout Canada.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. KING: During the war the government from time to time granted civil servants cost of living bonuses, which have been absorbed into their salaries. And from time to time since 1923 the government has increased civil service salaries. Anyone who compares the salaries paid to civil servants in 1923 with those paid today will, I think, agree that it was only fair that the committee should bring in the report that is now before us. The salary recommended is not, as my honourable friend (Hon. Mr. Murdock) would try to imply, some six or seven thousand dollars.

Hon. Mr. MURDOCK: I said six thousand dollars. Do not put "seven thousand dollars" in my mouth.

Hon. Mr. KING: Previous to the fire that destroyed the old Parliament Buildings, the Gentleman Usher of the Black Rod was fur-

nished with living quarters in the building, with free rent, light and heat. Now an allowance of \$600 is made to him in lieu of that accommodation. The salary itself is \$4,140.

I have no desire to prolong the discussion. It is within the right of the Senate to fix this salary, and considering the changes that have taken place in the value of money since 1923, I think we should be justified in adopting the committee's report.

Some Hon. SENATORS: Hear, hear.

The Hon. the SPEAKER resumed the Chair.

Hon. Mr. WHITE: Honourable senators, as Chairman of the Internal Economy Committee I feel I should say a word with regard to this matter. The honourable gentleman from Parkdale (Hon. Mr. Murdock) has suggested that the salary to be paid to this distinguished soldier will be criticized generally throughout the country by returned men.

Hon. Mr. MURDOCK: If they know about it.

Hon. Mr. WHITE: Having seen some service myself and having been associated with ex-service men for a number of years, I feel that it will be regarded with a great deal of pleasure by returned men throughout Canada.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. WHITE: Reference has been made to the fact an official in the reading room did not receive an annual increase for a period of some seven years. I think my honourable friend knows that a certain member of the staff did not wish to become a permanent officer, and that that is why he was not paid the maximum salary of his position. I do not think there is anything further I need to add. Yesterday the committee by a large majority decided on the action which has been taken.

The motion was agreed to.

ADJOURNMENT

Hon. Mr. ROBERTSON: Honourable senators, I move that when the Senate adjourns today it stand adjourned until Tuesday, June 3, at 8 p.m.

The motion was agreed to.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons being

come, with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following Bills:

An Act to incorporate Conference of Mennonites in Canada.

An Act to amend the Inspection and Sale Act, 1938.

An Act to amend the Militia Act.

An Act respecting a National Wild Life Week.

An Act respecting the Toronto, Hamilton and Buffalo Railway Company.

An Act respecting compensation for Government employees.

An Act respecting British Columbia Telephone Company.

An Act respecting the appointment of Auditors for National Railways.

An Act to amend the Canada Evidence Act.

An Act to amend the Canada Evidence Act.

An Act respecting Export and Import Permits.

An Act to amend the Immigration Act and to repeal the Chinese Immigration Act.

An Act to provide for the sale and export of agricultural products.

An Act to amend the Canadian Wheat Board Act, 1935.

An Act to amend the Patent Act, 1935.

An Act to provide for the continuation of certain orders and regulations of the Governor in Council for a limited period during the national emergency arising out of the war.

An Act to continue the Revised Regulations respecting Trading with the Enemy (1943).

An Act respecting Guaranty Trust Company.

An Act to incorporate Quebec North Shore and Labrador Railway Company.

An Act for granting to his Majesty certain sums of money for the public service of the financial year ending the 31st March, 1948.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

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

THE SENATE

Tuesday, June 3, 1947.

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

Prayers and routine proceedings.

PRIVATE BILL

CONCURRENCE IN COMMONS AMENDMENT

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill Z1, an Act to incorporate Canadian Nurses' Association, and to acquaint the Senate that they

have passed the said bill with the following amendment, to which they desire the concurrence of the Senate:

Page 3, line 2. After the word "appointment" insert the words "to the executive committee".

When shall this amendment be taken into consideration?

Hon. Mr. COPP: With leave of the Senate, now. I move that the amendment be concurred in.

The motion was agreed to.

NATIONAL HOUSING BILL

FIRST READING

A message was received from the House of Commons with Bill 176, an Act to amend the National Housing Act, 1944.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

APPOINTMENT OF JOINT COMMITTEE

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons reading as follows:

Resolved: That a joint committee of both Houses of Parliament be appointed and that Messrs. Benidickson, Breithaupt, Croll, Sinclair (Ontario), Belzile, Beaudoin, Pinard, Lesage, Marier, Rinfret, Whitman, Iisley, Isnor, Michaud, Maybank, Mayhew, Diefenbaker, Fulton, Hackett, Harkness, Hazen, Macdonnell (Muskoka-Ontario), Massey, Miller, Irvine, Jaenicke, Stewart (Winnipeg North), Hansell, Herridge be members of such committee, as far as the interests of this house are concerned, to consider the question of human rights and fundamental freedoms, and the manner in which those obligations accepted by all members of the united nations may best be implemented;

And, in particular, in the light of the provisions contained in the Charter of the United Nations, and the establishment by the Economic and Social Council thereof of a Commission on Human Rights, what is the legal and constitutional situation in Canada with respect to such rights, and what steps, if any, it would be advisable to take or to recommend for the purpose of preserving in Canada respect for and observance of human rights and fundamental freedoms;

That a message be sent to the Senate requesting that house to unite with this house for the above purpose, and select, if the Senate deems advisable, some of its members to act on the said proposed joint committee.

The Hon. the SPEAKER: When shall the message be taken into consideration?

Hon. Mr. COPP: With leave of the Senate, now. I move:

That a message be sent to the House of Commons to inform that house that the Senate do unite with the House of Commons in the appointment of a joint committee of both houses to consider the question of human rights and fundamental freedoms, and the manner in which those obligations accepted by all members of the United Nations may best be implemented;

And, in particular, in the light of the provisions contained in the Charter of the United Nations, and the establishment by the Economic and Social Council thereof of a Commission on Human Rights, what is the legal and constitutional situation in Canada with respect to such rights, and what steps, if any, it would be advisable to take or to recommend for the purpose of preserving in Canada respect for and observance of human rights and fundamental freedoms;

That the following senators have been appointed to act on behalf of the Senate on the said joint committee, namely, the Honourable Senators: Ballantyne, Bouffard, Burchill, Crerar, Fallis, Gouin, Horner, Leger, McDonald (Kings), Roebuck, Turgeon and Wilson.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Hon. Mr. HAYDEN presented Bill K9, an Act to incorporate Commonwealth Insurance Company.

The bill was read the first time.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill P8, an Act for the relief of Eileen Maude Gardner Richards.

Bill Q8, an Act for the relief of Frances Audrey Gray Lacaille.

Bill R8, an Act for the relief of Aline Theoret Larose.

Bill S8, an Act for the relief of Margaret Betty Rollings Burman.

Bill T8, an Act for the relief of Beatrice Dorothy Pountney Alker.

Bill U8, an Act for the relief of Margaret Jean Duff Dorval.

Bill V8, an Act for the relief of George Somerville Blackie Begg.

Bill W8, an Act for the relief of Lillian Guerasio Galardo.

Bill X8, an Act for the relief of Stewart Davidson Myles.

Bill Y8, an Act for the relief of Dorothy Bradford Hurley.

Bill Z8, an Act for the relief of Elsie McCormick Albers.

Bill A9, an Act for the relief of George Wilson Dyce.

Bill B9, an Act for the relief of Rita Johnson Cherrier.

Bill C9, an Act for the relief of Esther Cole Zeesman.

Bill D9, an Act for the relief of Celia Yaffe Dubinsky.

Bill E9, an Act for the relief of Elsie Marlyn Garayt Johnston.

Bill F9, an Act for the relief of Leone Rhea Leduc Metcalf.

Bill G9, An Act for the relief of James Arthur Ablett.

Bill H9, an Act for the relief of Goldie Solvinsky Tkatch.

Bill I9, an Act for the relief of Harold Fassett Staniforth.

Bill J9, an Act for the relief of Claire Morgan Lockner Middleton-Hope.

The bills were read the first time.

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. ASELTINE: With leave of the Senate, next sitting.

CRIMINAL CODE BILL

FIRST READING

Hon. Mr. COPP presented Bill L9, an Act to amend the Criminal Code. (Race Meetings).

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

NATIONAL PARKS BILL

FIRST READING

Hon. Mr. COPP presented Bill M9, an Act respecting certain National Parks and to amend the National Parks Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

IMMIGRATION

INQUIRY

Hon. Mr. ROEBUCK inquired of the government:

Have treaties of peace been concluded between Canada and some of Canada's enemy countries during the recent war, so that their nationals are no longer alien enemies for Canadian immigration purposes, and, if so, what countries?

Hon. Mr. COPP: The direct answer to the question is "No". However, I may say to my honourable friend (Hon. Mr. Roebuck) that treaties of peace have been signed with Italy,

Hungary, Roumania and Finland, and a resolution is now on the Order Paper in another place to ratify these treaties.

Hon. Mr. ROEBUCK: Thank you.

MILK PRICES DEBATE CONTINUED

The Senate resumed from Tuesday, May 6, the debate on the motion of Hon. Mr. Murdock:

That the Senate instruct the Natural Resources Committee to ascertain by official inquiry how much milk producing farmers of Canada secure for their milk product less than five cents a quart, and to also inquire how much the milk collectors and distributors of Canada secure for milk collecting and distributing at better than ten cents a quart.

Hon. J. W. de B. FARRIS: Honourable senators, with the permission of the house I should like to discuss briefly this resolution and some of the arguments that have been advanced here in connection with it. As I am going to give some figures and talk as if I knew something about the milk business, perhaps I might explain why it happens that I take more than an ordinary interest in this resolution. It so happens that my son is in the dairy business and is a member of the National Dairy Council of Canada. I hope that does not disqualify me. However, if any honourable senators wish to discount my remarks for that reason, it is only fair that they should have the opportunity. On the other hand, it may indicate why I have followed this debate with some particular interest, and also why I have a background of some knowledge about matters that have been discussed.

I should first ask the house to consider this resolution in the light of its peculiar wording. Honourable members will notice that the Senate is asked to instruct the National Resources Committee to do two very limited things: "to ascertain by official inquiry how much the milk producing farmers secure for their milk product"—but it does not stop there—"less than five cents a quart, and to also inquire how much the milk collectors and distributors of Canada secure for milk collecting and distributing"—but it does not stop there—"at better than ten cents a quart." So if this committee proceeded to act and found that the farmer got a fraction of a cent more than five cents a quart and that the collector and distributor received a fraction less than ten cents a quart, the whole inquiry would fall flat. I mention that fact, not to be technical, though it often happens that when a lawyer calls attention to something it is referred to as a legal technicality. I submit

it is fair to say that there is no technicality in what I am saying, but that there is an ingenious technicality in the drawing of the resolution and it seems to be a calculated one.

I can see nothing in this resolution, except that involved in its wording are two insinuations. First, that the dairy farmer is getting for his milk less than five cents a quart out of the fifteen cents which the consumer in this community is at present paying, while the distributor—the dairy—is getting more than ten cents.

Hon. Mr. HOWARD: That is not so.

Hon. Mr. FARRIS: I quite agree with my honourable friend that this is not so, and I wish to offer some details to show why it is not so.

With respect, I say quite seriously that it is unfair that a resolution with insinuations of that nature should appear on the records of this house from day to day, and I hope that when the debate is over tonight it will have appeared there for the last time.

I listened with interest to and read with care the rather limited arguments advanced in support of this resolution. May I assemble the reasons why I think that it should be defeated? I wish to place on the record some information for the benefit of honourable members and, I hope, for the benefit of the public generally, as a report of our proceedings may appear in the newspapers.

But first I take objection to the very restricted wording of the resolution, because this leaves the impression that the resolution was never intended to be taken seriously. Secondly, I call attention to the statement of the honourable senator from South Bruce (Hon. Mr. Donnelly), Chairman of the Standing Committee on Natural Resources. The resolution proposes to instruct him and his committee—and on asking I have just learned they were never consulted before the proposal was made—to hold an official inquiry. This is one of the standing committees of the Senate, and we are entitled to start with the assumption that it always is willing to do its duty, and that it requires no instructions unless some special occasion arises. I should think that in view of the chairman's experience in and knowledge of dairy matters it would hardly be in keeping with the way of things in the Senate for him to be given instructions out of the blue in the wording of this resolution.

I think honourable senators might well be impressed with the statement made by the chairman of this committee, in view of his special qualifications—he having been thirty-four years in this Senate, and engaged in the

livestock business in this province of Ontario for many years. I call to your attention some of the reasons which he advanced to this house. He pointed out that the Honourable Mr. Justice Dalton C. Wells, of the Supreme Court of Ontario, was appointed last fall by the Government of Ontario to hold a public inquiry in regard to the milk business in that province. That appointment was made in October, and I secured a copy of Mr. Justice Wells' commission of the first day of October last. He is appointed a commissioner "to inquire into and report upon (1) the producing, processing, distributing, transporting and marketing of milk, including whole milk and such products of milk as are supplied, processed, distributed or sold in any form; the costs, prices, price spreads, trade practices, methods of financing; the management, grading policies, and other matters relating to any of them, but not so as to restrict the generality of the foregoing; (2) the scheme contemplated by the provisions of the Milk Act, Revised Statutes of Ontario, 1937, and the administration thereof by the Milk Control Board." I have read that in detail, not to take up the time of this house, but to ask honourable senators to contrast the comprehensive wording of that direction to a judge of the Supreme Court of Ontario with the peculiar and restricted sort of wording in the resolution before us.

I understand that the learned judge has been performing the duties of the inquiry since last October, that he is now preparing his report, and that very shortly that report will be given to the people of Ontario and of the Dominion of Canada. In view of those comprehensive instructions given to a judge to make inquiries in Ontario, it seems to me that for the Senate now to instruct a committee to go through the motions of making an inquiry at this time, would be to make ourselves ridiculous.

My honourable friend who moved this resolution (Hon. Mr. Murdock) will doubtless say, "Oh, but the inquiry by the judge applies only to the province of Ontario". That is true, but I would point out that the instances which my honourable friend gave in his speech to support his argument were drawn entirely from Ontario. I point out also that, by and large, conditions in the dairy farming business, in the dairy business and in relation to the distribution of milk are not very different in that province from those in the other provinces, and we may assume that when the present comprehensive investigation has been completed and a full report is made, the information then given will be far more valuable

than any which could possibly be secured by this committee in the short time at its disposal.

The inquiry of Mr. Justice Wells, in connection with the province of Ontario alone, has been in effect since last October. I take the proposal to be that the Senate committee investigate into all the provinces of Canada. But how long is this session going to last? Perhaps six or seven weeks, at the outside; so honourable senators can see how futile this kind of proposal is. Let me also point out that the commission to Mr. Justice Wells says that he is to report. To whom is he to report? To the government of the Province of Ontario. What has the government of Ontario to do with the matter? The Ontario government has everything to do with it, in so far as it concerns that province itself. The production, distribution, and pasteurization of milk, and all the processes of dairy farming are a matter of property and civil rights, and as such are exclusively within provincial jurisdiction.

My honourable friend from Parkdale (Hon. Mr. Murdock) says, "I have jurisdiction to discuss this question here because of the subsidies we have paid and because of baby bonuses." Well, I do not dispute that technically we have that kind of collateral interest in this question. But the subsidies have been discontinued, and no one seriously suggests—I do not think even my honourable friend seriously suggests—that the baby bonuses may be withdrawn as a result of any inquiry in this house within the next six weeks. However, the constructive power to deal with the milk business and make changes in it, if any are found to be necessary after Mr. Justice Wells makes his report, is in the members of the provincial government.

May I remind honourable senators that in every province of Canada today there is a Milk Board, appointed by the provincial government. In British Columbia the Milk Board was established under the Public Utilities Act. There, as I think in a number of the provinces, milk is expressly declared to be a public utility. Today I looked up the Milk Regulations Act, Chapter 76 of the Revised Statutes of Ontario, and found that very wide power is given to the Milk Board in that province. Among its powers is that of co-operating or collaborating with farmers and dairymen in assenting to agreements to fix prices of milk to retailers and distributors. The milk business is so hedged in and surrounded by provincial and municipal control, by regulations of milk boards in every province, by provisions in the Criminal Code about the purity of food and all that sort of

thing, that it is probably subject to more supervision, direction and regulation than any other industry of a private nature in the entire dominion.

Honourable senators, for these reasons I suggest that this resolution is ill-timed, and should not be given serious consideration. I want to go further than that: I say that the resolution itself has left a rather unpleasant insinuation, coming from a body such as the Senate of Canada, and appearing day after day on the records of this house; and it is only fair that some analysis should be made of the actual situation and the figures placed on record.

What are the complaints? The first complaint, as I read this resolution and the discussion, is that the farmer gets too little. If the resolution is looked at carefully it seems to be directed mostly at fluid milk, and particularly at the fifteen cents which the consumer pays for it. It is said that the farmer gets too little and the consumer pays too much, while the collector distributor—as the middleman is called—gets too much out of the fifteen cents which the consumer pays.

There is some confusion in the minds of many people, which I think is partly due to misunderstanding about the different uses of milk, the different markets, and the various prices that are paid in those markets. I wish to make this point clear. In the first place, there is the fluid market sometimes called the city market. Every householder knows about that when he sees one, two or three bottles of milk left on his back doorstep daily by the milkman. Another market, and, generally speaking, one operated by an entirely different organization or group of organizations is the manufactured milk market. There are two or three divisions included in that. There is the sale of milk to the manufacturer of evaporated milk, condensed milk, powdered milk, and other commodities of that kind which are sold in grocery stores. Then, a considerable quantity of milk is used in the making of cheese, and for this purpose, the farmer sells either his milk or cream to the cheese factory. Other large purchasers of milk are the creameries that make butter. As I understand it, in this case the farmer usually sells his cream to the creamery and keeps his skimmed milk for use in one form or another on his farm.

So there are two distinct markets: the fluid market, and the manufactured market, with its different branches. The important fact to bear in mind is that there is a fundamental difference between the price on the fluid market and that on the manufactured market. The farmer

receives a much lower price on the manufactured market than on the fluid market. The purchaser pays more per pound of butter fat for fluid milk than for milk that is to be used in a manufactured product. The reason is that the fluid market is a local market, in which the commodity has to be supplied at once. It is a fresh milk market, and the milk must get to the consumer on the very day or the next day after it is given from the cow, whereas in the manufactured market it does not need to reach the consumer for an indefinite period. In addition, the manufactured market is not restricted to any particular city. Milk supplied by farmers to an Ottawa dairy has to be sold in Ottawa, and the householder must have it the day following its production or the next day; but milk that is made into butter may not reach the consumer for some considerable time. Also, butter is sold over a wider territory and competition is keen; and as to cheese, the market is practically world-wide.

Many honourable members know that throughout Canada today the price on the fluid market is fixed by milk boards set up by the various provinces. As it applies to Ontario there must be some reservations to the statement which I make, because I understand that the question has been raised in the courts as to the jurisdiction of the Ontario Milk Board in the fixing of milk prices. That question is now being considered by Mr. Justice Wells, and as a result the Province of Ontario will doubtless, in its wisdom, decide to make the powers of the board clear. It may restrict them. I know that in British Columbia the milk board fixes the price of fluid milk both to the farmer and to the distributor.

A further reason why the farmer is entitled to a higher price on the fluid market than on any other market is that he has to maintain a more or less constant supply. During seasons of the year when the cattle are out on the grass, or when calves are born, lots of milk is available; in other periods if the farmer does not have the proper arrangement there is practically no milk. This situation does not affect the farmer who sells to the creamery or cheese factory. It is very important that the householder get a uniform supply of milk. Milk is delivered to his back doorstep, and he accepts it with the same degree of certainty as he does his morning newspaper—as a matter of course. But much planning and work are required in order to maintain this service of supplying the householder regularly with fresh milk that is safe and sanitary.

A further thought to be borne in mind when objection is taken to the amount the distributor is receiving, is the essential difference

between the milk in the can as it appears in front of the farm, and that in the bottle on your back doorstep ready for use. In his motion the honourable gentleman from Parkdale (Hon. Mr. Murdock) refers to the collection and distribution of milk as though that were all that had to be done. That is not so. The milk has to be collected, tested and pasteurized. Pasteurization is a scientific process, and if the dairyman is to do it economically and make anything at all out of it he must have up-to-date and expensive machinery, horses, trucks, bottles and bottling processes, and everything that goes to make up and facilitate the distribution of the product and give what I say is—and I put myself within the judgment of every member of the house—a first-class service rendered by a Canadian industry to the consumers of fluid milk across Canada.

Now, what about the profits that are made in the handling of milk? How long would it take the committee, if it really had someone to tell the facts, to decide that question? The committee would in fifteen minutes ascertain that in so far as the fluid market is concerned the farmer gets far more than five cents a quart and the dairyman gets far less than ten cents. Once that was learned, the whole inquiry would go flop. I have here figures which I accept as being absolutely accurate as to the price in Ontario. It does not differ substantially in other provinces. My honourable friend from Alma (Hon. Mr. Ballantyne) said on a previous occasion that the price in Ontario was \$3.30 per hundred pounds.

Hon. Mr. BALLANTYNE: No. I said the price was \$3.30 per hundred pounds in the province of Quebec, and \$3.45 in the province of Ontario.

Hon. Mr. FARRIS: The price is \$3.35 per hundred pounds in this part of Ontario for 3·4 butterfat. That price gives to the farmer 8·6 cents a quart—the price paid by the consumer being 15 cents a quart at the present time—and leaves for the dairyman not “better than ten cents,” but 6·4 cents per quart. Those are the figures: the distributor who performs all the services I have described gets 6·4 cents while the farmer producer gets 8·6 cents.

Hon. Mr. HUGESSEN: That is after the removal of the subsidy?

Hon. Mr. FARRIS: That is at the present time.

My honourable friend from Inkerman (Hon. Mr. Hugessen) has raised the question of subsidies. I had it on my notes to deal with this later, but I will refer to it now. There

were two subsidies paid by the Dominion government. A subsidy of two cents a quart was to enable the price to the consumer to be kept down. That was paid to the dairies, not for their benefit, but in order that the price to the consumer would be less by two cents; I understand it had relation to the whole question of inflation. Then there was a subsidy paid to the farmers of 55 cents a hundred pounds, which comes to 1½ cents a quart. Both subsidies have been removed, and the price of milk in this part of Ontario—I think it is uniform all over the province—has been increased three cents, most of which has gone to the farmer. A small fraction of the three cents goes to the dairy distributor, but not by any means enough, I am informed by those who know and on whose advice I rely, to offset the immediate additional expenses in connection with the distribution of milk. So the higher price is not for the benefit of the distributor nor does it inure to his benefit, but is in lieu of the subsidy which heretofore came out of the pockets of the people of Canada generally. Keep that in mind, honourable senators, because the mere fact that you are paying more for your milk, if unexplained and coupled with the kind of information which has been put on the record, might suggest the comment, “Oh, these fellows are getting something which they are not entitled to.” That is not so.

Now let us look at the matter from the standpoint of the profits which the dairy distributors are getting. Information on this subject is not easy to obtain, but I have had access to a brief which was submitted to Mr. Justice Wells by one of the largest operating concerns of its kind in Canada, whose economy of operation is, I am sure, as good as that of any of its competitors, and whose managers and officials are experienced in the business and can give the best service in the way of economic operation, not only to people of the country but to themselves. The figures they present, mark you, were put down in black and white and submitted to Mr. Justice Wells; and they would not be so foolish as to present before a commission of inquiry figures that could not stand investigation. What do we find? On each quart of milk supplied to a household, this particular dairy gets a profit of fourteen-hundredths of one cent, or practically one-seventh of a cent. I suppose that a great many householders have one quart of milk put on their doorstep each day. For the service of transporting by trucks a bottle of milk every day for seven days, rain or shine—milk which has been inspected, tested, pasteurized, bottled and

capped—this dairy would receive a profit of one cent. It makes one cent on seven quarts, delivered one quart a day.

Hon. Mr. KINLEY: Net?

Hon. Mr. FARRIS: Net. Let us now consider the manufactured market, which, though it seems to have been only incidentally drawn into this resolution, is related to it; and properly to understand what is going on, honourable senators and the public should have an appreciation of the different circumstances. The manufactured product has not been subject to the same provincial control as the fluid market. The export market, of course, is outside provincial jurisdiction; and during the war both maximum and minimum prices of cheese were fixed by the dominion government. That regulation, I understand, is about to be withdrawn. In respect of butter a maximum price, or, as it is called, a ceiling, but not a floor, was fixed by the dominion government. In this field the farmer gets substantially less for his milk, on the basis of butter fat, than he does in the fluid market. Also the dairy distributor does not receive the same price on the sale of butter or cheese as he does on the sale of fluid milk. I have checked the figures supplied by this same leading industry in Canada which, besides being in the milk business, carries on a cheese factory entirely separate from its dairy branch, so that the figures on operations are wholly distinct, and I find that the profit per quart of milk used in cheese production is almost exactly the same as the profit per quart in the fluid field; that is, about one-seventh of a cent for each quart of milk handled. So the difference in the price the farmer gets is correspondingly reflected in the price received by the manufacturer. In the light of these figures I believe honourable senators will see how futile would be an inquiry based on the wording of the resolution, and how unfair that wording is in its implications.

Other charges are made against the dairies, and they are so different as to be funny. One charge is that of uneconomic operation, that these various dairies are running around the same routes, in the same blocks, wasting time and gasoline and tires and everything else, and that this ought to be stopped. The other—the opposite—criticism is made that this business is a monopoly, or, as an honourable senator across the floor said the other day, a cartel. Well, it is hard to figure out how it can be both these things. Let us see if it is either.

In the past we have had in some places too many dairies carrying uneconomic loads. My honourable friend from Kings (Hon. Mr.

McDonald), told me that when he took over the portfolio of Minister of Agriculture in Nova Scotia there was a large number of dairies, too many altogether—I have forgotten the figures, and perhaps my honourable friend would state how many there were—but during his regime conditions were so changed that the needless going over of the same ground was cut out. But after all, honourable senators, action of this kind should be kept within reasonable limits. I was told today that, generally speaking, in the cities each dairy sends out a full load. If every truck contains as much milk as it can carry, there is not much economic waste in the distribution. Even though some trips might be shortened a little by strict concentration, all the difference it would make would be so small as to be hardly material. After all, we have not yet got to the stage where we can regulate just how many newspapers there should be, or how many—

Hon. Mr. LESAGE: Radio stations.

Hon. Mr. FARRIS: —or how many lawyers, and so on. There is always a necessary margin of competition in order to carry on this business.

Another and I think a more serious reflection came from an honourable gentleman who suggested he suspected there was a cartel. I puzzled over that. First I looked in a dictionary to find out what a cartel was. The Oxford dictionary said it meant an exchange of prisoners, but that did not seem to throw much light on the subject, because I knew that my honourable friend had a meaning a little more direct than that. I imagine that what he means, loosely speaking—and I do not use that word in a wrong sense at all—is that he suspected there was some form of monopoly. But where and how could the monopoly come in? That is what puzzles me. As I have already said, there is a Milk Board in every province of Canada. The last board in British Columbia, appointed only a couple of years ago, was put under the Public Utilities Act. When you examine this monopoly question you find that there are about two thousand outstanding dairies in Canada. That is a long way from a monopoly. In addition there are perhaps another thousand smaller dairies; and there are also the co-operatives.

Honourable senators will pardon me for referring to British Columbia more than elsewhere, but I do so because I know more about matters in that province. In Vancouver we have a dairy under the control of the Vancouver Milk Producers Association. That association is a co-operative association of farmers in the lower Fraser Valley, from which

source comes mostly all the milk used in and around the city of Vancouver. I am not exactly sure how much milk that organization handles, but it certainly is fifty per cent of the milk distributed in Vancouver. It is entirely a farmers' co-operative organization. All the milk is distributed from the same dairy, and the farmers are paid on a common settling price on a co-operative basis. That could not possibly be a monopoly, for they are in competition with the private dairies. The same thing is true elsewhere. I am told that in the city of Ottawa there are about four main dairies, several smaller ones, and a number of farmer producers' dairies. They have a common pasteurizing plant, at which all the farmers in the co-operatives have their milk processed, and then they distribute it to their customers throughout the city.

As long as that is going on and as long as you have this industry under the control of the provincial government and the municipalities—the industry is subject to innumerable regulations in the municipalities—it is impossible to say that there is existing a cartel or a monopoly to the detriment of the community. Under the direction and supervision of the government there is an orderly conducted business. As an instance of supervision of the industry in Ontario, I point to the fact that today you cannot operate a distributing dairy unless you get a licence from the Milk Board of the province. In order to do this you must satisfy the board that the new dairy will operate in the interests of the public. You have also to satisfy it that the new dairy's equipment, organization, and everything else is such that if it goes into the business it will do so as an honest public service, and that it will not be a menace to the health and welfare of the community. I say that in these circumstances you have in this business an orderly regulation, resulting not from a monopoly, but from government supervision. There is co-operation between the producers and the distributors, because it is the duty of the chairman of the board to consult with the producers and the distributors as to a fair price, and when they reach an agreement and the price is O.K.d. by the Milk Board it becomes binding.

In these circumstances, honourable senators, I submit that there is nothing of a disturbing nature in this well-conducted business. There is nothing that savours of injustice either to the farmers or to the consumers. Lastly, I suggest that there are many things within the immediate supervision of the Dominion Government—not of the provinces—that might well occupy the attention of the Senate

rather than this side-door entrance into a business that is being so well conducted by all the provinces of Canada.

Hon. Mr. ROEBUCK: May I ask the honourable senator a question? I am wondering if I got his figures correctly. He said the distributor makes one-seventh of a cent per bottle, or one cent per customer per bottle of milk for seven days. In the city of Toronto we have a population of about 650,000 people; and on the basis of five people to the family, that is about 130,000 families. Therefore, if I understand the honourable senator's figures correctly, it would mean a net profit of \$1,300.

Hon. Mr. FARRIS: I do not think my honourable friend got my figures rightly. What I said was that the profit was one-seventh of one cent a quart, and that if you delivered to the customer a bottle of milk each day for seven days you would get a profit of one cent.

Hon. Mr. ROEBUCK: I think I have that right. I multiplied that by 130,000 families.

Hon. Mr. FARRIS: What is my honourable friend's question?

Hon. Mr. ROEBUCK: I want to know if I am right in my understanding of your figures: that 130,000 families in the city of Toronto would give a net profit of \$1,300.

Hon. Mr. FARRIS: I did not offer any figures like that.

Hon. Mr. COPP: Question.

Hon. Mr. KINLEY: May I ask the honourable senator a question. I think it has some bearing on the price of five cents that was quoted in the resolution. Taking into consideration the two subsidies that were paid, what did the creamery really pay the farmer for his milk?

Hon. Mr. FARRIS: The simplest way to get at that is to consider the present time, when there are no subsidies. He got 8·6 cents per quart.

Hon. Mr. KINLEY: But he raised the price.

Hon. Mr. FARRIS: The increase in price only offsets what was being paid by the Dominion to the farmer in subsidies.

Hon. Mr. KINLEY: I think my honourable friend will agree that both subsidies were paid through the dairy and there was no money paid directly to the farmer.

Hon. Mr. FARRIS: Oh, yes.

Hon. Mr. KINLEY: Both subsidies came to the dairy.

Hon. Mr. FARRIS: It may come through them, but it was paid directly to the farmer.

Hon. Mr. KINLEY: Originally the subsidy was only paid in congested areas, where the milk was badly needed. Then the time came when by reason of agitation the subsidy had to be periodically extended. I do say that, with subsidies, milk cost the dairy about five cents.

Hon. Mr. FARRIS: I gave the right figures.

Hon. Mr. HOWDEN: My honourable friend from Churchill (Hon. Mr. Crerar) will corroborate my statement that the dairies in Manitoba pay 5½ cents for milk. I have been a seller of milk for a number of years.

Hon. Mr. KINLEY: So have I.

Hon. Mr. FARRIS: That figure includes the manufactured product.

Hon. Mr. HOWDEN: For contract milk the farmer gets \$2.25 a hundred, but for surplus milk over his contract he gets much less—a dollar a hundred.

Hon. Mr. KINLEY: They will not take it at all.

Some Hon. SENATORS: Question.

The Hon. the SPEAKER: Honourable senators in favour of the motion will please say "Content".

Honourable senators opposed to the motion will please say "Non-content".

Some Hon. SENATORS: Non-content.

The motion was negatived.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 4, 1947.

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

Prayers and routine proceedings.

JUVENILE DELINQUENTS BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce on Bill D8, an act to amend the Juvenile Delinquents Act, 1929.

He said: Honourable senators, the committee have, in obedience to the order of reference of May 13, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. COPP: 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.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented and moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill U6, an act to incorporate Federation Insurance Company of Canada.

He said: Honourable senators, the committee have, in obedience to the order of reference of May 9, 1947, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 2, line 32. For "three" substitute "two".
2. Page 2, line 32. After "thereon" add "together with a contribution to surplus of one hundred thousand dollars".
3. Page 3, line 24. For "said" substitute "subscribed".

The motion was agreed to.

THIRD READING

Hon. Mr. GOUIN: With leave of the Senate, I move that the bill be read the third time now.

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

MILK PRICES

QUESTION OF PRIVILEGE

Hon. Mr. MURDOCK: Honourable senators, before the Orders of the Day are called, may I express regret that I was unable to be in the house yesterday when the motion standing in my name was negatived. I had to go away, and I thought I had arranged with my seat-mate to adjourn the debate for me, but he did not understand it that way. So the matter now stands over for another year; and may I express the hope that in the meantime the money-hungry, milk-watering and child-killing distributors of milk will not go too far.

DIVORCE BILLS

SECOND READINGS

Hon. Mr. ASELTINE moved the second reading of the following bills:

Bill P8, an Act for the relief of Eileen Maude Gardiner Richards.

Bill Q8, an Act for the relief of Frances Audrey Gray Lacaille.

Bill R8, an Act for the relief of Aline Theoret Larose.

Bill S8, an Act for the relief of Margaret Betty Rollings Burman.

Bill T8, an Act for the relief of Beatrice Dorothy Pountney Alker.

Bill U8, an Act for the relief of Margaret Jean Duff Dorval.

Bill V8, an Act for the relief of George Somerville Blackie Begg.

Bill W8, an Act for the relief of Lillian Guerasio Galardo.

Bill X8, an Act for the relief of Stewart Davidson Myles.

Bill Y8, an Act for the relief of Dorothy Bradford Hurley.

Bill Z8, an Act for the relief of Elsie McCormick Albers.

Bill A9, an Act for the relief of George Wilson Dyce.

Bill B9, an Act for the relief of Rita Johnson Cherrier.

Bill C9, an Act for the relief of Esther Cole Zeesman.

Bill D9, an Act for the relief of Celia Yaffe Dubinsky.

Bill E9, an Act for the relief of Elsie Marlyn Garayt Johnston.

Bill F9, an Act for the relief of Leone Rhea Leduc Metcalf.

Bill G9, An Act for the relief of James Arthur Ablett.

Bill H9, an Act for the relief of Goldie Solvinsky Tkatch.

Bill I9, an Act for the relief of Harold Fassett Staniforth.

Bill J9, an Act for the relief of Claire Morgan Lockner Middleton-Hope.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. ASELTINE: Honourable senators, with leave, I move the third reading of these bills now.

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

NATIONAL HOUSING BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 176, an Act to amend the National Housing Act, 1944.

He said: Honourable senators, the honourable member from Ottawa (Hon. Mr. Lambert) has kindly consented to explain this bill.

Hon. NORMAN P. LAMBERT: Honourable senators, this bill embodies eight amendments to the National Housing Act of 1944. These are deemed necessary to enable the administrators of the act to cope with the changes in the building situation which have occurred during the past year.

The prices of houses to home owners and the cost to house builders have increased very materially even over the last ten months, and the changes which are registered in these proposed amendments are due altogether to a desire on the part of the Central Mortgage and Housing Corporation to meet that condition.

These increased costs which have become so noticeable during the past year have had a very definite influence in the decline of home ownership and a proportionate increase in the demand for rental housing. As a matter of fact, the amendments in this bill represent an effort on the part of the government and the administration of the Housing Act to equalize the conditions of financing between home-owner housing and rental housing in such a way as at least, in so far as finance is a factor in the matter, to tend to encourage an increase in the number of houses for rent. Hitherto, the terms for loans on home-owner houses have been a little more favourable than for loans on rental housing projects. By seeking to equalize the conditions applying to both groups of undertakings and at the same time make the terms even more generous than they have been before, the bill represents a serious endeavour to meet an increasingly acute housing situation in this country.

It should be emphasized here that the long-term aim and policy of the Central Mortgage and Housing Corporation—which from now on I shall refer to simply as “the Central Corporation”—is to encourage in every way an interest in home ownership. That point of view, despite what I have said about the purport of this bill, remains the permanent policy and the avowed aim of the corporation. But as a means to that end and in order to meet the present increasing demand for rental housing, the emphasis at this time must be placed upon rental housing construction.

As a background and to obtain a proper perspective in approaching this subject it is worth noting that the Central Corporation has evolved out of legislation passed in 1935,

known as the Dominion Housing Act, and identified with the administration of the Honourable Charles Dunning. That act was passed for the purpose of providing low cost housing in urban communities. In 1938 the act was repealed and replaced by the National Housing Act, which included provision for reconversion operations, large-scale rental housing and rural and suburban construction. In 1944 the whole scope of the National Housing Act was reorganized and divided into five main parts, only two of which have as yet been proclaimed and applied to our housing situation. I understand that with the adoption of the proposed amendments a third part of that act, relating to rural housing, will be proclaimed.

In 1945 the Central Mortgage and Housing Corporation was set up to administer the National Housing Act. During and immediately after the war two other separate housing agencies took form: the Wartime Housing Corporation and Housing Enterprises Limited. The first of these was a Crown company, under the Department of Munitions and Supply; the second, a private holding company, was formed with a view to giving private enterprise an opportunity of embarking upon the field of rental housing with the financial support of the Central Corporation. These two organizations are now directly associated with the Central Corporation, under the provisions of the National Housing Act, and properties connected with their operations are subject to transfer and sale under the jurisdiction of the Central Corporation. Clause 2 of the bill, a purely technical amendment, provides that title to property may be acquired by legal transfer rather than by the cumbersome procedure of letters patent. Clause 1 also is a technical amendment to facilitate an important change provided for in clause 4, which deals with loans on owner-occupied houses.

Clause 3 is an amendment to section 4 of the act, enlarging its scope to apply to owner-occupied duplex houses. At the present time this type of place is identified as a form of rental housing, but the amendment will classify such a structure under "home ownership". This will enable the builder to obtain a higher ratio of loan to lending value than he has been able to do hitherto. The amendment is applicable to conditions prevailing to a greater extent in the province of Quebec than anywhere else, owing to the existence there of a large so-called rentier class. The owner lives on the ground floor of a duplex or triplex house and rents the floors above him; and I believe that this amendment is introduced to accommodate demands from this, may I say, thrifty type of owner.

Clause 4, with which clause 1 is connected, amends section 4 of the act and provides for the financing of an additional portion of the down payment on the part of a house owner. The means of serving this end will be seen in the provision for negotiation of a joint loan for a period not in excess of thirty years from the date of completion of the house. Ninety-five per cent of the first \$3,000 of the lending value of the house or any part thereof, eighty-five per cent of the amount over \$3,000 but not in excess of \$6,000, and seventy per cent of the amount in excess of \$6,000, will be guaranteed by the corporation.

It is also proposed under this clause to apply the increased ratio of loan to lending value only in cases determined by regulation by the Governor in Council. To prevent an obvious inflationary trend as the result of this amendment, the increased ratio will be applied by regulation only to cases where control on the sale price to the home owner can be exercised; and this control is sought through what is called an integrated plan. It is contemplated through the exercise of that plan that a builder in agreement with the corporation may enter into a contract under which he undertakes to sell to a home owner at a fixed price. At the present time this fixed price is roughly 110 per cent of the lending value on the house. By way of example, on the basis of \$5,000 lending value, the sale price would be \$5,500 and the down payment of the home owner would amount to \$950 rather than \$1,200, which is now required.

Hon. Mr. ASELTINE: How is the lending value arrived at?

Hon. Mr. LAMBERT: I have a note here on the ratios of the lending value to the price of the house, which ratios the Central Corporation has fixed after conferences with the lending institutions. I think that there is room for a good deal of questioning and discussion on this point. At first, as my honourable friend (Hon. Mr. Aseltine) probably knows, there was some difficulty in persuading lending institutions to embark upon long-term loans on any form of house building. Twenty years was the longest term that they were willing to consider, and even then in the beginning it was only on the basis of two ten-year terms. That basis of financing, lending and mortgaging has been increased to twenty-five years where zoning areas have been specially considered by the corporation. The proposal now, in order to reduce the down payment on home-owner housing and rental housing, is to extend the term to thirty years.

Hon. Mr. ASELTINE: That is not exactly the point I was trying to get at. Ordinarily the loan company will only lend up to fifty per cent of the cost price or value of the property. Now, what is the lending value? It is what percentage of the cost of the building or the whole property?

Hon. Mr. LAMBERT: The corporation is now guaranteeing up to ninety-five per cent of the lending value of the house. The insurance companies or the mortgage companies supply the balance at a rate extending now up to four and a half or five per cent.

Hon. Mr. ASELTINE: That does not answer my question.

Hon. Mr. LAMBERT: As I understand it, the ratio of the lending value to the value of the house is fixed by agreement between the Central Corporation and the lending institutions.

Hon. Mr. ASELTINE: Then I think it should be defined in the act.

Hon. Mr. LAMBERT: It is not very clearly defined in the act.

Hon. Mr. HAIG: May I ask the honourable senator one question? If a lending institution—let us say it is the Canada Permanent Mortgage Corporation—incurs a loss, what share of that loss does the government absorb?

Hon. Mr. LAMBERT: It takes the loss.

Hon. Mr. HAIG: The whole of it?

Hon. Mr. LAMBERT: Yes, the whole of it.

Hon. Mr. NICOL: Oh, no, it does not.

Hon. Mr. LAMBERT: I suggest that the whole business problem as it relates to this bill should be dealt with more minutely before our Banking and Commerce Committee, and I intend to move before I sit down that the bill be referred to it. There we could have a field-day of inquiry into the administration of the National Housing Act, and with the help of the minister and officials from the Central Corporation we could at least get some perspective on the present situation as a whole. In the past there has been a good deal of scattered discussion in this chamber about housing, rental controls and so on. I think the bill presents us with an opportunity to go into the subject thoroughly.

Hon. Mr. HAIG: I hope my honourable friend does not suggest that my speeches on rental control were scattered.

Hon. Mr. LAMBERT: I was not referring to speeches made by the leader opposite (Hon. Mr. Haig). I said that there had been a good

deal of scattered discussion on the subject. My point is that the discussion has been spread over a number of sessions. There have been criticisms, which probably were well founded, but I do not think the whole question has been approached in a comprehensive manner. It can be dealt with now, if my friend chooses, but I suggest that if the bill were referred to the Banking and Commerce Committee we should have an opportunity of enlightening ourselves, and others as well.

Clause 5 of the bill deals with rental housing in the same way that clause 4 deals with home-owner housing. This amendment affecting rental housing construction also provides for an increased period of amortization up to thirty years, and has the same provision for the prescribing of terms of limitation by the Governor in Council as is contained in clause 4. At the present time loans on rental housing are limited to twenty years, except in zoning areas where a period of twenty-five years is permissible.

A question arises in connection with the transferring of successful rental housing projects into home-owner properties, as prices and costs become favourable. At present, those who undertook to engage in a home-owner plan find that because of the rise in the price of houses their down payments are inadequate, and for the time being their financial condition would favour renting instead of purchasing. As the tenant's circumstances improve, the prospect of becoming a house owner becomes increasingly attractive.

Clause 6 of the bill introduces an entirely new principle into the act, namely that of acquiring vacant land to be used for the purpose of housing developments. In times past, particularly in western Canada, with which my honourable friend the leader opposite (Hon. Mr. Haig) is well acquainted, municipalities anxious to develop new areas would service them with water, light and sidewalks, and wait for builders to erect houses and sell them to new residents. Today the municipalities will not do that, and the lending companies, supported by the Central Corporation, are pleased to assume that kind of investment in anticipation of mortgage loans to be placed on residential buildings when erected. The Central Corporation, under this amendment, will guarantee to the lending companies 2 per cent for five years on vacant lands acquired for building purposes. The conditions under which lending may be done are set forth in considerable detail in the twelve subsections of clause 6. No lending institution may invest an amount in excess of 5 per cent of its Canadian assets. The present policy of the

Central Corporation is to place a limit on the utilization of this kind of undertaking to the years 1947 and 1948. No prospective consideration for such development in the year 1949 is being considered at the present time.

Clause 7 provides simply for ministerial responsibility in connection with the administration of the act and for the presentation of an annual report to parliament.

The final amendment, clause 8 of the bill, appears as a kind of postscript expressing an important afterthought which could be more appropriately have been associated with clauses 4 and 5. It introduces a new principle into the act, namely, that of making a direct loan to a person on the same terms and conditions as those upon which a joint loan may be made. Hitherto, a basic provision of the act has been the joint loan, representing as it does a measure of co-operation between the lending institution and the Crown. In the present act only two exceptions to that approved basis of lending are made: (1) in the case of limited dividend corporations; and (2), direct loans in mining, logging, lumbering and fishing areas where the remoteness of the district or the type of security makes the lending institutions unwilling to commit themselves to long-term loans. Those acquainted with the type of moveable and even portable structures used in some of the outlying districts will appreciate better the reason for those exceptions to the general policy.

In clause 8 of the bill the Central Corporation is empowered to make loans direct to individual persons who desire to construct homes or rental housing projects. This new provision is undoubtedly being included in the act because the Central Corporation desires to have the power to undertake loans in particular cases where the lending institutions are hesitant or decline to enter upon a joint loan as provided for by clauses 4 and 5 of the bill.

This introduces the whole question of subsidized state housing. In another place some attention was given to this phase of the measure by one or two prominent members—members, I may observe, who belong to the group supported by my honourable friend the leader on the other side of this house (Hon. Mr. Haig). In reply, the minister remarked that he was not shutting the door on that possibility.

This certainly is one phase of the bill which should be discussed thoroughly and examined closely in the standing committee of the Senate to which, I trust, the bill will be referred.

The bill as a whole presents to the Senate an opportunity to get a clear perspective of the housing problem in Canada. As I have said, there has been much scattered discussion of this subject. In the Committee on Banking and Commerce a thorough examination of this bill, with the minister and officials of the Central Corporation to help us, should give us all a better understanding and grasp of a difficult national problem.

I believe I have now covered the different matters included in the eight amendments of this bill.

Hon. JOHN T. HAIG: Honourable senators, I did not know that this matter was coming up today, but I have sent for my papers. The bill simply provides for larger loans for housing. It does not solve the basic trouble; it is not there that the difficulty lies. Today you can obtain all the loans you want on housing if the houses are well situated and the district is one in which lending is carried on in normal times. Nobody who knows anything about the lending business will make loans in small towns, at least not in Manitoba, Saskatchewan and Alberta, the country with which I am familiar; or if he does, he goes broke. But loans are readily made in larger centres. I assume the same condition exists all over Canada, and that companies will make loans in such cities as Vancouver, Victoria, Calgary, Edmonton, Saskatoon, Regina and Winnipeg. But the problem which requires our attention is quite a different one, and with your permission I shall deal first with the last phase of it.

The other day, while in the city of Winnipeg, I asked one of our most prominent house builders to give me some records. He and his partners have been building houses continuously since 1921. That is a long time. I said: "Do not go back to 1921. Go back to 1941, when the government introduced control of loans." He produced a photograph of a house which was built in 1941; and his firm has been building exactly the same kind of house ever since, including this year. He is the builder member of the firm, and his partner is the real estate member. I am ready to show you the plan and the picture of this type of house, which, as I have said, he has been erecting continuously from 1941 to the present time; there has been no variation in the specifications, although probably the material used in 1941 was a lot better than is to be had in 1947. He remarked to me, "I do not want it publicly known, because everybody else is in the same position, but we are cutting some pretty sharp corners to break even on the figures I am

going to give you." In 1941 they provided recessed baths; they do not have them now. When a building is torn down they get the bath with little legs, and this kind of bath is plastered around to give it the appearance of a recessed bath. I asked him to give me a break-down of his figures. Let me stress that I am not talking about a mythical house; under the plan he submitted to me twenty or thirty houses are being built each year, and no dissatisfaction is expressed by the people who have bought them, nor have any of these properties come back on his hands. They are

sold on very reasonable terms, as low as one-fifth cash, and so much a month. The monthly payments include taxes, insurance, interest and principal, usually based on repayment of principal in about seven to ten years.

Let me give you the figures, because they have a direct bearing on the crucial point that, under any existing scheme, people cannot afford to buy houses and make the necessary payments. The figures are broken down under fourteen headings, and with the permission of the house I shall place the whole statement on *Hansard*:

Full basement; reinforced footings and walls; cedar-siding bungalow; oak floors; insulated wood wool; recess bath; modern kitchen; gravity warm air; N.H.A. specification 26 x 24 plus 4 x 6½ x 21=650 sq. ft.

Comparative Costs
Reproduction Cost, Breakdown

	1937-40	1941	1942	1943	1944	1945	1946	1947
	\$	\$	\$	\$	\$	\$	\$	\$
1. Permit, loans, survey	45	45	45	50	50	50	50	55
2. Excavating, backfill, grading	46	46	53	71	72	72	72	80
3. Sewer 75'	55	60	60	85	94	150	150	150
4. Concrete work—footings 30" x 10", reinforced walls, 9" waterproofing weeping-tile, backfill, basement floor, 3" concrete walks, concrete	400	410	431	490	495	520	540	570
5. Chimney, brick, single-flue, lining	56	59	64	67	70	80	85	98
6. Lumber, millwork, shingles, sash and door, oak floors, finishing, windows, trim, etc. . .	800	838	920	1,055	1,165	1,275	1,425	1,550
7. Carpenter, forming, framing, shingling, finish	400	406	433	508	565	635	725	800
8. Plaster and lath	225	235	245	285	325	345	380	410
9. Heating, eavestrough, flashing	160	162	189	195	200	230	255	290
10. Plumbing, recess bath, shower, etc.	300	312	325	335	345	360	425	495
11. Hardware, paper, insulation, etc.	115	120	120	125	125	130	140	160
12. Electric wiring, fixtures specified, allowance, \$30.	120	120	126	145	155	168	178	220
13. Linoleum and tile, kitchen and bathroom ..	60	62	73	73	84	94	94	105
14. Painting, 4 coats inside and 3 coats outside	175	179	197	270	283	300	320	340
	2,957	3,054	3,281	3,754	4,028	4,409	4,839	5,323
Supervision and builders profit 10 per cent ...	296	306	329	376	402	441	484	532
Reproduction value	3,253	3,360	3,610	4,130	4,430	4,850	5,323	5,855

1937-1940 Cost \$3,253, or \$5 per sq. ft.
1947 Cost \$5,855, or \$9 per sq. ft.
Increase 80 per cent

The same house that cost \$2,957 in 1937-40, cost \$5,323 this year. That is an increase of about 80 per cent.

Hon. Mr. BURCHILL: Is that in Winnipeg?

Hon. Mr. HAIG: That is in Winnipeg, but I suggest to honourable senators that it holds good all over the country. The increased costs for the various years are indicated by these figures: 1937-40, \$2,957; 1941, \$3,054; 1942, \$3,281; 1943, \$3,754; 1944, \$4,028; 1945, \$4,409; 1946, \$4,839; 1947, \$5,323. But the

builder tells me he cannot make as much money now as he used to make a few years ago.

The crux of the difficulty in my community is that the people who can afford to buy houses have largely done so. The other people, who have not much money and are afraid of the cost of maintaining a house, have to rent. Lending money will not help that situation. There is no difficulty in borrowing money; the difficulty is in getting people to pay rent commensurate with the costs. Taxes have risen in all cities, because of required improvements.

Hon. Mr. LAMBERT: The cost went up ten per cent in the last year.

Hon. Mr. HAIG: And ten per cent the year before, and ten per cent the year before that again.

Hon. Mr. LAMBERT: In 1946 the lending ratio was increased ten per cent and it has not been increased since that time.

Hon. Mr. HAIG: That is the trouble: they fixed an arbitrary increase; they are always behind. This year the plumber, the carpenter and the labourer all got an increase in wages.

Hon. Mr. HUGESSEN: May I ask the honourable senator a question, purely to obtain information on the figures he gave for the cost of houses? If a house in 1947 costs \$5,300, how much is the monthly payment over a period of fifteen years?

Hon. Mr. HAIG: You can figure that out yourself.

Hon. Mr. HUGESSEN: I just wanted to know.

Hon. Mr. HAIG: I did not figure it out, but the higher cost will increase the rent. Taxes are up, but not enough to make a great deal of difference. I have always maintained that when rental control was established it stopped building, and I maintain it is still doing so. It is all right to say that loans can be secured, but no builder will construct houses for rent today. The life insurance companies have refused to build in Toronto, or Ottawa or any other place, because of the increase in the cost of building. Take, for instance, the experience of the Great West Life Insurance Company in Winnipeg. I think 214 or 218 houses have been built in Fort Garry, and the cost is running at about \$2,000 more than the amount they calculated, and which they suggested to prospective buyers. That is in line with the figures that I have quoted.

The problem can be solved in only one or two ways at the most. I think it can be solved in one way. I believe that the wages we are paying to people in this country are not commensurate with the cost of the buildings they have to live in. We have either got to raise the incomes of the people in the lower-wage classes, or give money to the municipalities to build houses, and pay bonuses of so much a year on those houses. There is no middle course; we must do one thing or the other. No scheme of lending money will solve the problem at all. As I have said before in this house, I know a great deal about the housing business, perhaps more

than I ought to. I have never found any difficulty in getting loans on property. The interest charge may at times vary one per cent more or less, and while this may make a slight difference in fine figures, it is not substantial. What makes the difference is the cost of \$5,300 today against the cost of \$3,000 six years ago. Builders cannot face that. Rental control has made conditions such that no speculative builder will come into the picture. Why should he? Government officials and representatives have been going up and down this country saying, "Well, we extended the control for one year, and it will be further extended". Why would anybody go into the business while that threat is hanging over his head? The problem is not being solved for the people who really want to rent; the people who benefit are those who can well afford to buy houses.

Hon. Mr. CAMPBELL: May I ask the honourable senator a question? On a house such as he referred to, built in 1941, what would be the rent, if amortized over a period of seven or eight years, as against the rent if amortized over a period of thirty years?

Hon. Mr. HAIG: There is really no difference. When you are handling houses like these you do not worry about the principal, if the purchaser is paying a little off every year.

Hon. Mr. CAMPBELL: I think my honourable friend has misunderstood the question. If you amortize the principal over a short period the rent will be higher than if you extend the period. My honourable friend has stated that in 1941 the payment was amortized over a period of seven or eight years, and he says that by extending the loan period you cannot reduce the rent.

Hon. Mr. HAIG: It depends on what you include in the payment. For instance, you include taxes. In Winnipeg, and I presume elsewhere, up until a year or two ago, they would find out what the taxes were. Let us say they were \$100, which is approximately \$9 a month. The insurance would be perhaps \$2, making \$11 per month. The interest at five per cent on \$3,000 was \$150 a year, or \$12.50 a month, so the total monthly payment would be \$21.50. Now, you say, "Make the term five years." But that is not the way it is done. We ask a man how much of his principal he wants back per year. He may want two per cent or one per cent or five per cent, and that is what is agreed upon. The loan is not paid off at the end of five years, but at that time it can easily be financed again. Financing on a monthly basis does not

involve much chance. You do not have the repair of the house and the general looking after of it that the rental man has. As long as the principal is being slowly reduced the only risk is that the price may go down and the equity be wiped out. There is not much likelihood of that. The other day I got the last payment on a house that was sold in 1928. That is nineteen years ago, but why should my client have been in any hurry? He was getting 5 per cent on his money, and the purchaser was paying off about \$100 a year.

By providing a five-year period the mortgage companies do not really plan on getting the money back in that time. Under the mortgage act one can pay off his mortgage after five years by giving three months' notice. The period of five years is provided so that the companies will not be caught with a notice of that nature.

As a matter of interest, may I say that American investors over a period of one hundred years have found that in the housing market there is a cycle of eighteen years. That is to say, it goes up for nine years and down for nine years. But two things happen: it never goes down as low as the previous low level, and always goes higher than any previous high level. Those observations by American investors are no doubt valuable.

I have no doubt that any municipality could build houses up to a value of \$6,000 and rent them, but the problem is that the tenants, at the present wage scale, would not be able to pay the rent required for such houses. I believe that the city of Winnipeg would build lots of houses for people who want to rent if it knew that someone would take care of part of the loss that ultimately would be incurred.

I recently read the figures provided by the Department of Vital Statistics in connection with the building trade, and I note that my own figures for Winnipeg do not differ very much. My figures are more likely to be correct, as they apply to my city, whereas those of the department are taken from across Canada and represent all types and qualities of houses. We in Winnipeg have to build warm houses; we cannot put up slap-dash houses to stand the cold weather. In Vancouver, for instance, much cheaper houses can be built.

My suggestion is that the government do two things. First, it should say that on July 1, 1948, rental controls will go off; secondly, it should propose to the municipalities that if they build houses at a cost of \$5,000 or

\$6,000 they will be allowed to collect income on a cost of \$3,000 and the government will make up the difference.

Hon. Mr. CRERAR: That would be subsidizing.

Hon. Mr. HAIG: It would be subsidizing, but that is the only way in which the situation can be met.

Hon. Mr. CRERAR: That is a little expensive.

Hon. Mr. HAIG: The type of house I have in mind is after all not expensive; it is a square plan and is most economical.

Hon. Mr. DAVIES: Is it of brick or frame construction?

Hon. Mr. HAIG: Only frame houses are built in our part of the country; brick is too expensive.

Hon. Mr. CAMPBELL: What would have been the rent of that house in 1941 as compared to the rent today?

Hon. Mr. HAIG: At 5 per cent it would have been about \$13 a month cheaper in 1941 than it is today.

Hon. Mr. CAMPBELL: What would be the rent per month for that type of house?

Hon. Mr. HAIG: It would be about \$40 in 1941 and about \$53 today.

I am not against this bill. I know it is an attempt to correct the problem, but it does not get at the fundamentals of the situation. The whole Dominion of Canada is involved in this problem, and the government has a good deal to do with the question of wages. As long as a great many people are getting only \$100 or \$125 a month we must face the problem. At that rate of pay they cannot afford to live in a house, at least not in my city; they can occupy a slum.

In Winnipeg an area bound on the east by the Red River, on the south by the Assiniboine River, on the north by the C.P.R. tracks and on the west by Donald street, represents about one-quarter of the city, and from that area there comes more sickness and crime than from all the rest of the city. When one goes into that district and sees the houses he can readily appreciate the source of the problem. It is not uncommon to find a man with his wife and two children occupying one room. He is making only about \$100 or \$110 a month, and when he buys clothing and food for himself and his family he cannot pay a big rent.

That is the nature of the problem facing the country today, and I think it is very much more serious than parliament has up to the

present realized. We talk about social security, medical services for all, and many other things, but here is a situation that faces us right at home. I say without fear of contradiction that a great deal of the trouble in our schools springs from districts such as I have described, in which the housing accommodation is poor.

I do not like the houses that the government built for veterans, but I admit that it is an attempt to give home ownership to the men and women who will live in those houses. I believe that parliament has to consider the difficulties of the low-salary earner—caretakers of schools and public buildings, and people doing a hundred and one odd jobs which pay about \$120 or \$130 a month. Something has to be done to give those people proper housing accommodation, and the only way to do it is by subsidized housing. This can best be accomplished, not by the government through the Central Mortgage and Housing Corporation—though I have no criticism of that organization—but by the municipalities themselves.

Hon. Mr. LAMBERT: The municipalities today, particularly those which were in debt before the war, do not want to embark on the real estate project they had twenty-five years ago.

Hon. Mr. HAIG: I am not so sure that they would not care to do so. Twenty-five years ago the city of Winnipeg indulged in a housing project and made a net profit of \$120,000. But today it would be afraid to undertake a housing project without support from someone. If the municipalities were guaranteed that they could rent houses at a rate sufficient to pay the interest on the money, and that someone else would pay the balance, they would undertake it.

In Winnipeg a whole block of houses was built without providing the necessary school accommodation. Today the city has to build a new school, install sewers and water supply, but it cannot charge those improvements against the houses. None of those people are going to buy those houses. Why should they, when they can rent them? I urge that when this matter goes to the committee we should discuss that side of the problem. I do not know that the principle of the bill, which is to facilitate the lending of money, need take up the time of the committee. It is very likely that if a depression comes along and prices go down, the government will lose some money under this scheme.

But let us consider construction costs. How much represents labour? I suggest that, taking the whole operation, ninety-five per cent,

or certainly ninety per cent, is made up of labour. In my city up to now the cost of land has been just two-thirds of the assessed value, which is about one-fourth of the usual value, so it does not enter largely into the subject. The value of the lots the government built upon was only \$400, which is a small amount. I do not know how prices can be lowered unless the cost of all types of labour entering into construction is reduced. In Winnipeg the going wages for carpenters are \$2 an hour, and for helpers 90 cents an hour. I remember that not many years ago carpenters were paid 75 cents and helpers 25 cents. There have been similar increases in connection with plumbing and other businesses. As I have said, I am not much concerned with anything in the bill; it is an attempt to provide cheap money, and probably the government will have to take some losses, but the bill does not solve any aspect of the problem. The only way it will be solved is by the government recognizing its responsibility for a substantial housing programme which will provide accommodation for the people who work. If that is not done, the lower-paid people must get an increase of wages: basic prices will have to be established. Our farmers are demanding basic prices for wheat, cattle and hogs, and it seems to me that the man who works for wages must be assured of a basic wage sufficient to meet his increased expenses. If the economy of the country will not permit of this, somebody has got to help him carry the load of his housing.

Hon. A. K. HUGESSEN: Honourable senators, I had not intended to take part in this discussion, but the speeches of the honourable senator from Ottawa (Hon. Mr. Lambert) and the honourable leader of the other side (Hon. Mr. Haig) contained so much interesting material that I thought I would offer a few observations to the house. I agree fully with my honourable friend from Ottawa that housing is a great national problem; and I find myself, I must say, in substantial agreement with the honourable leader of the other side. I asked him in the course of his remarks a question which I am sure he did not take in bad part.

Hon. Mr. HAIG: Oh, no.

Hon. Mr. HUGESSEN: I asked him to reduce to terms of monthly rental the figures of the specimen house to which he referred in the course of his remarks. I did that because, from the point of view of the ordinary industrial wage earner in our cities, the question is: how much can he afford to pay for rent, and can he on top of that

rent afford to pay monthly such small instalments of the purchase price of his house as will enable him at the end of a given period to become the owner of it? I took down the figures which my honourable friend gave for the house in Winnipeg, and I tried to reduce them to a monthly rental of that kind; and with the permission of the house I shall try to get down to that figure so as to see what we are talking about.

In the first place, I think one might say that under present conditions \$5,500 is the lowest cost of a house which would contain the minimum standard of comfort that we would expect to have for any of our industrial population.

Hon. Mr. HAIG: Pardon me; that is a three-bedroom house.

Hon. Mr. HUGESSEN: I thank my honourable friend.

Hon. Mr. DAVIES: Is that the cost of the house, or the selling price of the house?

Hon. Mr. HAIG: That is the cost of the house, without any land at all.

Hon. Mr. DAVIES: Well, the rent would be based on the selling price of the house, unless the person who was building was going to live in it. This is an owner proposition we are talking about.

Hon. Mr. HUGESSEN: I understood that the cost of \$5,500 included the land.

Hon. Mr. HAIG: No, it does not include the land.

Hon. Mr. HUGESSEN: The cost of the land, I suppose, would not be very much.

Hon. Mr. HAIG: I said \$400. It might run up to \$600.

Hon. Mr. LAMBERT: The unit defined by the National Housing Corporation includes the house and land.

Hon. Mr. HUGESSEN: For this purpose we shall include the land. Assuming that it costs \$5,500 for the house and the land and that the money can be borrowed at 4½ per cent, which I understand is the rate provided by this bill, there would be an annual charge of \$247.50 for interest; and assuming that a man has a period of twenty-seven and a half years to pay off the principal—which is a very reasonable period—that would involve an additional yearly payment of \$200. Those two figures together total \$447.50 a year, which amounts to a monthly rental—

Hon. Mr. ASELTINE: What about the taxes?

Hon. Mr. HUGESSEN: I am just coming to that, if my honourable friend will wait for a moment. This amounts to a monthly rental of \$37.30. If we add another \$10 a month for taxes and insurance—I think that is a fairly reasonable estimate—the monthly rental is \$47.30. Honourable senators who have any knowledge of the conditions under which industrial workers live in our greater centres of population are well aware that a monthly rental of \$47.30 is beyond the capacity of a very large number of them.

Hon. Mr. HAYDEN: I was wondering what factor would be applied to reduce that monthly rent. As the principal payments are made from year to year, your interest goes down. You are calculating interest on the full amount, whereas the principal is being reduced by \$200 a year. You would have to strike some formula for determining the rent.

Hon. Mr. BURCHILL: May I state the actual figures which were given me by the Central Mortgage Corporation the other day. In a typical case of a \$6,000 house, on which they would agree to pay 80 per cent, or \$4,800 amortized over twenty-five years, the monthly rental per thousand was \$5.50 per month; or, over thirty years, \$5.03 per month. That is exclusive of taxes.

Hon. Mr. HUGESSEN: On a \$5,500 house that would represent a monthly rental of about \$35, then.

Hon. Mr. HAIG: Pretty close to it.

Hon. Mr. HUGESSEN: And you would have to add to that insurance and taxes, I suppose.

Hon. Mr. BURCHILL: Right.

Hon. Mr. HUGESSEN: I am very grateful to my honourable friend for the information, because it corresponds roughly to the figures which I had. They range between \$40 and \$50 per month, which is a great deal more than our industrial population can pay. I think social workers who have made a study of the proportion that rent should bear to the monthly income of the average member of the industrial population, have reached the conclusion that it should not be more than twenty-five per cent.

Hon. Mr. HAIG: Twenty per cent.

Some Hon. SENATORS: Yes.

Hon. Mr. HUGESSEN: Twenty per cent. Well, if a man is earning \$100 or \$125 a month, it is obvious that he cannot afford to pay \$40 to \$45 a month for rent. That leads me to support the conclusion reached by my

honourable friend the leader opposite (Hon. Mr. Haig), that if under present conditions we are to do anything substantial to relieve overcrowding in the industrial sections of our cities, as opposed to what we are doing by legislation such as this to assist people who can afford to build houses themselves—

Hon. Mr. HAIG: Right.

Hon. Mr. HUGESSEN:—then in some way or other that I am afraid is not clear to me we shall be driven to some form of subsidized state housing, repugnant as that may be to some of us and to the general notion of private enterprise which prevails in this country. I should point out to honourable senators that that is precisely the conclusion which has been reached and the result which has been attained in England, where they have a much more difficult housing problem than we have. Conditions here are substantially similar except that, owing to our climate, houses cost a good deal more than they do in Great Britain.

The only reason why I rose was to try, if you will allow me to say so, to dot the i's and cross the t's of the observations of my honourable friend the leader on the other side (Hon. Mr. Haig), and to direct the attention of this chamber to the fact that in all likelihood we shall in the very near future be faced with the inevitability of providing some sort of subsidized state rental assistance for the classes of our community who earn comparatively small wages of the order of \$100 to \$150 a month.

Hon. CYRILLE VAILLANCOURT: Honourable senators, I wish to say just a few words. In our Caisse Populaires in Quebec we have a housing problem, and I agree with the honourable senator who explained this bill (Hon. Mr. Lambert) that it is necessary to take care of the situation. A man earning not more than \$1,500 or \$2,000 a year cannot buy a house costing \$6,000—

Hon. Mr. HAIG: No.

Hon. Mr. VAILLANCOURT:—because he cannot afford to spend more than one week's salary per month for rent. That has been our experience in Quebec, and I may say that some of our transactions have turned out rather badly. I wonder if the situation will improve in the future or whether it will become worse.

There has just been a discussion of the high cost of labour today as compared with the cost six or seven years ago. At that time a man would lay a thousand bricks a day, but now he will not lay more than four hundred.

Hon. Mr. DESSUREAULT: Two hundred.

Hon. Mr. LESAGE: Yes, only two hundred.

Hon. Mr. VAILLANCOURT: If we want to solve the housing and other economic problems in this country, everybody must do a fair day's work; every individual, from labourer to executive, must put forth an earnest effort. You cannot get anywhere unless the people work. We must do away with the "least effort" principle—"la loi du moindre effort"—which seems to have gained headway in recent years. The problem is a serious and an urgent one, and I emphasize that the only way to solve it is for the individual to do more work than he is doing today.

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

REFERRED TO COMMITTEE

Hon. Mr. LAMBERT moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

CRIMINAL CODE BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill L9, an Act to amend the Criminal Code. (Race meetings).

He said: The honourable senator from Toronto (Hon. Mr. Hayden) has kindly consented to explain this bill.

Hon. SALTER A. HAYDEN: Honourable senators, the amendments contained in this bill are very simple. At the present time the provisions relating to the conduct of race meetings, particularly the supervision of pari mutuel betting, are contained in subsection 2 of section 235 of the Criminal Code. A racing association is defined in the Code as an association incorporated before the critical date, in March, 1912, or subsequently incorporated by a special act of the Parliament of Canada or of the legislature of any province.

Another factor that I must explain at this time is that in recent years the courts have put an interpretation on charters, particularly those issued prior to 1912, which empower associations to conduct driving parks and trotting and pacing races. The judges have concluded that there are many ways by which a person may drive a horse; it is held that you can drive a horse not only by sitting behind it, but also by sitting on its back. Because of this interpretation there has been in recent years some attempt to revive and resurrect association charters issued prior to 1912. This has presented an administrative

problem to the department, and the department feels that it should establish some cut-off date, after which any association which desires to go into that business will have to apply for a special act from either the Dominion Parliament or a provincial legislature. Hence, the main amendment provided in this bill is to establish such a cut-off date, and it provides that any racing associations which have not conducted at least one race meeting with pari mutuel betting between the first day of January, 1938, and the nineteenth day of May, 1947—a period of some nine years—shall not be entitled to conduct races with pari mutuel privileges. The only relief from that is found in the second part of the subsection, which covers the case of an association that may not have raced during that period but at least has applied to the minister and obtained authority to transfer a meet from one track to another, and has therefore manifested some signs of life.

The bill is to some extent restrictive, but to some honourable members that may be a commendable feature. It includes two simple amendments. Heretofore provision was made in the Criminal Code for running seven races each day of a race meet, plus an eighth race, which must be a steeplechase. Apparently the only place where a steeplechase has even been attempted was one of the race-tracks in Toronto, where they probably have a steeplechase on three or four days out of a seven-day meet. Even during that time there would be three, four or five horses entered; and sometimes one would finish, but at other times none would. The explanation is that the horses in Canada are not trained jumpers; steeplechase racing is not sufficiently attractive to train horses for that purpose. The bill provides for an eighth race, which may be run either as a steeplechase or a flat race.

The second amendment has to do with trotting or pacing races, so-called harness races. In smaller communities the tendency has been more and more towards harness races, held in the early evening or extending into the evening. They are a greater feature in rural life than in city life. Trotting and pacing races so operated are not subject to any provision with relation to pari mutuel betting; and there is no pari mutuel betting, for the simple reason that at such meets the attendance is so small that this would not be practicable.

In the general definition section of the code "day" and "night" are defined, because an offence committed at night is more serious than one committed in the daytime. The word "day" is used in regard to associations which conduct trotting and pacing meets; and

to remove any suspicion or confusion as to whether or not there is a violation of the law, should their races run into the evening, the department proposes that where the act refers to a race meeting of fourteen days, it be changed to read "fourteen days or fourteen nights or a total of fourteen days and nights". The limit in any year for any association is fourteen days racing in all.

To sum up, the amendments referred to provide for an eighth race in the day, with the right to the association to determine whether the eighth race shall be a steeplechase race or a flat race. Then there is clarification of the definition of "day." I referred also to the restrictive provision for a cut-off time so that a charter which originated prior to 1912 would not continue *ad nauseam* to be an administrative problem to the department when it cannot anticipate what is developing or is likely to develop. The department proposes to draw a hard and fast rule and say that the test as to whether supervision will be given for pari mutuel betting depends on whether one race meet of seven days was conducted during the period of the last nine years with pari mutuel supervision. If the department wishes to draw the line, it can say to an association which has not had one race meet that it is hereafter not under supervision, but if it wants to engage in the business of horse racing it must go to the provincial legislature or the Dominion Parliament and get a private bill passed for that purpose.

Honourable senators, there is nothing complicated in these amendments, and no further explanation is necessary.

Hon. Mr. ASELTINE: I understand that the provisions of this bill apply to pari mutuel betting on harness racing as well as flat racing.

Hon. Mr. HAYDEN: No. There never has been any provision for pari mutuel betting and supervision at harness races. There is betting at trotting and pacing races, but it is carried on by the method of operating a book, maintaining a pool or something of that nature. I emphasize that there never has been such a thing as a pari mutuel system operated at a trotting and pacing meet. The attendance is so small that that is not practicable.

Hon. Mr. ASELTINE: The reason I ask the question is that during the depression years and the war years there was no racing of any kind in many western towns, but now such little places as Virden in Manitoba and Rosetown in Saskatchewan, as well as many other country points, have race meets each year. These towns and communities might want to put on a race meet lasting several

days, and possibly also have pari mutuel betting. If this bill is passed they would not be able to do it.

Hon. Mr. HAYDEN: The amendments have nothing to do with harness racing. A trotting and pacing association puts on harness races for a period of two days here, three days there and four days some place else. It is not limited to one track and is not concerned with pari mutuel betting; it can establish its own system for betting, and requires no supervision by the department. This bill does not deal in any way with that type of racing, except to permit it to be carried on during the evening as well as in the daytime.

All that the bill does is to restrict pari mutuel privileges to associations that have conducted at least one race with pari mutuel betting between the first of January, 1938, and the nineteenth of May, 1947. The bill does not interfere in any way with the kind of operation my honourable friend speaks of.

Hon. Mr. ASELTINE: If the situation is as my honourable friend has explained it, we in the West would not be affected. At any rate, I think the bill should go to committee, so that we may make sure of our point.

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

REFERRED TO COMMITTEE

Hon. Mr. HAYDEN moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 5, 1947.

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

Prayers and routine proceedings.

PENITENTIARY BILL

FIRST READING

A message was received from the House of Commons with Bill 177, an Act to amend the Penitentiary Act, 1939.

The bill was read the first time.

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

Hon. Mr. COPP: With leave of the Senate, next sitting.

NATIONAL HOUSING BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce on Bill 176, an Act to amend the National Housing Act, 1944.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 4, 1947, examined the said bill, and now beg leave to report the same without amendment.

THIRD READING

Hon. Mr. COPP: Honourable senators, with leave, I move the third reading now.

Hon. Mr. HAIG: Honourable senators, I am rising not to speak on the motion, but to correct an answer that I gave yesterday to the honourable member from Inkerman (Hon. Mr. Hugessen). I said that the house about which I was speaking had three bedrooms. The fact is that it has two bedrooms.

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

CRIMINAL CODE BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce on Bill L9, an Act to amend the Criminal Code. (Race Meetings).

He said: Honourable senators, the Committee have, in obedience to the order of reference of June 4, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. COPP: 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.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill N9, an Act for the relief of Rose Nemerofsky Silverstein.

Bill O9, an Act for the relief of James Albert Carruthers, otherwise known as James Albert Fell.

Bill P9, an Act for the relief of Ronald Edwin George.

Bill Q9, an Act for the relief of Margaret Lena Bertha Dasen Scheffer.

Bill R9, an Act for the relief of Ethel Mary McKenzie Cramp.

Bill S9, an Act for the relief of Evelyn Alice Howard Smart.

Bill T9, an Act for the relief of Mary Margaret Tibbins Gogo.

Bill U9, an Act for the relief of Alfred Nelson Nickle.

Bill V9, an Act for the relief of Arthur Haigh MacGill.

Bill W9, an Act for the relief of Clinton Leslie Dobson.

Bill X9, an Act for the relief of Bernard Stanley Bailey.

Bill Y9, an Act for the relief of Archie William Young.

Bill Z9, an Act for the relief of Olive Lever Sanborn Lead.

Bill A10, an Act for the relief of John Mackie.

Bill B10, an Act for the relief of Isabel Mercer Lebœuf.

Bill C10, an Act for the relief of Hilda Irene Gordon Lazarus.

Bill D10, an Act for the relief of Mary Margaret Bernice Walker Kennedy.

Bill E10, an Act for the relief of Gertie Rabin Bard.

Bill F10, an Act for the relief of Ruth Morrison Henderson Sidders.

Bill G10, an Act for the relief of Philip Berger.

Bill H10, an Act for the relief of Harold Swann.

Bill I10, an Act for the relief of Margaret Isabelle Curry.

Bill J10, an Act for the relief of Rosamond Edith Bean Crease.

Bill K10, an Act for the relief of Alma Mary Hanway Eccles.

Bill L10, an Act for the relief of Alberta Dorothy Olson Colby.

Bill M10, an Act for the relief of Clair Reginald McLaughlin.

Bill N10, an Act for the relief of Eugene Klein.

Bill O10, an Act for the relief of Daniel Hudson.

Bill P10, an Act for the relief of Eileen Edna Paget Bray Dundas.

Bill Q10, an Act for the relief of Jessie Goodis Markis.

Bill R10, an Act for the relief of Julia Luella Audrey Cleroux Babbage.

Bill S10, an Act for the relief of Mile Kristo Yoja, otherwise known as Stanley Vadic.

Bill T10, an Act for the relief of Anthony Wavroch.

Bill U10, an Act for the relief of Mary Magee Glasheen.

Bill V10, an Act for the relief of Mary Ann Clorenda Archer Richardson.

Bill W10, an Act for the relief of Gladys May Kay Oliver.

Bill X10, an Act for the relief of Henry Thomas Matthews.

Bill Y10, an Act for the relief of Ivy Stapleton Brown.

Bill Z10, an Act for the relief of John William Sydney Jordan.

Bill A11, an Act for the relief of Pamela Mary Gottschalk Muckell.

Bill B11, an Act for the relief of Winnifred Doris Cleaver Wooley.

The bills were read the first time.

SECOND READINGS

Hon. Mr. ASELTINE: Honourable senators, with leave I move that the bills be read the second time now.

The motion was agreed to, and the bills were read the second time, on division.

PRIVATE BILL

REFUND OF FEES

Hon. CAIRINE WILSON moved:

That the parliamentary fees payable on Bill C8, an Act to amend the Act incorporating The Canadian Council of The Girl Guides Association, be remitted, less printing and compilation costs.

She said: Honourable senators, I do not think anything need be said on this motion. The Girl Guides Association is a purely voluntary organization. The motion is the usual one presented in circumstances of this kind, and I feel sure it will meet with the approval of the house.

The motion was agreed to.

AIRPORTS

NOTICE OF INQUIRY

On the Notice of Inquiry by Hon. Mr. McGeer:

(1) Did the Dominion Government during the Dominion-Provincial Conference on Reconstruction, on page 24 in the Green Book entitled "Proposals of the Government of Canada," dated August, 1945, declare:

The Dominion Government is prepared to assume responsibility for the programme of airports and related air navigation facilities required to provide all the airports and facilities necessary for international services and main line services within Canada?

(2) What airports now in operation in Canada come within the classification of airports "necessary for international and main line services within Canada"?

(3) Where are the said airports located?

(4) In what authority is the ownership of each of the said airports vested?

(5) Under whose authority is each of the said respective airports operated and managed?

(6) Have the taxpayers of Halifax, Moncton and Montreal any investment or obligation in the airports serving their respective communities?

(7) What is the investment of the taxpayers of the city of Toronto in the Malton airport?

(8) Have the representatives of the corporation of the city of Toronto refused a proposal made by the Department of Transport for Air that the city of Toronto should take over the ownership and assume the management of the said airport under the terms of the said proposed agreement?

(9) What is the amount of the investment of the Government of Canada in the said airport?

(10) What are the terms of the agreement proposed by the Department of Transport to the city of Toronto?

(11) What is the investment of the city of Windsor in the airport serving that city?

(12) What is the investment of the Dominion Government in the said airport?

(13) Under what authority is the said Windsor airport operated and managed?

(14) What is the investment of the city of Winnipeg in the airport serving that city?

(15) What is the investment of the Dominion Government in the said airport?

(16) Under whose authority is the said airport at Winnipeg managed and operated?

(17) What are the terms of the agreement under which the said airport is managed?

(18) What is the investment of the city of Lethbridge in the airport serving that city?

(19) What amount of money has the corporation of Lethbridge invested in the said airport?

(20) What amount of money has the Dominion Government invested in the said airport?

(21) Under whose authority is the said airport managed?

(22) If managed under the terms of an agreement with the city of Lethbridge, what are the terms of the said agreement?

(23) What amount of money has the city of Edmonton invested in the airport serving the city of Edmonton?

(24) What amount of money has the Dominion Government invested in all airports in the vicinity of Edmonton?

(25) Under what authority is the airport in Edmonton used by the Trans-Canada Air Lines, operated and managed?

(26) What are the terms of the said agreement?

(27) What amount of money has the city of Vancouver invested in the Sea Island air base used by the Trans-Canada Airways, which serves the city of Vancouver?

(28) What amount of money has the Dominion Government invested in the said airport?

(29) Under whose management is the said airport being managed and operated?

(30) Has the Department of Transport proposed to the city of Vancouver an agreement with regard to the management and operation of the said airport?

(31) What are the terms of the said agreement?

(32) What is the investment of the city of Victoria in the airport serving that city?

(33) What is the amount of money invested by the Dominion Government in the said airport?

(34) Under what authority is the airport managed and operated?

(35) Why is it the policy of the Department of Transport to impose obligations on the taxpayers of the cities of Toronto, Windsor, Winnipeg, Edmonton and Vancouver that are not imposed upon the cities of Montreal, Halifax, Moncton and other cities in Quebec and the maritime provinces?

Hon. Mr. COPP: Honourable senators, the obtaining of answers to the list of questions in this inquiry would require a minute examination of a great many documents, both here and throughout Canada. In these circumstances, I would ask that the notice stand for the present time.

The notice stands.

NATIONAL PARKS BILL

SECOND READING

Hon. A. B. COPP moved the second reading of Bill M9, an Act respecting certain National Parks and to amend the National Parks Act.

He said: My honourable friend from Lethbridge (Hon. Mr. Buchanan) has kindly consented to explain this bill.

Hon. W. A. BUCHANAN: Honourable senators, those of you who have looked at the bill will see that it is accompanied by complete explanatory notes. In the circumstances it is hardly necessary for me to go into the various provisions at any length. Briefly, the bill enlarges some parks and takes away land from others; abolishes two parks and opens up land to be leased to persons who want to build cottages; and provides opportunity for the all-year-round residents in the parks in Alberta to enjoy the health and welfare services supplied by the province.

I mentioned that there were some additions to the National Parks, and in this connection I wish to pay tribute to Dr. Clarence Webster, of Shediac. This gentleman, who is Chairman of the Historic Sites and Monuments Board of Canada, gives a great deal of time and money towards the preservation of historic sites all across the country. Two additions are being made to the Fort Beausejour Historic Park in New Brunswick, both relating to the battleground associated with that park, and

one of them consists of lands presented to the government by Dr. Webster. I feel that this gift deserves special recognition.

In Alberta there was a famous park known as the Wainwright Buffalo Park, where at one time thousands of buffalo were to be found. That park has been abolished, and at present a large part of the area is used for military training grounds and experiments in agriculture. An agreement has been made with the Alberta government whereby the lands so used will be leased to the Dominion for as long as they are required. Honourable senators are familiar with the fact that the buffalo from Wainwright Park were moved principally to Wood Buffalo Park, situated, I think, along the Mackenzie river or in the neighbourhood of Fort Smith in the Northwest Territories. On inquiring from an official of the National Parks branch I learned that at present the buffalo in that area are estimated to number between eight and ten thousand. That is not the total number of buffalo in western Canada. In addition there are a thousand buffalo on the Elk Island Park east of Edmonton. The Alberta government has transferred a considerable area of land from the Cooking Lake Forest Reserve to the Elk Island Park in order to provide more pasture for the buffalo. There are also small buffalo herds at Banff and Riding Mountain Park in Manitoba.

Nemiskam Antelope Park, situated in south-eastern Alberta, is being abolished. It was a small reservation established to protect the antelope that were in the country some years ago and prevent their extermination. I was surprised to learn from one of the park officials only yesterday that there are now approximately 25,000 antelope spread over south-eastern Alberta, and south-western Saskatchewan. This indicates that there is little danger of the extermination of these animals, and that it is no longer necessary to maintain the park to protect them.

A word with regard to withdrawals may be of interest. Considerable areas have been withdrawn from some of the national parks, particularly from the eastern side of the Prince Albert Park, in Saskatchewan. This area is not considered to be of value for park purposes; it is costly to protect from the standpoint of game preservation and fire, and it will be possible to extend the areas used by the Indians on the eastern boundary of the park for trapping and hunting. Along the southern boundary two small parcels have been taken out, one of which is being transferred to an Indian reserve to supply the band with more land for their needs.

There is a park in which I have a very considerable interest, for I live in it part of the year. Arguments in favour of taking tracts of land out of certain parks may be disputed by some members of the Senate, but I strongly approve of the reasons for removing an area from Waterton National Park, which is located in the southeast portion of Alberta. I know where this area lies. It is never used for park purposes. People who visit the park or spend the summer there never go near this area. It is simply timber and grazing land, and it will be made available to settlers nearby for their particular purposes. The same considerations apply to withdrawals from the Prince Albert Park. There is no question that the provisions of the bill in this respect are fully justified.

Another section of the bill, I think, requires a word of explanation. In some parks, although the residents may lease land and erect cottages, they are allowed to live there only during the summer. But at Banff, Jasper and Waterton Lakes there are permanent, all-year residents. In the past they have enjoyed none of the health and welfare services supplied by the Province of Alberta and available to people living outside the parks. The bill makes provision for enabling park residents to benefit from these services, which include the treatment of tuberculosis, X-ray services, the care of neglected and indigent children, the care of delinquents, and so on. I understand that, although there is no reference to it in the bill, there will be a form of taxation by the parks branch.

Hon. Mr. HAIG: It is provided for in the bill.

Hon. Mr. BUCHANAN: The returns from that taxation will be assigned to the Province of Alberta, under an agreement, and applied to these services.

The only other provision which needs to be mentioned is one permitting more land to be subdivided for sale to people who wish to build cottages in the parks. There is a provision for certain additional areas to be taken over for that purpose.

I think I have referred to the principal amendments. In any event, as I have said, the explanatory notes accompanying the bill are so clear and full that there is little difficulty in understanding its purpose.

Personally, I have been interested in our national parks for a long time. I feel they are one of the strongest magnets we have for drawing tourists from all over the continent to Canada, and the more that we can do to improve them and to provide in them better

facilities for tourists, the greater will be the return from our tourist business. I maintain that the expenditure that Canada makes on these parks, no matter where they are located, is returned, not tenfold but one hundred-fold in the business done and money spent in Canada by tourists.

Whether or not this bill should go to a committee is for the Senate to decide. To my mind the bill is very simple and the explanatory notes are clear. The only reason for referring it to a committee would be to get more information from officials of the department.

Hon. Mr. ASELTINE: I should like to have the bill go to a committee, because I desire some information from the officials about the Prince Albert National Park in Saskatchewan.

Hon. Mr. BUCHANAN: It is, of course, quite proper for the Senate to send the bill to a committee. The question is, what committee would be the proper one. As we have a Natural Resources Committee, the bill could be referred to it.

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

REFERRED TO COMMITTEE

Hon. Mr. COPP moved that the bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. NORMAN P. LAMBERT (for Hon. Mr. Paterson) moved the second reading of Bill K9, an Act to incorporate Commonwealth Insurance Company.

He said: Honourable senators, this bill conforms entirely to the requirements of the Insurance Act, and is in essence similar to many bills of incorporation which have been passed in this house. I would suggest that if it is given second reading it should be referred to the Standing Committee on Miscellaneous Private Bills for further consideration. I feel inclined to observe, however, that the names of the incorporators connected with this bill are familiar ones to me. They are all connected with the old and highly respected firm of Osler, Hammond & Nanton in the city of Winnipeg, which will be the headquarters of this proposed company. The authorized and subscribed capital are modest and reasonable. Any further information required by honour-

able senators may be obtained in committee from the Superintendent of Insurance and the sponsors of the bill

Hon. Mr. HAIG: Honourable senators, I do not think there can be anything wrong with the bill, for it comes from the city of Winnipeg.

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

REFERRED TO COMMITTEE

Hon. Mr. LAMBERT moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. COPP: Honourable senators, I beg to move that when the House adjourns today it stand adjourned until 3 o'clock on Tuesday afternoon, June 10. We are not able to follow the customary procedure of adjourning until Tuesday evening, owing to the fact that during the early part of next week the government will be entertaining a distinguished visitor, in the person of the President of the United States, and on Tuesday evening there is to be an important function which a number of our members wish to attend.

The motion was agreed to.

The Senate adjourned until Tuesday, June 10, at 3 p.m.

THE SENATE

Tuesday, June 10, 1947.

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

Prayers and routine proceedings.

WARTIME PRIME MINISTERS

UNVEILING OF PORTRAITS OF RIGHT HON. SIR ROBERT BORDEN AND RIGHT HON. W. L. MACKENZIE KING

The Hon. the SPEAKER: Honourable senators, in the name of the Honourable the Speaker of the House of Commons and in my own name, I would like to invite all the honourable members of this house to a ceremony which will be held in the main lobby of the Parliament Buildings, at 5.30 o'clock this afternoon.

His Excellency the Governor General, accompanied by the President of the United States of America, Harry S. Truman, will unveil the portraits of the two Prime Ministers of Canada who were at the head of our country during the two great wars: the Right Honourable Sir Robert Borden and the Right Honourable W. L. Mackenzie King.

VISITING FORCES (UNITED STATES OF AMERICA) BILL

FIRST READING

A message was received from the House of Commons with Bill 253, as Act to make provision with respect to Forces of the United States of America when visiting Canada and with respect to the exercise of discipline and to the internal administration of such Forces.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

FIRST READING

A message was received from the House of Commons with Bill 265, an Act respecting the Canadian National Railways and to provide for the refunding of matured, maturing and callable financial obligations.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

WAR CHARITIES BILL

HOUSE OF COMMONS AMENDMENT

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill T6, an Act to amend the War Charities Act, 1939, and to acquaint the Senate that they have passed the said bill with an amendment, to which they desire the concurrence of the Senate.

When shall this amendment be taken into consideration?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

NATIONAL EMERGENCY TRANSITIONAL POWERS ACT

DOCUMENTS TABLED

Hon. WISHART McL. ROBERTSON: Honourable senators, I beg to lay on the table copies in French of Orders in Council passed under the authority of the National Emergency Transitional Powers Act, 1945, for the months of April and May, 1947.

Orders in Council passed under this act were last tabled on April 24, 1947. This will be the last group of Orders in Council to be tabled under the provisions of this act, which expired on May 15, 1947.

ADDRESS TO HIS MAJESTY

ON THE OCCASION OF THE CELEBRATION IN CANADA OF THE KING'S BIRTHDAY

Hon. WISHART McL. ROBERTSON: Honourable senators, this is the first opportunity we have had to celebrate the King's birthday in the Senate, and I know that honourable members would desire to have an expression of their good wishes extended to His Majesty. I have spoken to the leader opposite (Hon. Mr. Haig), and we have agreed upon a resolution which we are sure will be whole-heartedly supported. I would suggest that, when honourable senators who may so desire have spoken to the resolution, its approval be signified by the singing of "God Save the King".

I now move, seconded by the honourable leader opposite (Hon. Mr. Haig), that an Humble Address be sent to His Majesty the King, in the following words:

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

We, the members of the Senate of Canada in Parliament assembled, desire respectfully to extend to Your Majesty, on the occasion of the celebration in Canada of the King's birthday, our loyal greetings and heart-felt good wishes.

We pray that Divine Providence may continue to guide and protect Your Majesty, and that you may be given strength to meet in the future, as you have in the past, the great responsibilities of your high office.

Hon. JOHN T. HAIG: Honourable members, it gives me great pleasure to join with the leader of the government in supporting this Address of loyal greetings to His Majesty the King.

If I may, I would take advantage of this occasion to pay respect not only to His Majesty, but to Queen Elizabeth, the gracious lady who sits beside him on the Throne of the Empire; and also to the Princess Elizabeth, who undoubtedly will one day be Queen. Their Majesties' recent trip to South Africa has brought vividly to our minds the time

in 1939 when they travelled up and down this country. In this troubled age, when we are trying to find a way to peace, the British Empire is an illustration to the world of how people can be united, yet have complete freedom. It is a fine example.

Honourable senators, I am sure I speak for all when I say that, while there may be others in Canada as loyal as the Senate, there are none more loyal.

The motion was agreed to, and honourable senators rose and sang "God Save the King."

PRIVATE BILL

FIRST READING

Hon. Mr. BOUFFARD presented Bill C11, an Act to incorporate Progressive Insurance Company of Canada.

The bill was read the first time.

THE PRESIDENT OF THE UNITED STATES

VISIT TO CANADA—PARLIAMENTARY WELCOME

Hon. WISHART McL. ROBERTSON: Before the Orders of the Day are called, I would advise honourable members that arrangements have been made for a joint meeting of the two houses of parliament to welcome and hear an address from our distinguished visitor, the President of the United States. Chairs will be provided in the House of Commons to accommodate eighty senators, or any larger number that may attend. Officers of the Senate will be at the south entrance of the House of Commons to conduct honourable senators to their places.

It is suggested that, inasmuch as the President will arrive at a quarter to twelve, honourable members may find it convenient to be in their places at 11.30.

The Senate Gallery in the House of Commons, which has an accommodation of approximately twenty-eight, will be reserved for senators' wives. If this accommodation is not sufficient, the overflow will be accommodated in one of the general galleries, and the Clerk of the Senate has tickets to meet this possible emergency.

For the information of those other than senators who may be attending the function, I may say that the doors of the House of Commons chamber will be open at 10.45. All having cards are required to be in their seats by 11.30, after which time the general public will be admitted to such accommodation in the galleries as may then remain.

RIGHT HON. W. L. MACKENZIE KING

FELICITATIONS UPON TWENTY YEARS OF SERVICE AS PRIME MINISTER

Hon. WISHART McL. ROBERTSON: Honourable senators, today is of more than passing significance. As I have already intimated, the distinguished President of our great neighbour to the south arrives in our midst, where he is sure of a warm and friendly greeting.

Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: And while we join whole-heartedly in welcoming him, there is another matter of much importance and significance that I should like to draw to the attention of honourable members of this house.

Today is the first opportunity that there has been in the Senate to congratulate the Right Honourable William Lyon Mackenzie King on having attained twenty years of service as Prime Minister of Canada. It is well known, of course, that he has been long in parliament; beginning 39 years ago, he sat in the House of Commons for three years from 1908; and he has been a member of that House from 1919 until today—a further period of twenty-eight years—making thirty-one years in all. With the single exception of our distinguished colleague Sir Allen Aylesworth—

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON:—he is the senior Privy Councillor in Canada. However, the fact of greatest significance is that he has but recently attained twenty years as Prime Minister. His periods of service are as follows:

	Days
December 29, 1921, to June 28, 1926....	1,643
September 25, 1926, to August 7, 1930..	1,413
October 23, 1935, to June 10, 1947.....	4,249
Total	7,305

This, as honourable senators know, constitutes a record in the Parliament of Canada; and, should Mr. King be spared to occupy his high office till April, 1948, he will have established a record among the democratic nations of the world.

Our system of government results from time to time in sharp differences of opinion as between parties. Bitter as debates can become, and sharp the interchange of views, public life in Canada has always possessed another characteristic—a marked willingness to pause and pay tribute to the worth of our great public men, irrespective of their political views. It is in this spirit that I ask honour-

able senators to agree to my drawing their attention to these facts and to their being placed on our records.

Twenty years as Prime Minister of Canada is a great accomplishment. It has covered a period in which the world has seen many changes. It has covered a period in which the ordinary cares and difficulties of peacetime administration have had added to them the tremendous responsibilities of war. For my part, I have often marvelled how any man could carry such responsibilities for so great a time.

May I, then, on behalf of honourable senators on this side of the house, extend to the Prime Minister our heartiest felicitations on his having achieved twenty years of service in the highest position in the gift of the Canadian people.

We wish to him continued health and happiness, and many more years of service to Canada in whatever capacity his own inclinations and fate may decree.

Some Hon. SENATORS: Hear, hear.

Hon. JOHN T. HAIG: Honourable senators, it is not given very often to a leader of the opposition nor even to a leader of the government to rise and speak on a motion of this kind. It never happened before in this country, and certainly it will be many years before it can happen again.

When I received, as other honourable members did, an invitation to be present at the unveiling ceremony later this afternoon, I was thinking of the history of our country during the past eighty years. I thought I would look up a record or two, not because I do not think you are all acquainted with them, but because it is sometimes useful to place them on record. While paying tribute to the present Prime Minister I wish to give some facts concerning two other holders of that office. Sir John A. Macdonald, the first Prime Minister of Canada, held office for eighteen years, eleven months and twenty-six days; and Sir Wilfrid Laurier was Prime Minister for fifteen years, two months and twenty-six days. Those are the official figures. Our present Prime Minister has now held the office for exactly twenty years. In the history of the British Empire only one other man has held the premiership of a country for a longer period—namely Sir Robert Walpole, who held office for 7,620 days—and if Mr. King remains in office until April 10 next he will have exceeded that record. I put those figures on Hansard because one does not always know where to find them.

Under our political system we naturally have differences of opinion, and sometimes I and the men and women associated with me in our party have not seen eye to eye with the policies of the present Prime Minister; but I believe that none of us can deny that, whether he was right or wrong, he did what he believed in his own heart was in the best interests of Canada.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: That undoubtedly is the final test of the capacity of any man or woman in the public life of our country.

I am happy to be a member of the Senate on this occasion and to pay my respects to the present Prime Minister of Canada. History will not only show him as having been in office longer than any other Prime Minister, but will give him credit for having conducted our country through one of the great world wars. We can look back at the records of Sir John A. Macdonald, Sir Wilfrid Laurier and others, but in our minds we think of Sir Robert Borden and the Right Honourable William Lyon Mackenzie King as the two men who have led this country through times of great stress. Probably Mr. King stands out as the greater, for we cannot forget those days in May and June, 1940, when we certainly were uneasy. Yet, the result has been all to the good.

On behalf of the party which I represent I wish to thank the Prime Minister for the great service he has given to Canada through these twenty years.

Hon. CYRILLE VAILLANCOURT: Honourable senators, it gives me great pleasure to associate myself with our two leaders in extending to the Prime Minister our heartiest good wishes, and congratulating him upon his magnificent achievements during the twenty years of his premiership, and the service he has rendered Canada in the course of his lifetime.

As a French Canadian I am pleased to pay my tribute and to repeat what has just been said by my honourable colleagues who preceded me, that the Prime Minister, in the gravest moments of our history, has always been the man of the hour, that he has given all his heart, all his soul, all his mind and all his energies in the service of Canada. Irrespective of party affiliations we are unanimous in our tribute to his unsurpassed achievement in these critical times. We hope that he will be spared to continue to guide us along the same path and that his successor will follow in his footsteps to bring to Canada stability and happiness.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. ASELTIME moved the third reading of the following bills:

Bill N9, an Act for the relief of Rose Nemerofsky Silverstein.

Bill O9, an Act for the relief of James Albert Carruthers, otherwise known as James Albert Fell.

Bill P9, an Act for the relief of Ronald Edwin George.

Bill Q9, an Act for the relief of Margaret Lena Bertha Dasen Scheffer.

Bill R9, an Act for the relief of Ethel Mary McKenzie Cramp.

Bill S9, an Act for the relief of Evelyn Alice Howard Smart.

Bill T9, an Act for the relief of Mary Margaret Tibbins Gogo.

Bill U9, an Act for the relief of Alfred Nelson Nickle.

Bill V9, an Act for the relief of Arthur Haigh MacGill.

Bill W9, an Act for the relief of Clinton Leslie Dobson.

Bill X9, an Act for the relief of Bernard Stanley Bailey.

Bill Y9, an Act for the relief of Archie William Young.

Bill Z9, an Act for the relief of Olive Lever Sanborn Lead.

Bill A10, an Act for the relief of John Mackie.

Bill B10, an Act for the relief of Isabel Mercer Lebeuf.

Bill C10, an Act for the relief of Hilda Irene Gordon Lazarus.

Bill D10, an Act for the relief of Mary Margaret Bernice Walker Kennedy.

Bill E10, an Act for the relief of Gertie Rabin Bard.

Bill F10, an Act for the relief of Ruth Morrison Henderson Sidders.

Bill G10, an Act for the relief of Philip Berger.

Bill H10, an Act for the relief of Harold Swann.

Bill I10, an Act for the relief of Margaret Isabelle Curry.

Bill J10, an Act for the relief of Rosamond Edith Bean Crease.

Bill K10, an Act for the relief of Alma Mary Hanway Eccles.

Bill L10, an Act for the relief of Alberta Dorothy Olson Colby.

Bill M10, an Act for the relief of Clair Reginald McLaughlin.

Bill N10, an Act for the relief of Eugene Klein.

Bill O10, an Act for the relief of Daniel Hudson.

Bill P10, an Act for the relief of Eileen Edna Paget Bray Dundas.

Bill Q10, an Act for the relief of Jessie Goodis Markis.

Bill R10, an Act for the relief of Julia Luella Audrey Cleroux Babbage.

Bill S10, an Act for the relief of Mile Kristo Yoja, otherwise known as Stanley Vadie.

Bill T10, an Act for the relief of Anthony Wavroch.

Bill U10, an Act for the relief of Mary Magee Glasheen.

Bill V10, an Act for the relief of Mary Ann Clorenda Archer Richardson.

Bill W10, an Act for the relief of Gladys May Kay Oliver.

Bill X10, an Act for the relief of Henry Thomas Matthews.

Bill Y10, an Act for the relief of Ivy Stapleton Brown.

Bill Z10, an Act for the relief of John William Sydney Jordan.

Bill A11, an Act for the relief of Pamela Mary Gottschalk Muckell.

Bill B11, an Act for the relief of Winnifred Doris Cleaver Wooley.

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

PENITENTIARY BILL

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of Bill 177, an Act to amend the Penitentiary Act, 1939.

He said: Honourable senators, I have asked the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) to explain this bill.

Hon. ARTHUR W. ROEBUCK: Honourable senators, since the days when John Howard, supported by Elizabeth Fry, conducted his marvellous campaign for prison reform, and when Charles Dickens wrote his wonderful novels about the prison system of England, the consciences of English-speaking people have always been somewhat tender on this subject. It has been easy to arouse public uneasiness with regard to charges of cruelty said to have been committed behind the blank walls and the barred doors of our prison institutions. The public consciousness has been readily aroused over suggestions that useful lives were being wasted because of our brutality, our indifference, our neglect or our stupidity in the handling of men and women, especially young men and young women, in

these institutions. I refer particularly, of course, to inhumane government policy. A campaign based on premises such as I have indicated was forwarded in very considerable part by my old friend Harry Anderson, one of the writers of the city of Toronto, who held a great position in the public mind as a writer and filled a large place when the *Globe* was still an organ of liberal public opinion. It was because of his campaign based on those premises that the Government of Canada, in 1936, appointed a commission to inquire into the penal institutions of Canada. The personnel of that commission consisted of Mr. Justice Joseph Archambault, a judge of the Superior Court of Quebec, Harry Anderson, a protagonist of penal reform, and R. W. Craig, K.C., a lawyer of Winnipeg. These men were given a great responsibility and a splendid opportunity. Shortly after the appointment of the commission Harry Anderson died, and on the 17th of December, 1936, Mr. J. C. McRuer, K.C.—then a practising lawyer in Toronto, and now Chief Justice of the Trial Division of the Supreme Court of Ontario—was appointed to take his place.

About two years afterwards the Archambault Commission presented a most comprehensive and able report, dated the fourth day of April, 1938. It was obviously the result of a long, painstaking and careful inquiry. It had a large number of recommendations characterized by common sense, in the first place, and by humanity, in the second place. In my judgment the report ranks among the great documents of Canadian history. It will long be remembered because it broke so much ground: in the matter of humanity it opened a new era of thinking in this country. The chief emphasis throughout the report is laid upon the rehabilitation of the prisoner—physically, mentally and spiritually. It has frequently been said that the Archambault report has fallen on barren ground, that it was never implemented. But, honourable senators, that is not so; at all events, it is not completely so. Many of the eighty-eight detailed recommendations have been carried out, and a number of others are in process of development: as witness the bill that is before us this afternoon.

One of the chief recommendations of the report was under the heading of "Administration". I do not think I could do better than to read from what it says at page 342:

In our present system the problem of penal administration is too large in scope and too serious in results to be left in the hands of

one man. It is noteworthy, as a matter of record, that Canada is practically the only country where the penal system is not administered by some kind of commission or board.

In Great Britain, the Prison Commission is composed of a chairman and two other commissioners, one administrative and the other medical, and is re-enforced by four assistant commissioners, one of whom acts as secretary,

A little farther on the report says:

In Canada, the commission should, for the purposes of administration, be responsible directly to the Minister of Justice and to parliament in the same manner as the Commissioner of the Royal Canadian Mounted Police . . .

The prison commission, as recommended, would perform the functions now performed by the superintendent and three inspectors.

That recommendation has never been carried into effect, but a major effort to implement it in a more general and formal way was made during the session of parliament in 1939, when an act entitled "An Act respecting Penitentiaries," 3 Geo. VI, Chapter 6, was passed. This act set up the commission as recommended. Subsection (1) of section 4 of that act provided:

4 (1) There shall be, under the direction and control of the minister, a commission to be known as the Penitentiary Commission consisting of three commissioners who shall be appointed by the Governor in Council and who shall hold office for a period of ten years from the date of appointment.

One commissioner was to be chairman; another, vice-chairman, and the third was to be just a commissioner.

Subsection (1) of section 5 read as follows:

5 (1) The commission shall under the minister, have the control and management of all penitentiaries and all prisoners and other persons confined therein and inmates thereof and over all matters connected therewith.

Then follows a long act of eighty-four sections, occupying twenty-five pages of the statutes, in which a serious attempt is made to provide for a more efficient management of our many penal institutions, and to correct a number of what seemed obvious abuses and weaknesses as revealed in the Archambault report. The act was assented to on April 5, 1939, and, as honourable senators will recall, the Second Great War commenced its dreadful toll in the early days of September of that same year. Solely, I think, as a result of the war and its many factors, the act was not proclaimed, and it has not yet been proclaimed. So we are still conducting our penal institutions under Chapter 154 of the Revised Statutes, 1927.

One of the great difficulties during the war was the nomination of suitable personnel. As a matter of fact, those in charge of prison management had difficulty enough in carrying on in a routine way as effectively as they did in those years, without adding to their troubles and burdens by attempting to institute major reforms. In 1938 the Superintendent left the service, and his duties were performed by the Senior Inspector. Then the Senior Inspector went off to war, and his duties were carried on by the Chief Penitentiary Engineer. Since 1944, in addition to the Acting Superintendent there has been only one inspector for all Canadian prisons. Yet in spite of these managerial difficulties and a weakness in prison management, many of the recommendations of the Archambault report have actually been carried out.

On many occasions public concern has been expressed at what I have called the non-implementation of this report. I have in my files a letter written on November 9, 1945, by the United Welfare Chest of the city of Toronto to the Minister of Justice. In part, it says:

On previous occasions, following the tabling of the Report of the Royal Commission to investigate the penal system of Canada we have made representations to the government, urging the implementation of the recommendations of that commission.

The alarm expressed by the chief constables in Canada in their conference in Ontario last August, over the persistent rise in the rate of crime in Canada points yet again to the apparent need for action in this regard.

The Canadian rate for serious crime has reached almost four times that of England and Wales. It has risen further since the situation was described by your commission. The increasing prevalence of crime amongst youth is especially alarming. It is reported that three out of four males admitted to penitentiaries in 1943-44 had been previously convicted—some several times. It is our belief that our system of handling offenders is aiding in the creation of a criminal class.

It is our conviction that the implementing of the report should have high priority in time and importance at this time.

We would further urge that a permanent prison board, as recommended, be appointed at an early date.

That is only one expression—though a very good one—of popular sentiment of that kind. People were concerned over the many statements that the report had not been implemented. So in 1945 a further attempt was made to give formal approval and effect to the details of the report, and an act to amend

the Penitentiary Act of 1939 was passed, 9-10 Geo. VI, Chapter 28. The idea of a commission to manage the penal institutions had persisted throughout, and was again recognized, in somewhat modified form, in the act of 1945. Subsection (1) of section 4 of the 1939 act, which I have already read, was re-enacted in these words:

There shall be, under the direction and control of the Minister, a commission to be known as the Penitentiary Commission consisting of three commissioners who shall be appointed by the Governor in Council and who shall hold office during pleasure.

The ten-year limitation was discarded—for good reasons I have no doubt.

That act had a new provision which has special application to the present bill. Section 4A provided:

The Governor in Council may appoint one or more commissioners mentioned in the last preceding section of this act with authority, pending the coming into force of this act.

(a) to consider the several recommendations contained in a certain report of a Royal Commission to investigate the penal system of Canada made on the fourth day of April, nineteen hundred and thirty-eight other than those relating to the subject-matters referred to in subsection two of section five of this Act;

(b) to make inquiry, subject to the direction of the minister, into matters relative to the aforesaid recommendations;

(c) to report the results of such consideration and inquiry and to recommend to the minister what is advisable or expedient to be done to implement the aforesaid recommendations;

(d) to perform such other duties as may be assigned by the minister.

Hon. Mr. LEGER: When was that act passed?

Hon. Mr. ROEBUCK: It was assented to on December 18, 1945.

Hon. Mr. LEGER: Has the act of 1939 been proclaimed?

Hon. Mr. ROEBUCK: It has not.

The particular section I have read from the act of 1945 has come into effect; that is to say, that portion of the act which provides for reconsideration by a commissioner or commissioners of the matters mentioned in the Archambault report. Acting under the authority of that act the government on April 5, 1946, appointed General R. B. Gibson a commissioner to carry out the duties as I have read them. General Gibson entered upon his duties at once, and on February 5, 1947, presented an excellent report. I believe

that there is common agreement among those who are familiar with the report that it is a most excellent piece of work. During the previous six months, owing to the death of P. M. Anderson, K.C., of the Department of Justice—who was known to many senators, including myself, as an excellent official—the commissioner was assigned to supervise directly the administration of the Penitentiaries Branch, and thus took part in the day to day management of the penal institutions.

General Gibson made good use of his opportunity. It is known that when approval of Parliament is received he will be appointed commissioner. It may therefore be well for me to tell honourable senators something about his general background. He was born in Toronto, educated at the University of Toronto, spent four years overseas in the First Great War, graduated from Osgoode Hall, and from 1920 to 1940 practised law with the firm of Gibson, Thompson and Gibson, in Toronto. During that time he commanded the Queen's Own Rifles of Toronto; and in 1940, after the outbreak of war, he came on the General Staff at Ottawa. In 1941 he was made Director of Military Operations and Intelligence. In 1942 he was created a Brigadier, and the following year was appointed Vice-Chief of the General Staff, with rank of Major-General. General Gibson retired from the army in 1946, and was accordingly free to devote his great energy and mental activity to the important work of prison reform.

On page 4 of General Gibson's report one may read of many ways in which the Archambault report has actually been implemented. They are much too long to be included in an explanation of the bill, but it is notable how much of the report the department has been able to carry out, considering the difficulties under which it has laboured and the fact that there was no penitentiaries commission in office.

On page 8 are detailed the recommendations which have not been carried out. Chief among these is the one with regard to administration. I read:

16. (a) The Royal Commission proposed the appointment of a prison commission composed of three members to administer the penal system of Canada responsible directly to the Minister of Justice . . .

The government has recently decided that for the present it is preferable to entrust the administration of the penitentiaries of Canada to a single commissioner assisted by two deputy

commissioners, with a headquarters organization consisting of the inspectors and staff of the present Penitentiaries Branch, the inspectors being reclassified as assistant commissioners.

Hon. Mr. LESAGE: What are you reading from?

Hon. Mr. ROEBUCK: I am reading from General Gibson's report, in which he states that this is the decision of the government; and it has been confirmed in another place, in the words of the Minister of Justice himself, so we may take it as a fact that what is intended if we pass this bill is as follows. It is intended to appoint a commissioner, assisted by two deputy commissioners and a number of assistant commissioners, who are at the present inspectors of prisons.

(b) It is proposed that one deputy commissioner will be primarily charged with the selection, training, assessment and further reconstruction of the staffs of the penitentiaries and with the organization and supervision of a training school for penitentiary officers.

That is something which will appeal strongly to many persons interested in this measure. I read on:

He will also be responsible for the supervision and development of the educational facilities in the institutions under the control of the Dominion Government.

(c) It is proposed that the second deputy commissioner will be primarily charged with supervision and development of the medical and psychiatric services, physical training and recreation facilities as well as the development of research and statistics to assess the adequacy and results of present and proposed methods of correctional treatment.

(d) The three assistant commissioners will assume the inspection duties now allotted to the inspectors . . .

(e) It is proposed to organize a training school for penitentiary officers, selecting in the first instance presently serving officers for refresher training in order to develop further the present methods of in-service training being carried out in the penitentiaries and with the ultimate objective that all entrants to the penitentiary service will be required to take the course.

Hon. Mr. LESAGE: Yes, but that is not embodied in the bill.

Hon. Mr. ROEBUCK: No, it is not, but the necessary features where legislation is required are set out in the bill. This is a mere statement of government policy, made no doubt with consent, by the commissioner who has presented the report, and who, as I say, will be the commissioner appointed to carry out the duties under the act.

Hon. Mr. LESAGE: Yes, but will he have the power under the act to designate the assistant commissioners, or, as I think they are called in his report, the deputy commissioners.

Hon. Mr. ROEBUCK: No, he will not have the power to appoint his deputy commissioners. That will be done by order in council. But he will have authority, I think, to direct the activities of those commissioners, and certainly he will have the good will of the department in carrying out those orders; that is fairly clear. On page 17 of General Gibson's report I find the following:

The Royal Commission emphasized that the reconstruction of the penal system of Canada must be carried out in a gradual, well planned programme and that precipitate action without proper preparation would invite failure.

That appeals to my judgment and, I hope, to the judgment of honourable senators. I read on:

The reorganization of the headquarters administration, the establishment of adequate procedure for the selection and training of staffs, the development of more scientific methods of classification and the provision of additional accommodation to facilitate the separation of the various classes of prisoners are essential preliminaries in the adoption of a broad policy that will place greater emphasis on the corrective and rehabilitative aspects of institutional treatment.

So much for the reports. I now turn to the bill, which the leader of the government (Hon. Mr. Robertson) honoured me by asking me to explain. It is easily explained, because it is a very short bill. It implements the recommendation of the Archambault report for the appointment of a commission, but it does so in somewhat different form from that suggested either in the report, the bill of 1939, or the bill of 1945. Section 4, subsection (1), provides:

The Governor in Council may appoint a Commissioner of Penitentiaries.

Not a commission, but a commissioner—one man. Subsection (2) is as follows:

The Governor in Council may appoint two deputy commissioners.

It will be observed that the ten-year-period provision is still "in the ash can"; the commissioner and the deputy commissioners hold office "during pleasure."

One will also note in the bill that the Civil Service Act applies to the commissioner, the deputy commissioners and others. Under

the new section 29, the commissioner, the deputy commissioners and the assistant commissioners are to be Justices of the Peace for the purposes of criminal law procedure only, and not for civil law. I have no doubt that a question has arisen in the minds of those who have read this act by reason of the fact that bonds are no longer required of wardens, deputy wardens, accountants, store-keepers, stewards and other officers, by virtue of a section which is now repealed. The explanation, as I understand it, is that back in 1930 a fund was set up in the Civil Service of Canada to provide this very type of insurance to our civil servants in responsible, and particularly in financially responsible, positions; but now these officers will be bonded, not by this act or the Penitentiary Act, but by the general act which bonds all our civil servants. They are not to be without bonds; that system will continue as before.

The remainder of the bill is wholly consequential on the proposals made; it is mere words to bring it into conformity with the sections which I have mentioned, striking out "chairman" and "vice-chairman" and putting in words appropriate under the circumstances.

Were that all, this would not be the important occasion that it is, as we come to consider the measure before us. It is vastly important because our present system unfortunately occupies a very large place in our communal life. It seems to be necessary that we have corrective and penal institutions for punishment, and so on. It is unfortunate that such is the case, but we have to have them. We have had them ever since civilization commenced, and I do not look forward in my lifetime to seeing them abolished. I wish I could. The officials managing these concerns have a potential value in human life. If they are successful in rehabilitating a large number of the unfortunate persons who enter their doors, a tremendous service will be performed. I abhor waste of any kind, and particularly do I abhor that waste of human life and happiness which can be and in a large measure is the result of our penal systems.

Honourable senators, I happen to have before me the annual report of the Superintendent of Penitentiaries for the year ended March 31, 1945. The 1946 report has been issued and the figures are almost the same. However, I have the 1945 report in my hand, and I notice on page 8 a tabulation headed "Previous Convictions". Just listen to these figures. In our penal institutions at Kingston,

St. Vincent de Paul, Dorchester, Manitoba, British Columbia, Saskatchewan and Collin's Bay there were 3,129 prisoners, and of these only 634 were first offenders. In other words 78.4 per cent were repeaters. The table lists the inmates under number of previous convictions, and the number runs from one to a fantastic figure.

I need say no more with regard to the necessity for reform, and the desirability of thought and attention to this matter of rehabilitating those who enter our penal institutions. As corrective institutions, they have signally failed. I do not know that it is their fault. I am not blaming anybody, and certainly I am not blaming the management of the prisons. The fault rests upon the legislative bodies, and upon the thoughtful men and women of our country who have not given enough attention to this matter. Therefore I hope this bill will pass, not because I am particularly interested in any detail as to appointments and that sort of thing. It may be that the detail is wise. I think it is. I hope the bill will pass because the Minister of Justice thinks that it will help him to bring about the results that you and I so earnestly desire in this human problem, and also because I have a good deal of confidence in the commissioner whom it is intended to appoint, a man of mature years, one who, as the report itself shows, has an intelligent and comprehensive interest in this problem. He will bring to it the experience of a good many years in military organization. I am not sure if that is the proper term, but I am sure that he does know something about organization, and I believe he has the attitude which may bring about success. For these reasons, I recommend this bill to the favourable consideration of my colleagues.

Hon. JOHN T. HAIG: Honourable senators, I desire to say only a few words. I read the Archambault report, and for some years I knew very well R. W. Craig, K.C., one of the commissioners. When reading the report I felt that it dealt primarily with the appointment of commissioners. There is a wide field for them. We have a penitentiary in Manitoba, and it gives us trouble all the time. Those of us who in the past have been practising lawyers know the number of repeaters who came to our attention. We are aware that Great Britain has worked out a system that is doing some good. Up to date our penitentiaries, operating with the best of intentions, have become graduating schools

for persons who go out to commit further crime. I am not criticizing any of the wardens, for they cannot do proper work under prevailing conditions. If the bill helps to carry out the report of the commission, some progress will be made in this country.

Hon. Mrs. FALLIS: In what way will this bill help to improve conditions? Is there anything in it at all that seeks to alleviate some of those conditions about which we read so much all the time?

Hon. Mr. HAIG: I think the intention is that the appointment of the new commissioner will establish a board that will make recommendations to the government as to what ought to be done. One could indulge in a long speech criticizing Ministers of Justice who have held office ever since that report was made. I listened to the debate in another place, and of course it was said that while the war was on it was difficult to get men to do the required job. This is only a part measure, a first step. I am personally inclined to support it, to give it a try-out.

Hon. ANTOINE J. LEGER: Honourable senators, I am not rising to oppose the bill. I should like to say, however, that before the Archambault Commission was appointed we did have a superintendent and two inspectors. In 1938 we had a bill based on the Archambault report. We were told that unless we passed the bill the Minister of Justice would be unable to administer penitentiaries properly. In spite of that, the Senate rejected the bill. In 1939, virtually the same bill was reintroduced and passed. And now we are told that that bill has not yet been proclaimed. It provided for a commission of three, as recommended in the Archambault report, whereas the present bill puts us back under the system that we had previous to that report. The only difference is in the titles of officials. Then we had a superintendent and two inspectors, and now we are to have a commissioner and two deputy commissioners. Off-hand, it seems to me that the bill is a step backwards. If in 1938 and 1939 the system was bad and we could not effectively administer the penitentiaries, this proposed legislation will not improve it, for, as I say, it only changes the titles of officials.

Hon. Mr. ROEBUCK: Will the honourable gentleman tell me why the legislation was rejected by the Senate in 1937 and 1938?

Hon. Mr. LEGER: I do not think my honourable friend is serious when he asks a question like that.

Hon. Mr. EULER: Why not tell him the real reason?

Hon. Mr. LEGER: The honourable gentleman can consult the reports as well as I can.

Hon. Mr. ROEBUCK: My friend is so experienced in the Senate that I thought he would be able to tell me the answer.

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

REFERRED TO COMMITTEE

Hon. Mr. ROBERTSON: Honourable senators, the question occurs to my mind as to whether or not it would be advisable to move that this bill be referred to the Standing Committee on Public Health and Welfare. The bill itself is of no great significance, but it has aroused considerable interest, and some senators may well wish to hear more about it. In anticipation of this situation I spoke to General Gibson some time ago and asked if it would be convenient for him to appear before a committee. He expressed not only a willingness, but a desire, to appear and say something about the bill and the general questions with which he is faced. I am quite willing that the bill be referred to the Standing Committee on Public Health and Welfare.

Hon. Mr. LEGER: It seems to me, honourable senators, that new section 29 ought to be looked into. As it applies to the Maritime Provinces, I doubt its validity. If I understand it correctly, it permits the appointment of a Justice of the Peace for two or more counties or districts. I have some memory of an old English statute, which is part of the common law of both New Brunswick and Nova Scotia, to the effect that a Justice of the Peace cannot be appointed for more than one county. If that be so, the section would have to be amended.

Hon. Mr. ROBERTSON moved that the bill be referred to the Standing Committee on Public Health and Welfare.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 11, 1947.

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

Prayers and routine proceedings.

EXCESS PROFITS TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 270, an act to amend the Excess Profits Tax Act, 1940.

The bill was read the first time.

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

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

EXCISE TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 271, an act to amend the Special War Revenue Act and to change its title to the Excise Tax 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. ROBERTSON: With leave of the Senate, next sitting.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

REPORT OF JOINT COMMITTEE

Hon. L. M. GOVIN presented and moved concurrence in the report of the Special Joint Committee on Human Rights and Fundamental Freedoms.

He said: Honourable senators, your committee beg leave to make their first report as follows:

1. That it be empowered to print, from day to day, 750 copies in English and 200 copies in French of its minutes of proceedings and evidence, and that Rule 100 be suspended in so far as it relates to the said printing.
2. That it be empowered to sit during sittings and adjournments of the Senate.
3. That its quorum be ten.

The motion was agreed to.

SPECIAL CEREMONIES

MOTION TO INCLUDE IN OFFICIAL REPORT ADDRESS BY PRESIDENT TRUMAN TO PARLIAMENT AND PROCEEDINGS AT UNVEILING OF PORTRAITS

Hon. WISHART McL. ROBERTSON moved:

That the address by Harry S. Truman, President of the United States of America, to members of both Houses of Parliament, on this day, June 11, 1947, and the other addresses delivered on that occasion; and the record of proceedings at the unveiling ceremony of portraits of two

wartime Prime Ministers of Canada, held in the main corridor of the Parliament Building, on June 10, 1947, be printed as an appendix to the Official Report of the Debates of the Senate, and form part of the permanent records of this house.

He said: Honourable senators, I am sure that all honourable members who witnessed and participated in the joint meeting of the Houses of Parliament on the occasion of the visit of the President of the United States, and in the ceremonies at which portraits of the two wartime Prime Ministers of Canada were unveiled, would wish to have such memorable proceedings incorporated in and become part of the permanent records of the Senate.

Hon. JOHN T. HAIG: Honourable senators, in seconding this motion I desire to say just a word. Those of us who were present yesterday were delighted with the whole ceremony; I think we are agreed that never have we seen a happier occasion or proceedings better organized and carried out. The ceremony was a gem. If I may say one thing more, it is that our Speaker, like the rest of us, is very human, and we like him for it.

As to the proceedings of this morning, may I say this: I think I have heard every distinguished guest who in the last ten or twelve years has spoken in the House of Commons; and in my humble opinion no speech will be read with greater interest than the one delivered there this morning by the President of the United States.

Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: And no speech will have as far-reaching consequences. It was a quiet, homely, common-sense speech. The ordinary people of the world will understand it. They will realize that the President, at least, of that country believes, not in imperialism and a lot of other isms, but in the rights of the ordinary man and woman throughout the world. It is a most happy circumstance that Canada has had the opportunity of offering hospitality and of providing the forum on the occasion of that very great speech.

Some Hon. SENATORS: Hear, hear.

The motion was agreed to.

(See appendices at end of today's report)

WAR CHARITIES BILL

CONCURRENCE IN COMMONS AMENDMENT

The Senate proceeded to consideration of the amendment made by the House of Commons to Bill T6, an Act to amend the War Charities Act, 1939.

Hon. Mr. ROBERTSON: Honourable senators, the suggested amendment by the House of Commons contemplates merely striking out

the word "established" and substituting the word "registered". I have consulted with the Law Clerk and he sees no reason why this amendment should not be accepted by the Senate. Accordingly, I move that it be concurred in.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS REFUNDING BILL

SECOND READING

Hon. A. K. HUGESSEN (for Hon. Mr. Robertson) moved the second reading of Bill 265, an Act respecting the Canadian National Railways and to provide for the refunding of matured, maturing and callable financial obligations.

He said: Honourable senators, the express purpose of this bill is to authorize the refunding from time to time, as and when it becomes necessary or desirable, of certain bonds and other similar obligations of the Canadian National Railways which mature or which by their terms are callable before maturity, up to a limit of two hundred million dollars. The legislation sets out the manner in which these securities are to be refinanced. Under section 3 the Canadian National Railways may issue and sell new securities, guaranteed by the dominion, to replace old securities that are matured or called.

Section 7 provides an alternative temporary method under which the Canadian National Railways may borrow temporarily from the dominion government, on promissory note, the money necessary to pay off those obligations as they mature. In time, when market conditions are good, the temporary borrowings are to be replaced by new securities of the Canadian National Railways, to be sold to the public and guaranteed by the dominion government.

The real object of the bill, honourable senators, is to permit the government and the Canadian National Railways to arrange the refinancing to a total of something over 220 million dollars of Canadian National Railways bonds which fall due or are callable over a period of the next six or seven years. With the permission of the house I shall place on *Hansard* a list of the bonds of the Canadian National Railways maturing or callable in the years 1947 to 1954. They total slightly over 221 million dollars, and it may interest honourable senators to note that 86 million dollars are payable in Canada only, two million dollars are payable in London only, and eight million dollars are payable in New York only; whereas 123 million dollars are payable optionally in Canada, London or New York.

CANADIAN NATIONAL RAILWAY COMPANY MATURING OR CALLABLE BOND ISSUES, 1947-1954

Maturity Date	Issue	Interest rate	Where payable	Amount outstanding
February 1, 1952 (callable February 1, 1948).	Can. Nat. Ry. Co. Dom. Gtd. Bonds...	p.c. 3	Canada.....	\$ cts. 20,000,000 00
February 15, 1953 (callable Feb. 15, 1948).	Can. Nat. Ry. Co. Dom. Gtd. Bonds...	3	Canada.....	25,000,000 00
Oct. 1, 1969 (callable Oct. 1, 1949)....	Can. Nat. Ry. Co. Dom. Gtd. Bonds...	5	Canada, London or New York	57,728,500 00
Feb. 1, 1970 (callable Feb. 1, 1950)....	Can. Nat. Ry. Co. Dom. Gtd. Bonds...	5	Canada, London or New York.	17,338,000 00
Apr. 2, 1950.....	Can. Northern Pac. Rly. guaranteed by Prov. of Br. Columbia.	4	London.....	798,055 48
July 1, 1950.....	Grand Trunk Western Railroad.....	4	London.....	655,336 00
Apr. 2, 1950.....	Can. Nor. Pac. Rly. gtd. by Prov. of British Columbia.	4½	London.....	1,154,052 13
July 1, 1950.....	Grand Trunk Western Railroad.....	4	New York.....	5,872,000 00
Oct. 1, 1950.....	Montreal and Prov. Line Rly.....	4	New York.....	200,000 00
Sept. 1, 1951.....	Can. Nat. Rly. Co. Dom. Gtd.....	4½	Canada, London or New York.	48,022,000 00
Jan. 15, 1959 (callable Jan. 15, 1954)...	Can. Nat. Rly Co. Dom. Gtd. Bonds...	3	Canada.....	35,000,000 00
Serially to August 1, 1947.....	Equipment Trust Series "O".....	2½	Canada.....	1,430,000 00
Serially to Sept. 15, 1953.....	Equipment Trust Series "P".....	2½	Canada.....	3,600,000 00
Serially to July 1, 1949.....	Equipment Trust Series "Q".....	2½	Canada.....	1,950,000 00
Serially to July 1, 1951.....	Equipment Trust Series "G.T.W.".....	2½	New York.....	2,557,000 00
				221,304,943 61

RECAPITULATION:

Payable in Canada.....	\$ 86,980,000 00
Payable in London.....	2,607,443 61
Payable in New York.....	8,629,000 00
Payable in Canada, London or New York.....	123,088,500 00
	<u>221,304,943 61</u>

I should say, honourable members, that this bill follows word for word a similar bill which was passed by parliament in 1944, for the purpose of dealing with the maturing obligations of the Canadian National Railways during the ensuing three or four years. In that legislation also there was a limitation of \$200,000,000.

Hon. JOHN T. HAIG: Honourable members before the motion is put may I say a few words? This bill brings to my mind the fact that during the past year we in this chamber have done nothing in the way of examining the affairs of the Canadian National Railways. I am sure we have some responsibility, though I do not know to what extent. We have a responsibility to the Canadian National Railways, if not to ourselves, to make some examination.

It may not be necessary to send this bill to committee, but perhaps it would be well to do so if by that means we could have an opportunity to examine officials on the set-up of the whole business. It has been indicated in another place that the company may have a deficit this year. The matter may become the subject of discussion, and we should have fundamental information on it.

I am one of those who are very friendly towards the Canadian National Railways system, and I want to keep myself informed. Therefore I would suggest that, if the mover and seconder are willing, the bill should be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. HUGESSEN: Honourable senators, may I be permitted to say a word in answer to my honourable friend? I fully agree with his remarks. If he wishes, I will move that the bill be referred to the Standing Committee on Banking and Commerce, but I believe that what he desires could better be accomplished when this house considers the second Canadian National Railways bill, which I believe is coming to us within a few days, and which provides for additional capital expenditure. The bill now before us is merely a refunding bill.

Hon. Mr. HAIG: If there is another railway bill to come before us I am quite agreeable to the suggestion of the honourable gentleman from Inkerman (Hon. Mr. Hugessen).

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. HUGESSEN: Next sitting.

VISITING FORCES (UNITED STATES OF AMERICA) BILL

SECOND READING

Hon. NORMAN P. LAMBERT (for Hon. Mr. Robertson) moved the second reading of Bill 253, an Act to make provision with respect to Forces of the United States of

America when visiting Canada and with respect to the exercise of discipline and to the internal administration of such Forces.

He said: Honourable senators, at the outset may I adopt the felicitous note which was struck a few moments ago by the honourable leader opposite (Hon. Mr. Haig) in his references to the President of the United States. I think every honourable member in this chamber will agree that it is a happy and appropriate circumstance that this bill should come before the Senate today, while Canada's distinguished visitor, in the person of the President of the United States, is amongst us; because this bill is a kind of symbol of the policy of the good neighbour which was so often emphasized and so consistently practised by Mr. Truman's great predecessor, the late President Roosevelt, and which I am sure we all feel today has received eloquent and definite confirmation by the present occupant of the White House in Washington.

My remarks regarding the bill itself will be brief and, I hope, to the point.

The powers which have been represented by a series of orders in council passed under the War Measures Act during the war are now given statutory form in this proposed legislation. As may be seen in the explanatory notes, the purpose of this bill is to make provision for the discipline and internal administration of visiting forces from the United States of America who are present in Canada, with the consent of the government of Canada. As a means to this end, the provision of the Criminal Code referring to unlawful drilling and offensive weapons is suspended by clause 9 of this bill. That, I think, is the principal provision by way of amendment of existing legislation in this country.

There is really nothing in this bill which does not apply to Canadian armed forces visiting the United States. The law of the United States, as was fully and adequately explained in another place by the Secretary of State for External Affairs and by the Minister of National Defence, provides for reciprocal rights in so far as Canada is concerned under similar conditions to those which might apply to the United States forces visiting Canada.

The bill also comes well within the limits of Canadian policy for North American defence. That policy was clearly and comprehensively stated in the House of Commons by the Prime Minister on February 12 this year, the date on which the same statement was issued by the government at Washington. That joint statement of February 12 should be read in close conjunction with this bill. I would also suggest that, in perusing this bill and considering all its implications, reference should be made to the statement which was made in the House of Commons by the Prime

Minister on November 12, 1940, following the adoption of the Ogdensburg agreement arrived at between the late President Roosevelt and our own Prime Minister.

We all remember the words that were spoken before that by President Roosevelt at Kingston, in 1938, and two days later by the Canadian Prime Minister in expressing a reciprocal attitude in relation to possible invasion of this continent by any hostile power. It is quite possible to read much into this bill by way of implication. In the other chamber there was a lengthy debate in connection with the bill from many angles—a debate that went rather far afield of the subject-matter of the bill. I believe this bill should be regarded as a simple and logical outgrowth of the joint defence arrangements made between this country and the United States in 1940 when, as I have just indicated, as a result of the so-called Ogdensburg agreement, the present Joint Defence Board came into existence.

There is nothing in this bill to disturb the mind of anybody in this country. So far as adherence to the United Nations Charter is concerned, I would point out that, in the words of the joint statement made on February 12 last, "the charter of the United Nations is regarded as the corner stone of the foreign policy of both governments". So there really is nothing to disturb the mind of any citizen or any senator, who has kept in touch with what has been going on in this country as to its relations with the United States for the past eight years.

Therefore, I simply would suggest that the bill be discussed for what it is—an incidental feature of a policy which has been clearly defined and which I think has been adopted with favour by the majority of people in both countries. In order that this proposed legislation may be checked against the requirements of the United Nations Charter and that every possible bit of information may be obtained with regard to it, I intend to suggest that after second reading the bill be referred to the Standing Committee on External Affairs for further examination.

I believe that this bill presents the Senate of Canada with an opportunity of commending a most desirable measure of co-operation between Canada and the United States.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG moved the adjournment of the debate.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

ADDRESS

OF

HARRY S. TRUMAN

President of the United States of America

TO

MEMBERS OF THE SENATE AND OF THE HOUSE OF COMMONS
AND THE GENERAL PUBLIC

IN THE

HOUSE OF COMMONS CHAMBER, OTTAWA

ON

WEDNESDAY, JUNE 11, 1947

The President was welcomed by the Right Honourable W. L. Mackenzie King, Prime Minister of Canada, and thanked by the Honourable James H. King, P.C., Speaker of the Senate, and the Honourable Gaspard Fauteux, Speaker of the House of Commons.

11.45 a.m.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. President, members of the Parliament of Canada: We are indeed greatly honoured in having as our country's guest today the President of the United States of America. Your visit, Mr. President, is a welcome expression of friendship and good will, both personal and national. On behalf of the members of Canada's Parliament here assembled, and of all whom we represent, I extend to you the warmest of welcomes.

In paying this neighbourly visit to our capital, we are delighted that you are accompanied by Mrs. Truman and Miss Truman. We are pleased that you have found it possible to make your stay of sufficient length to enable you to see something of Ottawa and its surroundings, and to give members of parliament and others the privilege of meeting you and Mrs. Truman, and your talented daughter. We know how greatly His Excellency the Governor General and Lady Alexander enjoyed their recent visit to Washington, and how very much they have been looking forward to having Mrs. Truman, Miss Truman and yourself as their guests at Rideau Hall. Nothing could be more symbolic of the happy relations between our two peoples than family visits between the White House in Washington and Government House in Ottawa.

I should like to add, Mr. President, how great a pleasure it is to me personally to be renewing today, in my own country, the deeply valued friendship formed with yourself on my visits to the United States from time to time. I shall always recall your wish, so generously expressed, almost immediately upon your assumption of office, that the relations between our two countries might continue to be as

friendly as they have been at all times under President Roosevelt, and that you and I might come to share a personal friendship correspondingly close. You know how warmly both these wishes were and are reciprocated.

We are especially indebted to you, Mr. President, for your courtesy in consenting to speak to the members of our parliament in the course of your visit. To most men in high position, an escape from the ordeal of public addresses is a not unwelcome form of relaxation. To this doctrine, I am sure you will readily subscribe. Your willingness not only to speak but to allow your address to be broadcast will be warmly appreciated in all parts of Canada, as also in the United Kingdom, the United States and elsewhere.

Your visit, Mr. President, vividly recalls the visit to Ottawa, in August 1943, of your illustrious predecessor. It was the first visit to Canada's capital of a President of the United States. That visit was at a time of war. At that time, the allied nations were still two years away from ultimate victory. Today, we are almost equidistant from the final battles which brought an end to hostilities in Europe and in Asia.

It was on the eve of the final battles that President Roosevelt was taken from his people. We do not forget it was without a moment's warning, and at that hour of world crisis, that the mighty burdens which he had borne so long and with such great fortitude were transferred from his shoulders to yours. Before final victory was won, you were called upon to take grave and historic decisions. Since the end of the war you have been faced with the baffling tasks of reconstruction, when the grim effects of world conflict are still more apparent than the foundations of peace. We are glad

to have the opportunity, which your presence here today affords, to tell you, Mr. Truman, how greatly the Canadian people have admired the manner in which, under all these circumstances, you assumed and are now bearing the tremendous responsibilities of the office of President of the United States.

May I say how greatly we all admire the qualities of humour, sincerity and courage and the capacity for friendship which you possess in such large measure, and which, if I may say so, have been particularly evident since the last congressional elections. Far be it from me to introduce any note of party politics into words of official welcome, much less to say anything that, even to appearances, might be considered interference in the domestic affairs of another country. At the same time, I think that all of us in public life would agree that to be faced with a legislature of which the majority may be disinclined to accept the government's policies is not the most comfortable position in which to find oneself as head of an administration.

Because of a considerable experience in such matters, I may perhaps be allowed, in an aside to the President, to express a personal word of sympathy and understanding. Many who are assembled in this chamber can tell you, Mr. President, that, as leader of a political party and as head of the government, there have been occasions when I too have had to face situations not wholly dissimilar. It may serve as a note of encouragement to you when I say I have yet to find that such embarrassments are necessarily a bar to many years of office.

May I conclude this word of welcome on a more serious note. You, Mr. President, have said: "If wars in the future are to be prevented, the peace-loving nations must be united in their determination to keep the peace under law. The breaking of the peace anywhere is the concern of peace-loving nations everywhere". This statement of American policy might equally be a statement of Canadian policy. In the solution of all world problems, effective co-operation between nations is a first essential. In effective co-operation, no finer example could be given to the world than that which has been developed between the United States and Canada over the years, and which was especially evident during the years of war.

The Ogdensburg Agreement and the Hyde Park Declaration are the two great landmarks of our wartime co-operation. During the war these agreements were the basis of joint action in defence, in production, and in finance. Over and over again we have heard

it said that co-operation, which was so effective as one of the instruments of victory in war, should be continued as one of the means of achieving and maintaining security and prosperity in a time of peace. By continuing co-operation along similar lines, Canada and the United States will not only be furthering their mutual interests, they will be strengthening the foundation of a new world order, an order based on international understanding, on mutual aid, on friendship and goodwill.

Mr. HARRY S. TRUMAN (President of the United States): Mr. Prime Minister, honourable members of the Senate and members of the House of Commons of Canada:

This is my first visit to Canada as President of the United States, and I am happy that it affords me the opportunity to address this meeting of the members of both houses of the Canadian Parliament. Here is a body which exemplifies the self-government and freedom of the nations of the great British Commonwealth. The history of the Commonwealth proves that it is possible for many nations to work and live in harmony for the common good.

I wish to acknowledge the many courtesies extended to me on this visit by the Governor General, Viscount Alexander, who paid me the honour of a visit in Washington a few months ago. His career as a soldier and as a statesman eminently qualifies him to follow his illustrious predecessors.

For the courtesy of appearing before you, as for other courtesies, I am sure I am largely indebted to my good friend, Prime Minister Mackenzie King. I was particularly happy to be present yesterday when he was honoured in the rotunda of this Parliament Building. It was a wonderful ceremony, and a tribute which I think he richly deserved. I also appreciate the political advice he gave me this morning. I have come to value and cherish his friendship and statesmanship. As our two nations have worked together in solving the difficult problems of the post-war period, I have developed greater and greater respect for his wisdom.

Americans who come to know Canada informally, such as our tourists, as well as those whose approach is more academic, learn that Canada is a broad land—broad in mind and in spirit as well as in physical expanse. They find that the composition of your population and the evolution of your political institutions hold a lesson for the other nations of the earth. Canada has achieved internal unity and material strength, and has grown in stature in the world community, by solving problems that might have hopelessly divided and weakened a less gifted people.

Canada's eminent position today is a tribute to the patience, tolerance, and strength of character of her people, of both French and British strains. For Canada is enriched by the heritage of France as well as of Britain, and Quebec has imparted the vitality and spirit of France itself to Canada. Canada's notable achievement of national unity and progress through accommodation, moderation, and forbearance can be studied with profit by her sister nations.

Much the same qualities have been employed, with like success, in your relations with the United States. Perhaps I should say "your foreign relations with the United States". But the word "foreign" seems strangely out of place. Canada and the United States have reached the point where we no longer think of each other as "foreign" countries. We think of each other as friends, as peaceful and co-operative neighbours on a spacious and fruitful continent.

We must go back a long way, nearly a century and a half, to find a time when we were not on good terms. In the War of 1812 there was fighting across our frontier. But permanent good came of that brief campaign. It shocked Canadians and Americans into a realization that continued antagonism would be costly and perilous. The first result of that realization was the Rush-Bagot Agreement in 1817, which embodied a spirit and an attitude that have permeated our relations to this day. This agreement originally was intended to limit and to regulate the naval vessels of both countries on the Great Lakes. It has become one of the world's most effective disarmament agreements and is the basis for our much-hailed unfortified frontier.

I speak of that period of history to make the point that the friendship that has characterized Canadian-American relations for many years did not develop spontaneously. The example of accord provided by our two countries did not come about merely through the happy circumstance of geography. It is compounded of one part proximity and nine parts good will and common sense.

We have had a number of problems, but they have all been settled by adjustment, by compromise, and by negotiations inspired by a spirit of mutual respect and a desire for justice on both sides. This is the peaceful way, the sensible way, and the fair way to settle problems, whether between two nations that are close neighbours or among many nations widely separated.

This way is open to all. We in Canada and the United States are justifiably proud of our joint record, but we claim no monopoly on the formula.

Canada and the United States will gladly share the formula, which rejects distrust and suspicion in favour of common sense, mutual respect, and equal justice, with their fellow members of the United Nations. One of the most effective contributions which our two countries can make to the cause of the United Nations is the patient and diligent effort to apply on a global scale the principles and practices which we have tested with success on this continent.

Relations between Canada and the United States have emphasized the spirit of co-operation rather than the letter of protocol. The Rush-Bagot Agreement was stated in less than 150 words. From time to time it has been revised by mutual agreement to meet changing conditions. It was amended as recently as last December.

The last war brought our countries into even closer collaboration. The Ogdensburg Agreement of 1940 provided for the creation of the Permanent Joint Board on Defence. It was followed by the Hyde Park Agreement of 1941, which enabled us to co-ordinate our economic resources with increased efficiency. Common interests, particularly after Pearl Harbor, required the creation of several joint agencies to co-ordinate our efforts in special fields. When victory ended the necessity for these agencies, they were quietly disbanded with a minimum disturbance of the national economies of the two countries—just common sense again.

The Permanent Joint Board on Defence will continue to function. I wish to emphasize, in addition to the word "permanent", the other two parts of the title. The board is joint, being composed of representatives of each country. Canada and the United States participate on the basis of equality, and the sovereignty of each is carefully respected. This was true during the gravest days of the war and it will continue to be true, in keeping with the nature of all our joint undertakings.

The board was created, and will continue to exist, for the sole purpose of assuring the most effective defence of North America. The board, as you know, has no executive powers and can only make recommendations for action. The record of the board provides another example of the truly co-operative spirit that prevails between our two countries.

The spirit of common purpose and the impressive strength which we marshalled for action on all fronts are the surest safeguard of continental security in the future.

The people of the United States fully appreciate the magnificent contribution in men and resources that Canada made to the allied war effort. United States soldiers, sailors, and

airmen in the heat of battle knew their Canadian comrades as valiant and daring warriors. We look back with pride on our association as staunch allies in two wars.

Today our two nations are called upon to make great contributions to world rehabilitation. This task requires broad vision and constant effort.

I am confident that we can overcome the difficulties involved, as we overcame the greater difficulties of the war. The national genius of our peoples finds its most satisfying expression in the creation of new values in peace.

The record proves that in peaceful commerce the combined efforts of our countries can produce outstanding results. Our trade with each other is far greater than that of any other two nations on earth.

Last year the flow of trade in both directions across the border reached the record peacetime total of two and a quarter billion dollars. We imported from Canada more than twice the value of goods we received from the United Kingdom, France, China and Russia combined. United States purchases from Canada were about six times our purchases from Great Britain, nearly ten times those from China, and eleven times those from France. We sold to Canada nearly as much as we sold to Britain and France together.

Gratifying as the volume of our trade now is, it is capable of even further expansion to our mutual benefit. Some of our greatest assets are still to be developed to the maximum. I am thinking of one particularly that holds tremendous possibilities, the magnificent St. Lawrence-Great Lakes System, which we share and which we must develop together.

The St. Lawrence project stirs the imagination of men long accustomed to majestic distances and epic undertakings. The proposal for taking electric power from the river and bringing ocean shipping 2,400 miles inland, to tap the fertile heart of our continent, is economically sound and strategically important.

When this programme is carried out, the waterway that is part of our boundary will more than ever unite our two countries. It will stimulate our economies to new growth and will speed the flow of trade.

There have been times when shortsighted tariff policies on both sides threatened to raise almost insurmountable barriers. But the need to exchange goods was so imperative that trade flourished despite artificial obstacles. The Reciprocal Trade Agreements of 1936 and 1939 made possible a sensible reduction of tariff rates, and paved the way for our present phenomenal trade.

Something more than commercial agreements, however, is required to explain why

Canada and the United States exchange more than two billion dollars worth of goods a year. Ambassador Atherton has aptly given the reason as not "free trade," but "the trade of free men." That record flow of goods and the high standard of living it indicates, on both sides of the border, provide a practical demonstration of the benefits of the democratic way of life and a free economy.

The benefits of our democratic governments and free economies operating side by side have spread beyond our countries to the advantage of the whole world. Both nations expanded their productivity enormously during the war and both escaped the physical damage that afflicted other countries. As a result, Canada and the United States emerged from the war as the only major sources of the industrial products and the food upon which much of the world depends for survival.

Canada has responded as nobly to the challenge of peace as she did to that of the war. Your wheat has fed millions who otherwise would have starved. Your loan has strengthened Britain in her valiant battle for recovery.

The United States is particularly gratified to find Canada at our side in the effort to develop the International Trade Organization. We attach great importance to this undertaking, because we believe it will provide the key to the welfare and prosperity of the world in the years immediately ahead.

In sponsoring the International Trade Organization, the United States, with the co-operation of Canada and other countries, is making a determined effort to see that the inevitable adjustments in world trade as a result of the war will result in an expanding volume of business for all nations.

Our goal is a vast expansion of agriculture and industry throughout the world, with freer access to raw materials and markets for all nations, and a wider distribution of the products of the earth's fields and factories among all peoples. Our hope is to multiply the fruitfulness of the earth and to diffuse its benefits among all mankind.

At this critical point in history, we of the United States are deeply conscious of our responsibilities to the world. We know that in this trying period, between a war that is over and a peace that is not yet secure, the destitute and the oppressed of the earth look chiefly to us for sustenance and support until they can again face life with self-confidence and self-reliance.

We are keenly aware that much depends upon the internal strength, the economic stability and the moral stamina of the United States. We face this challenge with determination and confidence.

Free men everywhere know that the purpose of the United States is to restore the world to health and to re-establish conditions in which the common people of the earth can work out their salvation by their own efforts.

We seek a peaceful world, a prosperous world, a free world, a world of good neighbours, living on terms of equality and mutual respect, as Canada and the United States have lived for generations.

We intend to expend our energies and to invest our substance in promoting world recovery by assisting those who are able and willing to make their maximum contribution to the same cause.

We intend to support those who are determined to govern themselves in their own way, and who honour the right of others to do likewise.

We intend to aid those who seek to live at peace with their neighbours, without coercing or being coerced, without intimidating or being intimidated.

We intend to uphold those who respect the dignity of the individual, who guarantee to him equal treatment under law, and who allow him the widest possible liberty to work out his own destiny and achieve success to the limit of his capacity.

We intend to co-operate actively and loyally with all who honestly seek, as we do, to build a better world in which mankind can live in peace and prosperity.

We count Canada in the forefront of those who share these objectives and ideals.

With such friends we face the future unafraid.

Mr. MACKENZIE KING: I call upon the Speaker of the Senate and the Speaker of the House of Commons to express the thanks of Parliament to the President for the address which he has just delivered to us.

Hon. J. H. KING (Speaker of the Senate): Mr. President, it is my privilege, more particularly on behalf of the members of the Senate, to express the thanks of all here assembled for the inspiring and historic address which you have just delivered.

Mr. President, your speech of today illustrates what has often been said and is frequently in our minds, namely, that the people of the United States and the people of Canada enjoy to an exceptional degree personal friendships and social amenities in cultural and political relations.

This happy situation, as you have made clear this morning, is the result of freedom of personal contact, similarities in customs, and in liberty enjoyed by the peoples of our two countries under democratic forms of govern-

ment. The comradeship-in-arms in the world's two greatest wars, wars that have taken place in the lifetime of one generation, has, as you have said, Mr. President, drawn us still more closely together.

In conclusion, let me again extend to you, Mr. President, the assurance of our pleasure in and gratitude for your visit to Canada, and for your memorable address of this morning. We pray that the Almighty will continue to give you guidance and wisdom in your great task.

Hon. GASPARD FAUTEUX (Speaker of the House of Commons): Mr. President, it is my privilege to join with the Speaker of the Senate in also thanking you in the name of the members of both Houses for the address to which we have just been listening. You may be assured that the unseen audience which, we know, extends over the entire continent, will have listened with the same deep interest as your immediate audience here, and that your message will have been received by them with the same enthusiasm and approval as by those who have had the added pleasure of seeing as well as hearing you in this Commons Chamber.

As you are aware, Mr. President, both English and French are official languages in Canada's Parliament. May I be permitted now, Mr. President, since the language of Shakespeare and the language of Molière are both official in Canada, to express myself in the latter, the one brought to Canada from France by our ancestors and which is still our most precious heritage.

Je désire au nom de mes compatriotes d'expression française, vous assurer de notre profonde admiration et vous exprimer nos remerciements d'avoir bien voulu accepter de venir en notre capitale et d'avoir prononcé, en notre parlement, le magnifique discours que nous venons d'entendre.

Au nom de la Chambre des Communes qui m'a élu Président, je prie le Dieu Tout-Puissant de bénir et d'éclairer le Président et les chefs de cette puissante nation des Etats-Unis d'Amérique afin qu'ils puissent trouver, et mettre en vigueur,—si je puis dire,—une formule spirituelle ayant l'effet prodigieux de l'énergie atomique et qui puisse, par la grâce de Dieu, assurer au monde une sainte paix dans la liberté, l'égalité et la fraternité.

I should like Mr. President, to express in the English language what I have just said in my native tongue:

On behalf of my French-speaking compatriots, I wish to assure you of our deep admiration and to express our thanks to you for

having consented to come to our capital city, and for having made in our Parliament the splendid speech we have just heard.

In the name of the Commons, who have elected me as the First Commoner of the country, may I pray Almighty God to bless and inspire the President and the leaders of the mighty United States of America, and enable them to find, and apply,—if I may say so—a spiritual atomic formula which by the grace of God will ensure to the world a holy peace, with liberty, equality and fraternity.

Again, Mr. President, we thank you for the memorable and inspiring address which you have delivered to us today and which, as of historic significance, will be preserved in the official records of both Houses of the Canadian Parliament.

Mr. MACKENZIE KING: This brings to a conclusion the proceedings of this morning. May I propose three hearty cheers for the President of the United States.

After three cheers for the President, the gathering dispersed.

APPENDIX "B"

UNVEILING OF PORTRAITS

OF

CANADA'S PRIME MINISTERS IN TWO WORLD WARS

THE LATE RIGHT HON. SIR ROBERT LAIRD BORDEN

AND

THE RIGHT HON. W. L. MACKENZIE KING

June 10, 1947

In the presence of:

His Excellency the Governor General of Canada, Field Marshal the Right Honourable the Viscount Alexander of Tunis;

The President of the United States of America, Harry S. Truman.

Senator the Honourable J. H. King, Speaker of the Senate, and the Honourable Gaspard Fauteux, Speaker of the House of Commons, presided.

Also present were:

The Right Honourable W. L. Mackenzie King, Prime Minister of Canada; Right Honourable Ian A. Mackenzie, Leader of the House of Commons; Senator the Honourable Wishart McL. Robertson, Leader of the Government in the Senate; His Excellency the Honourable Ray Atherton, Ambassador of the United States of America; Fleet Admiral W. D. Leahy, Chief of Staff to the Commander in Chief of the United States Army and Navy; Senator the Honourable John T. Haig, Leader of the Opposition in the Senate; John Bracken, Leader of the Opposition in the House of Commons; Senator the Honourable C. C. Ballantyne; M. J. Coldwell, Leader of the Cooperative Commonwealth Federation party; Solon E. Low, Leader of the Social Credit party; Frank O. Salisbury; Kenneth Forbes; and other members of the Senate and of the House of Commons.

At 5.30 p.m. His Excellency the Governor General of Canada and the President of the United States of America arrived in the Chambers of the Speaker of the House of Commons and proceeded to the main lobby.

*God Save the King
The Star-Spangled Banner*

Hon. GASPARD FAUTEUX (Speaker of the House of Commons): Mr. President, Your Excellency, Guests of Honour, and Honourable Members of the Senate and of the House of Commons: We are gathered here this afternoon to witness the unveiling of the portraits

of two of Canada's most distinguished sons. In the hours of stress, when the world was in the throes of terrible wars, we were fortunate in having as Prime Ministers two men endowed with strong patriotism, vision and strength of character. They were, during the

war of 1914-1918, the Right Honourable Sir Robert Laird Borden, and, during the recent war of 1939-1945, the Right Honourable W. L. Mackenzie King.

Before I proceed further may I say, in the name of all present, how much indebted we are and how grateful we all feel to His Excellency the Governor General, Field Marshal Lord Alexander, for honouring this occasion by his presence, and for having graciously consented to unveil the two portraits.

We are also deeply grateful to His Excellency for bringing with him his distinguished guest, the President of the United States of America, who arrived in Ottawa this afternoon on a brief visit to Canada. We are indeed delighted that Mr. Truman should, on such short notice, have been prepared to join His Excellency.

Mr. President, Your Excellency, you may both be assured that your presence in our walls of Parliament on this occasion is an honour which will long be remembered by the members of both houses, and indeed by all Canadians.

For a long time it has been felt that Sir Robert Borden's portrait should adorn the walls of these Houses of Parliament. When I had the honour to become Speaker of the House of Commons, I soon discovered that the consensus of opinion of members of both houses was that the practice of placing our Prime Ministers' portraits in the Parliament Buildings should be resumed. Instructions were accordingly given for the painting of a portrait of the late Sir Robert Borden. Mr. Kenneth Forbes, the well-known artist of Toronto, was commissioned for the purpose. How splendidly Mr. Forbes executed his commission you will see when the portrait of Sir Robert Borden is unveiled.

While arranging for this commission, I learned of the portrait of the present Prime Minister, which was painted by Mr. Frank O. Salisbury, and which had been exhibited in the Royal Academy in London. The portrait was temporarily on exhibition at our own National Gallery. Members who saw it were high in their praise of the great artist who was responsible for this splendid work of art. A general desire was expressed that the portrait should be placed in our Parliament Buildings.

On the 8th of December last I took it upon myself to write the Prime Minister in the matter. Several letters were exchanged between Mr. King and myself before I was able to convince him that my request should be granted. Perhaps I may be permitted to use a privilege given to members of both houses,

with unanimous consent, and given sometimes by the Speakers, to table for the Press the correspondence exchanged.

May I say, in a word that, being assured that it was the wish of the Speakers, and of the leaders of all parties in both houses, that the portrait by Mr. Salisbury should be hung on the walls of these buildings at the same time as the portrait of Sir Robert Borden, Mr. King not only gave his consent to the transfer of the portrait for that purpose, but said he would be pleased to have it accepted as a gift from himself to Parliament.

I quite understand Mr. King's hesitation in allowing us to have his portrait for these walls while he is still a member of Parliament, but I may assure him that after twenty years in the office of Prime Minister he should experience no embarrassment on that account.

Your final agreement to this step, Mr. Prime Minister, has warmed our hearts and increased your popularity in parliamentary circles, I wish to extend to you, Sir, the sincere thanks of all the members of the Senate and of the House of Commons for the very generous manner in which you have acceded to our request.

The Speaker of the Senate, the Honourable J. H. King, then invited His Excellency the Governor General to unveil the portrait of Sir Robert Laird Borden. The Speaker said:

Mr. President, Your Excellency, Members of the Senate and of the House of Commons: On behalf of the members of the Senate and of the House of Commons of Canada, I have the honour to invite Your Excellency to unveil the portrait of the Right Honourable Sir Robert Laird Borden, who was, from 1911 to 1920, a period which included the years of the first great war, 1914-18, was Prime Minister of Canada.

(His Excellency unveiled the portrait of Sir Robert Borden.)

Hon. J. H. KING (Speaker of the Senate): Mr. President, Your Excellency: I have pleasure in presenting to you the artist, Mr. Kenneth Forbes, of Toronto, to whose talent we are indebted for the splendid portrait of Sir Robert Laird Borden.

(Mr. Forbes came forward and acknowledged applause by a bow to the assembled company.)

Hon. Senator KING: Mr. Henry Borden has telegraphed his regret at his inability to be present at this ceremony. We are very sorry that circumstances have prevented him from witnessing the unveiling of this portrait of his illustrious uncle.

The Speaker of the House of Commons, Hon. Gaspard Fauteux, then invited His Excellency to unveil the portrait of the present Prime Minister. The Speaker said:

Mr. President, Your Excellency, Members of the Senate and of the House of Commons: On behalf of the Members of the Senate and of the House of Commons of Canada, I have the honour to invite Your Excellency to unveil the portrait of the Right Honourable William Lyon Mackenzie King, who today completes twenty years in the office of the Prime Minister of Canada, including the years of the second Great War, 1939-45.

(His Excellency unveiled the portrait of the Prime Minister.)

Hon. Mr. FAUTEUX: Mr. President, Your Excellency: I have pleasure in presenting to you Mr. Frank O. Salisbury of London, England, the artist to whose talent we are indebted for the splendid portrait of our Prime Minister.

(Mr. Salisbury came forward and acknowledged applause by a bow to the assembled company.)

HIS EXCELLENCY, FIELD MARSHAL THE RIGHT HON. THE VISCOUNT ALEXANDER OF TUNIS (Governor General of Canada): Mr. President, Mr. Prime Minister, I feel that it is an honour, besides being a pleasure, to be here on this historic occasion and to have the privilege of unveiling these two fine portraits of two fine men.

It is particularly fitting that today has been chosen for this ceremony, since it marks our own Prime Minister's twentieth year of loyal and devoted service to King and country.

Further lustre to the occasion is added by the presence here today of the President of that great country which not only is our friend and neighbour, but was our ally in two world wars.

Of the two men we honour today, the one led us to victory in the first world war, and the other in the second. Now these noble pictures of two great Canadians, from the brush of distinguished portrait painters of world-wide reputation, find a happy and fitting home in the very heart and centre of the Canada they have both served so loyally and have loved so well.

Hon. Senator KING: Mr. President, Your Excellency, and honourable members: We have with us this afternoon one of Sir Robert Borden's oldest and closest friends, the Honourable Senator Charles C. Ballantyne. Senator Ballantyne was a member of Sir

Robert Borden's Cabinet from 1917 to 1920, and he is one of the senior members of the Privy Council of Canada. He was summoned to the Senate while a Conservative administration was in office, and until recently was Leader of the Opposition in the Upper House. I should like to call upon Senator Ballantyne for a few words.

Hon. Senator C. C. BALLANTYNE: Mr. President, Your Excellency, Mr. Prime Minister, Honourable Members of the Senate, and Members of the House of Commons: I consider it a high honour and privilege to be invited to make a brief reference to my former Prime Minister, the Right Honourable Sir Robert Laird Borden, P.C., G.C.M.G., K.C., LL.D.

In the long line of illustrious Prime Ministers Canada has been fortunate to have had presiding over her destiny, no one stands out more prominently for distinguished devotion and service to Canada, the Commonwealth of Nations and the Empire, than does my former Prime Minister.

The Right Honourable Sir Robert Borden was Prime Minister from 1911 to 1920, including the period of the First Great War.

I was privileged to serve under Sir Robert as one of his ministers during the First Great War years of 1917-1918 and until his retirement in 1920. I shall always cherish the memory of having been associated with my former Prime Minister during those years.

The Right Honourable Sir Robert Borden was held in high esteem not only by his colleagues in Parliament but by Canadians generally and was as well a recognized world figure.

After Sir Robert's retirement from the premiership our close personal friendship continued throughout the years and it will always remain with me as a revered and pleasant memory.

May I be permitted on this historic occasion to refer to my old friend of long standing, the present Prime Minister, the Right Honourable W. L. Mackenzie King, C.M.G., who has occupied the high office of Prime Minister for a longer period than any of his Canadian predecessors, and who, in a few months will have occupied it longer than any one else in the history of the British Empire. It is remarkable that my former Prime Minister and the present Prime Minister both guided our country through great world wars and finally to victory.

It is fitting, therefore, that these two illustrious Prime Ministers should have their portraits placed for ever in these Parliament Buildings, as a constant reminder to present

and future generations, and to the thousands of visitors passing through our portals, of the great and loyal service rendered by them to King and country.

Hon. Mr. FAUTEUX: Mr. President, Your Excellency, Mr. Prime Minister, Guests of Honour, Honourable Members of the Senate and of the House of Commons: The time has not yet arrived to appraise Mr. Mackenzie King's long political career. We are too close to him to see it in its true perspective, but we all know that history will class him as a great statesman. We all recognize that he is an outstanding parliamentarian. No man understands our House of Commons better than he does, and none has as much influence in it as he has today. In his many years of leadership he has contributed much to the decorum and dignity of the house.

As has already been said, this ceremony was arranged for today, June 10, to coincide with Mr. King's completion of twenty years in all in the office of Prime Minister. He has been a minister of the Crown and the leader of his party for a still longer time, and has been for an even longer time a member of Parliament. Mr. King is in years of membership the senior member of the Commons. He is dean of the house. I am sure we are agreed that he has shown in that long period remarkable qualities as a popular leader of men and, in Parliament, a capacity to make friends without making enemies.

In his long term of office Mr. King has had to solve many intricate problems, some of which threatened the unity of Canada. He has faced all such situations with caution and can look back over his long career with the satisfaction of having accomplished, in difficult circumstances, many hard tasks.

Mr. Mackenzie King has administered this country on the same broad principles as Macdonald, Laurier, Borden, and other leaders, who were friends of minorities and pioneers in democracy, and above all, true Canadians. As members of the present Parliament of Canada, we are happy to be able to join together to commemorate Mr. King's long years of public service. We are pleased to be able to do this, irrespective of party affiliation, while Mr. King is still a member of Parliament, and on the day of his completion of twenty years in the office of Prime Minister. We have felt that in no more appropriate way could we honour our present Prime Minister today than by giving his portrait a place in these Halls of Parliament, among those of other Prime Ministers whose lives are a part of the history of our country.

I am sure, Mr. Prime Minister, that all your friends who are gathered here on this memorable occasion, are very anxious to hear a few words from you.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. President, Your Excellency, and fellow members of Parliament:

You, Mr. Speaker, have given me a difficult task indeed. Of the kindnesses of all present, there are many acknowledgments I should like to make. I wish I felt equal to the least of them. I doubt if in the twenty years to which reference has been made this afternoon, there has been a moment when I have been as conscious of the extent of my obligation to others, and less able to give expression to the gratitude I feel.

I know I speak not less for others than for myself when I say how grateful we are to His Excellency the Governor General for having consented to honour this occasion with his presence, and to unveil the two portraits which he has unveiled this afternoon. It is a happy circumstance that we should have, in our Governor General, especially today, one who is at once a Field Marshal and an artist. His Excellency has referred to the association of the portraits with one or other of the great wars. May I say to His Excellency that we have much in mind that he himself is a veteran of the two wars. We are indeed indebted to one who has had so valiant and decisive a role in war for lending to today's proceedings the association of his illustrious name.

We are also especially honoured by the presence at today's ceremony of the President of the United States. That you, Mr. Truman, almost at the moment of your arrival in our capital, should have expressed a wish to accompany His Excellency on this occasion, is an evidence of personal and international goodwill for which I cannot thank you too warmly. Your presence has added a note of exceptional significance. Those here assembled will never forget that they were privileged to see the President of the United States and the representative of His Majesty the King side by side in the central hall of our Houses of Parliament.

It is a source of pleasure to me to recall today that in 1919, at the time I became leader of my party and Leader of the Opposition in the House of Commons, it was Sir Robert Borden who was Prime Minister. No one, I imagine, is in a better position than I am today to appreciate the strain and anxieties

which Sir Robert experienced throughout the years of war. No one knows better than Senator Ballantyne how cordial at all times were the personal relations between Sir Robert and myself. I am glad it has been given to so intimate and devoted a friend of Sir Robert, one who was a member of his cabinet, and who is the senior Privy Councillor on the opposition benches in Parliament, to speak today of the portrait of his late leader. The Senator, I hope, will allow me to express to him my very warm thanks for his all too kind personal references to myself. They come, I know, from the heart of an old and true friend.

I am sure all of us who knew Sir Robert Borden will agree that the portrait by Mr. Kenneth Forbes, which we now see before us, is a worthy and striking likeness, and that it reflects great credit upon the artist. I should like, in the name of the Government, to thank Mr. Forbes for the portrait he has painted of Sir Robert Borden, and to congratulate him upon it.

Your Excellency, I come to a very difficult part of what I have to say. How am I to express to my fellow members of Parliament my appreciation of the honour they have done me in wishing to have the portrait of myself, by my friend, Frank Salisbury, given a place on the walls of Parliament? How am I to thank them for wishing to have it given an association with the portrait of Sir Robert Borden, in events which are outstanding in history? How am I to thank them for having selected today—the day on which I have completed twenty years of office—as the day for the unveiling of the two portraits? And how am I to thank His Honour the Speaker of the Commons for what he has just said?

In one thing I am fortunate indeed. It is that the artist, Mr. Salisbury, has found it possible to be with us today. Mr. Salisbury will be able to assure you that it was to his persuasion rather than to any expressed desire on my part that the portrait owes its existence. Perhaps nothing could better illustrate Mr. Salisbury's skill as an artist than what he has been able to make of me! I am indeed grateful to him for including me among the number of those to whom his brush has of itself helped to bring distinction.

After the many years I have been in Parliament and in office, I cannot tell you what it means to me to find myself surrounded, as I am at this moment, by those with whom I have been most closely associated in the public life of Canada. It is an expression of friendship and good will on the part of politi-

cal friends and opponents alike, much too moving to be acknowledged in words. I cannot begin to express what this occasion means to me today, or what it will mean to me for the remainder of my days. I can only thank you, one and all, and this I do with all my heart.

All too soon associations of the present melt into memories of the past. I am happy to think that those who have shared today's associations may not find the memory of them lacking in warmth or colour with the passing of the years. I even venture to hope that, to those who seek a noble calling, the memory of this occasion will serve to lend a glow to public life and to reveal the richness of the rewards of public service.

(The proceedings were concluded by the singing of "O Canada".)

THE SENATE

Thursday, June 12, 1947.

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

Prayers and routine proceedings.

MUNICIPAL IMPROVEMENTS ASSISTANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 256, an Act to amend the Municipal Improvements Assistance Act, 1938.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave, next sitting.

FARM IMPROVEMENT LOANS BILL

FIRST READING

A message was received from the House of Commons with Bill 257, an Act to amend the Farm Improvement Loans Act, 1944.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave, next sitting.

INCOME WAR TAX BILL

FIRST READING

A message was received from the House of Commons with Bill 269, an Act to amend the Income War Tax Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave, next sitting.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K. HUGESSEN presented the report of the Standing Committee on Miscellaneous Private Bills on Bill K9, an Act to incorporate Commonwealth Insurance Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 5, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. PATERSON moved the third reading of the bill.

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

CANADIAN NATIONAL RAILWAYS

REFUNDING BILL

THIRD READING

Hon. A. K. HUGESSEN (for Hon. Mr. Robertson) moved the third reading of Bill 265, an Act respecting the Canadian National Railways and to provide for the refunding of matured, maturing and callable financial obligations.

He said: Honourable senators, I wish to confirm the information which I gave yesterday to the honourable leader opposite (Hon. Mr. Haig), that we are to have another Canadian National Railways financing bill before us this session. If it is so desired, that bill could be referred to committee, and I am sure that arrangements could be made to have officials of the Canadian National Railways present to answer any inquiries that honourable members may wish to make.

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

VISITING FORCES (UNITED STATES OF AMERICA) BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Lambert for the second reading of Bill 253, an Act to make provision with respect to Forces of the United States of America when visiting Canada and with respect to the exercise of discipline and to the internal administration of such Forces.

Hon. JOHN T. HAIG: Honourable members, I take no exception to the terms of this bill. As we all know, there was a full discussion in another place, and some opposition was raised. However, when the bill was fully explained I think it was realized that the authority granted under it is limited, having to do largely with discipline within a unit while it is on operations in Canada, supreme command being always under Canadian officers.

When I read the bill I cannot help realizing that in a few short years—say, since 1910—the whole world has changed. If twenty-five or thirty years ago anybody had proposed a bill of this character it certainly never would have passed in another place, and I doubt if it would have passed here. For what we are confronted with is a measure to permit—in a very limited way, it is true—an army of another nation to operate as a unit in our country. I want to draw a few conclusions from that fact. We cannot but be mindful that just yesterday we heard within the walls of these Parliament Buildings, a very able address by the President of the United States. I think everyone was struck, as I was, with the moderation of the words he uttered; but it was clear, crystal clear, that he feared—not in the sense of being afraid—that the peace of the world might be upset unless certain nations realized: first, that the democratic nations did not want war or aggrandizement of any kind; and second, that if we make the same mistake now that we made in the period from 1935 to 1939 we probably shall be faced with the same kind of situation, under a different name.

We in Canada have no desire for war; we have never wanted aggression of any kind. It does not matter whether we come from the banks of the St. Lawrence or the shores of the Pacific ocean or any place in between, our attitude in this respect is the same. But we have had bitter experiences in the last thirty-three years, a period within the memory of most members of this house. Honourable

senators will recall reading in their history books at school of the Napoleonic wars. We thought they were something the like of which could never happen again, yet in our own lifetime we have witnessed two struggles that made the Napoleonic wars appear as mere manœuvring exercises.

I believe that each nation should manage its own internal affairs, provided it follows democratic principles whereby its citizens have the right and freedom to express through the ballot their views as to how they should be governed. We in Canada would not interfere with that right and freedom in any country.

The present European problem is much the same as the one that existed in 1938. Our system of government is different from that of European countries, and the recent coup in Hungary is a clear indication of the difference between the two systems. What did Hitler do in 1939? He marched into Poland. And now the Russians march into Hungary, not with an army, but by fifth columnists, and through them they have gained control. I say that no Canadian citizen has any business to ally himself or herself with any fifth-column system which challenges democratic principles. One can be sure that the democratic system is being challenged, because when a Russian official makes a statement about what his country is doing he says it stands for democratic principles; and it is said that under those principles Russia took control of Hungary. But according to press reports, which I have no doubt are reliable, in the recent elections in that country only seventeen to eighteen per cent of the electors voted for the present system of government.

The war of 1914 to 1918 is a horrible memory to the people of this country. I for one thought—and there were a great many more as unsuspecting as I was—that the world had learned its lesson and that there would never be another war. Yet by 1928 threats of a future conflict were visible on the horizon. Wheat producers in the West saw signs of what was coming when Germany and Italy started to put tariffs on our grain; and by 1930 the tariffs were so high that it could not get into those countries. The only possible purpose was to make the people of Germany and Italy grow grain, so that when a war broke out they would not be, as they were from 1914 to 1918, dependent on the production of other countries.

Now we are starting again. One could not go to the United Nations and stay there for months without realizing that Russia and her satellites seem determined that no progress

should be made. I am not here to defend the United States: I am not pro-American; I am not pro-anything, except pro-Canadian. But I say you could not sit there and listen day after day, week after week, without being confronted with the question: Why all this delay? Let me give you one illustration. We on the legal committee were asked to define the word "meeting". We know what in our language a meeting means; today's assembly of the Senate is a meeting. But in the United Nations charter "meeting" is used in another sense; it not only means the coming together of people for a purpose, but it covers the number of days or times that they come together in order to accomplish that purpose. After a discussion of two hours and twenty minutes in the legal committee we unanimously agreed upon a definition. Next day the clerk, or "rapporteur", as he is called, came in and read his report to us, just as minutes are formally read before being concurred in, but up jumped a Russian delegate who was not present the day before—and to that I have no objection, because, as you know, a delegate can unavoidably be absent—and for two hours he kept us there on his argument that the definition was not a proper one. It was a case of pure, unadulterated delay. Sir Hartley Shawcross, the United Kingdom representative, moved that three or four words in the original definition be changed, and the motion was seconded by the United States delegate. The change improved the grammar a little, but the meaning was the same. After two hours and ten minutes we got to a vote, which was strongly in favour of Shawcross' motion; but my advisers recommended me to vote against it and in favour of the original motion. I did so, and I may say that the Byelorussian delegate said to me, "My Goodness, you voted against the United Kingdom!" I said, "Yes; we Canadians always vote as we think Canada should vote on any question."

I have mentioned this as being an incident for which I can see no reason except a desire for delay. And now the people responsible for these tactics are saying that they hope there will be a depression and that the democratic nations will be in trouble, so that the communists may be able to spread their theories. For the communists have the old idea which Hitler had, that if hard times come, bringing unemployment and hunger, the people can be told, "Put us in power, and your hunger and misery will disappear."

I think that we as Canadians are in favour of this bill, if for no other reason than to show the rest of the world that we believe the United States support the cause of free-

dom as strongly as we do, and that, along with the nations of the British Commonwealth and many other countries which are in favour of freedom, they are prepared to say to Russia and her satellites: "You cannot go on doing what you are doing. We shall not allow you to get into the position which Hitler was allowed to get into a few years ago."

Take the case of France. When did the French government put communist members out of the cabinet? Not until it felt assured that the United States, the United Kingdom, Canada and all the other Commonwealth nations would be behind it in any struggle it might have with the communists. These are things which I think should be said in this country.

I cannot forget—this is personal, and perhaps I should not mention it—I cannot forget a letter I received in New York from a boy who is pretty close to me. He said, "Dad we will be glad to see you when you come home, but don't come home until you make it so that I will never have to go back to Europe." That is the cry of the entire democratic world today. But we are going back to Europe, rather than have communism dominate this world; and the sooner we tell this to the communists, the better for this country.

I come from a city that has a larger proportion of communists than any other city in Canada. I am ashamed of it. We have a communist in the legislature, one on the school board and two in the city council. However, thanks to the local newspapers, and perhaps chiefly to the *Winnipeg Free Press*, the situation is being exposed, and now we are aroused to the problem.

I have no more to say, except that I am glad the government brought in this legislation.

Some Hon. SENATORS: Hear, hear.

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

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of the bill.

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

EXCESS PROFITS TAX BILL

SECOND READING

Hon. Mr. HUGESSEN (for Hon. Mr. Robertson) moved the second reading of Bill 270, an Act to amend the Excess Profits Tax Act, 1940.

He said: Honourable senators, this is a simple bill. It is introduced to implement that part of the budget resolutions which dealt with the Excess Profits Tax Act, and the meat of it is to be found in section 4, which states in part:

No tax shall be assessed, levied or collected under the Excess Profits Tax Act, 1940 on profits earned on and after the first day of January, nineteen hundred and forty-eight.

In other words, the Excess Profits Tax Act vanishes after the end of this year.

The remaining sections of the bill are more or less in the nature of machinery designed to give the act a proper and effectual burial. I do not know that I need go into any detail in that connection, but if there are questions about any section I shall do my best to reply.

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

THIRD READING

Hon. Mr. HUGESSEN: With leave of the Senate, I move that the 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 until Tuesday, June 17, at 8 p.m.

THE SENATE

Tuesday, June 17, 1947.

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

Prayers and routine proceedings.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

FIRST READING

A message was received from the House of Commons with Bill 254, an Act to amend the Canadian National-Canadian Pacific Act, 1933.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

RAILWAY BILL

FIRST READING

A message was received from the House of Commons with Bill 255, an Act to amend the Railway Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

CANADIAN NATIONAL RAILWAYS
FINANCING AND GUARANTEE
BILL

FIRST READING

A message was received from the House of Commons with Bill 258, an Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways system during the calendar year 1947, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

HUMAN RIGHTS AND FUNDAMENTAL
FREEDOMS

REPORT OF JOINT COMMITTEE

Hon. L. M. GOUIN presented and moved concurrence in the second report of the Special Joint Committee on Human Rights and Fundamental Freedoms.

He said: Honourable senators, your committee recommends that it be empowered to send for persons, papers and records, and to report from time to time.

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill D11, An Act for the relief of Eileen Francis Murphy Kerson.

Bill E11, an Act for the relief of Joyce Kathleen Reynolds Swards.

Bill F11, an Act for the relief of Anne Fishman Minsk.

Bill G11, an Act for the relief of Muriel Alice Goddard Perkins.

Bill H11, an Act for the relief of Irene Elizabeth Burke Robinson.

Bill I11, an Act for the relief of Gardner Hinkley Prescott.

Bill J11, an Act for the relief of Joseph Amedee Alexis Cousineau.

Bill K11, an Act for the relief of Mildred Verna Ruth Schnauffer Case.

Bill L11, an Act for the relief of Robert Ralph Tripp.

Bill M11, an Act for the relief of Charles James Langevin.

Bill N11, an Act for the relief of Edward Frank Fulton.

Bill O11, an Act for the relief of Pauline Bertha Marwick Dallison.

Bill P11, an Act for the relief of Evelyn May McNaught Grandison.

Bill Q11, an Act for the relief of Margaret Turner Shaw Ward.

Bill R11, an Act for the relief of Olivier Pierre Bernard Lagueux.

Bill S11, an Act for the relief of Hazel Mair Grant Rubin.

Bill T11, an Act for the relief of Doris Louise Dickson McMurray.

Bill U11, an Act for the relief of Ethel Florence Barr Shiells.

Bill V11, an Act for the relief of Gabrielle Augustine Gilberte Desmarais Creelman.

Bill W11, an Act for the relief of Christos C. Koukouvelis.

Bill X11, an Act for the relief of Aime Bibeau.

The bills were read the first time.

SECOND READINGS

Hon. Mr. ASELTINE: Honourable senators, with leave, I move that the bills be read the second time now.

The motion was agreed to, and the bills were read the second time, on division.

AIRPORTS

ORDER FOR RETURN

On the Notice of Inquiry by Hon. Mr. McGeer:

(1) Did the Dominion Government during the Dominion-Provincial Conference on Reconstruction, on page 24 in the Green Book entitled "Proposals of the Government of Canada," dated August, 1945, declare:

The Dominion Government is prepared to assume responsibility for the programme of airports and related air navigation facilities required to provide all the airports and facilities necessary for international services and main line services within Canada?

(2) What airports now in operation in Canada come within the classification of airports "necessary for international and main line services within Canada"?

(3) Where are the said airports located?

(4) In what authority is the ownership of each of the said airports vested?

(5) Under whose authority is each of the said respective airports operated and managed?

(6) Have the taxpayers of Halifax, Moncton and Montreal any investment or obligation in the airports serving their respective communities?

(7) What is the investment of the taxpayers of the city of Toronto in the Malton airport?

(8) Have the representatives of the corporation of the city of Toronto refused a proposal made by the Department of Transport for Air that the city of Toronto should take over the ownership and assume the management of the said airport under the terms of the said proposed agreement?

(9) What is the amount of the investment of the Government of Canada in the said airport?

(10) What are the terms of the agreement proposed by the Department of Transport to the city of Toronto?

(11) What is the investment of the city of Windsor in the airport serving that city?

(12) What is the investment of the Dominion Government in the said airport?

(13) Under what authority is the said Windsor airport operated and managed?

(14) What is the investment of the city of Winnipeg in the airport serving that city?

(15) What is the investment of the Dominion Government in the said airport?

(16) Under whose authority is the said airport at Winnipeg managed and operated?

(17) What are the terms of the agreement under which the said airport is managed?

(18) What is the investment of the city of Lethbridge in the airport serving that city?

(19) What amount of money has the corporation of Lethbridge invested in the said airport?

(20) What amount of money has the Dominion Government invested in the said airport?

(21) Under whose authority is the said airport managed?

(22) If managed under the terms of an agreement with the city of Lethbridge, what are the terms of the said agreement?

(23) What amount of money has the city of Edmonton invested in the airport serving the city of Edmonton?

(24) What amount of money has the Dominion Government invested in all airports in the vicinity of Edmonton?

(25) Under what authority is the airport in Edmonton used by the Trans-Canada Air Lines, operated and managed?

(26) What are the terms of the said agreement?

(27) What amount of money has the city of Vancouver invested in the Sea Island air base used by the Trans-Canada Airways, which serves the city of Vancouver?

(28) What amount of money has the Dominion Government invested in the said airport?

(29) Under whose management is the said airport being managed and operated?

(30) Has the Department of Transport proposed to the city of Vancouver an agreement with regard to the management and operation of the said airport?

(31) What are the terms of the said agreement?

(32) What is the investment of the city of Victoria in the airport serving that city?

(33) What is the amount of money invested by the Dominion Government in the said airport?

(34) Under what authority is the airport managed and operated?

(35) Why is it the policy of the Department of Transport to impose obligations on the taxpayers of the cities of Toronto, Windsor, Winnipeg, Edmonton and Vancouver that are not imposed upon the cities of Montreal, Halifax, Moncton and other cities in Quebec and the Maritime Provinces?

Hon. Mr. ROBERTSON: Stand as an order for return.

The notice stands as an order for return.

PORTS AND HARBOURS

ORDER FOR RETURN

On the Notice of Inquiry by Hon. Mr. McGeer:

(1) What ports and harbours in Canada are now managed, operated and controlled by the National Harbours Board?

(2) What ports and harbours in Canada are not operated by the National Harbours Board?

(3) Has there been any change made by the National Harbours Board in the financial arrangements or in the financial policies which have applied to the said ports and harbours referred to in questions 1 and 2?

(4) In what amounts have the said ports referred to in questions 1 and 2 been relieved of their respective debts either as to interest or principal or both, indicating the name of the port and the amount of debt from which each respective port has been relieved?

(5) What total expenditures have been made in each of the said ports since inception of the National Harbours Board?

(6) What are the revenues from each of the said ports showing in full and in detail the rates, charges and other levies imposed by the harbour authorities on ships, cargoes, foreshore and land rentals and any other rates, levies or charges made, or revenues secured in each of the said ports and harbours?

(7) What is the total indebtedness of each of the said ports?

Hon. Mr. ROBERTSON: Stand as an order for return.

The notice stands as an order for return.

THE LATE SENATOR MICHENER

TRIBUTES TO HIS MEMORY

Hon. WISHART McL. ROBERTSON: Honourable senators, I regret very much that it is my duty to inform this house that since we last met we have lost one of our most esteemed and distinguished colleagues. The Honourable Senator Edward Michener died in Ottawa on Monday, June 16, after a short illness.

Senator Michener was born on August 18, 1867, at Tintern, Lincoln County, Ontario. He was educated at St. Catharines Collegiate Institute, Victoria University at Toronto, and Wesley College, Winnipeg. In 1897 he married Mary E. Roland, who survives him, as does his family of three sons and four daughters. One son, the Honourable D.

Roland Michener, is a distinguished member of the present government of Ontario, holding the portfolio of Provincial Secretary.

Senator Michener enjoyed a wide association with business interests in the province of Alberta, and was keenly interested in military matters, holding the rank of Honorary Colonel.

Our late colleague distinguished himself in the political life of the country at all three levels of government. He was Mayor of Red Deer three times, and president of the Alberta Union of Municipalities. He represented Red Deer in the Alberta legislature from 1909 to 1918, and for the last eight years of that period he led the Opposition. In 1918, almost thirty years ago, he was appointed to the Senate, and ever since he had continued to be keenly interested in public affairs.

Senator Michener was already advanced in years when I was appointed to the Senate, but I cannot say how much I appreciated his kindly and happy disposition, and how deeply I was impressed with his wide knowledge and experience. Despite his advanced years he was a most faithful attendant of the sittings of the Senate and various committees, of which he was a very valuable member. He will long be missed from the halls of parliament, in which he was such a familiar figure.

Hon. JOHN T. HAIG: Honourable members, for some little time I have felt that our late colleague would soon be called to another sphere of activity. He was one of the pioneer men of our western provinces. Coming from one of the older provinces, well educated and well trained, he devoted his life to the welfare of his adopted province of Alberta. Men of his character and ability give life and direction to the people. He was a family man, with a large family of boys and girls thoroughly trained and well able to take their part in the life of this country. To us in the western provinces he was known as one of the pillars of righteousness and good living. Those of us who knew of him prior to coming to Ottawa recognized in him an outstanding leader of public opinion in Alberta, and naturally we were all delighted when the Union government appointed him to this chamber. Older members of the Senate know, of course, much better than I do the fine service he gave here to the cause of public life in Canada. He added to the strength and standing of the chamber by the singleness of purpose with which he carried on all his activities while here. He early forgot his political training, and followed as a guiding star what was in the best interests of Canada as a whole. I have been here for only twelve years—a rela-

tively short time, though longer than I like to admit—but in that time I came to trust his judgment. I felt I could always go to him and get information, based on what was in the best interests of not only his own province of Alberta, but of Canada as a whole.

The *Parliamentary Guide* mentions his business relations. He always believed that a large oil deposit existed under the whole province of Alberta. He was a constant advocate of the policy of development, and was one of the men who helped to forward the work of discovering oil in that province.

I can only add on behalf of those on this side of the house that we are glad he gave such great service to his country and to all of us, and we deeply regret his passing. He brought credit to the Senate, to Canada, and to the public life of this country.

Some Hon. SENATORS: Hear, hear.

Hon. J. J. DONNELLY: Honourable members of the Senate, as the late Senator Michener was one of the senior members of the Senate, it was my privilege to have been more or less closely associated with him for almost thirty years. I realize that the members who have been appointed here during the last fifteen years have not had an opportunity to appreciate him at his worth. His youth and early manhood were spent in Eastern Canada; and what you might call his active years were spent in the West. He was a member of the Legislature of Alberta for nine years, and during most of that time was leader of his party. With that background he came to the Senate well qualified to take an active part in the deliberations of this chamber. He did take an active and influential part in the proceedings for many years, but unfortunately about fifteen years ago he was afflicted with what laymen call a stroke. I know that gentlemen of the medical profession would tell me that that is not the proper term, but they may use another if they wish to do so. Although the stroke left him mentally strong he was more or less physically weak, and from that time on he was unable to participate in the work of the Senate as he had previously done; but he still took a keen interest in the work, and when he spoke, as he occasionally did, he was always listened to with close attention.

As the leader on this side of the house (Hon. Mr. Haig) has said, we were all glad to go to Senator Michener to get advice. During the present session he was a desk-mate of mine, and I had looked forward with hope to having him as such for many years; but that was not to be.

The late senator has left to mourn his loss Mrs. Michener, four daughters and three sons. One of his sons is, as the honourable leader of the government (Hon. Mr. Robertson) has pointed out, Provincial Secretary of Ontario.

I shall always remember Senator Michener as a cultured gentleman. I think it would be no mistake to refer to him as a gentleman of the old school. I join with other members of the Senate in extending to Mrs. Michener and the members of her family our deepest sympathy.

Hon. W. A. BUCHANAN: Honourable senators, I should like to say something about the late Senator Michener, because my acquaintance with him ran over the whole period of his parliamentary career. We entered the Legislature of Alberta at the same time, and I knew him in the few years I was there; and of course we became intimately acquainted as fellow-members of the Senate. As a citizen of Alberta he was all that has been said about him. He began his career in public life as mayor of Red Deer, one of the most progressive communities in the province, and I think it can be said that he was largely responsible for the type of government that town has had over a number of years. He was leader of the Conservative opposition in the Legislature of Alberta for two terms. The party achieved more encouraging results in the two provincial campaigns while he was leader than any time in the history of the province, from 1905 to the present day. That too may give some evidence of the standing he held amongst his own people in Alberta. He was looked upon as an honourable and straight-forward leader, and he was well acquainted with all the problems that had faced the province from almost the time it came into existence. I had a very high personal regard for him when he came into the legislature as an Independent Conservative, and I saw evidence of his independence through the years, even here in the Senate when sometimes he took a stand that was not wholly in accord with that of some of his colleagues and of some of us on this side. He stood by his convictions.

Before concluding my remarks may I pay tribute to the devotion of Mrs. Michener to the late Senator during his years of illness. She was most attentive to him and came with him to his room in the Senate almost every day. She was a wonderfully loyal companion to him. The members of the family, some of whom I know, were given the advantage of a good education, by a father who believed in education. All are a credit to the late Senator and to Mrs. Michener.

If I may assume to speak on behalf of his associates from the province of Alberta, I offer to the family and to his fellow-members in the Senate our sympathy and an expression of our regard and respect for him as one of our great colleagues.

Hon. ANTOINE J. LEGER: Honourable senators, I wish to associate myself with those who have already spoken in expressing sincere condolence to the family of the late Senator Edward Michener.

The passing of this honourable gentleman, as that of many others from this chamber since I became a member, in 1935, reminds me, as it must remind us all, that as the years go by our friends and colleagues of yesterday are rapidly disappearing. It is always with deep regret that we learn of their death; and we must admit that, with each passing, life becomes less cheerful.

May I evoke the recollection of those who have gone during the past twelve years by referring to them by name, to remind ourselves of their great valour, to cherish again their memory and pay them another tribute of respect.

Senator John McCormick, a leading citizen of Sydney Mines, entered the Senate in 1921 and died in 1935.

(Translation):

Dr. Emile Fortin, a brilliant and generous man, who passed away shortly after entering the Senate.

(Text):

Senator Charles Murphy, a talented Irishman, a debater of note and the leader of his fellow-countrymen in Canada.

Senator Charles McDonald, of Vancouver, whose illness prevented him from being introduced in this chamber.

Senator Smeaton White, a great newspaper proprietor and a talented journalist.

Senator H. C. Hocken, another journalist who had a notable career.

Senator Patrick Burns, who from a humble beginning became a man of wide influence, owner of the great Burns Packing business in Western Canada.

(Translation):

Senator Rodolphe Lemieux—who through personal merit and untiring hard work, was in turn barrister, parliamentary debater, writer, member of the House of Commons, minister, Speaker of the House of Commons, diplomatic envoy and senator—was one of the province of Quebec's most distinguished citizens.

(Text):

Colonel the Honourable Senator Arthurs was a man of great perseverance, humble in his manners, a tireless worker, with a fine military record.

Senator Aimé Bénéard, a practical and persevering man, was prominent in business. Here as elsewhere he commanded general respect.

(Translation):

Senator E. W. Tobin, fluent in both languages, was always most popular. It will be recalled that he spent more than forty years in public life.

(Text):

Senator A. E. Fripp of Ottawa was a member of the Ontario Legislature for three years, of the House of Commons for ten years, and of the Senate for four years. He was in declining health when he came here, but nevertheless he was greatly admired.

Senator A. J. Brown, though a great lawyer and associated with the leading industrial and financial activities of Montreal, seldom raised his voice in this chamber.

(Translation):

Senator J. P. B. Casgrain, endowed with an outstanding memory, could speak readily on all topics, so he spoke often. Of charming intercourse, he had a way of saying unpleasant things without offending. At eighty-three he had retained the carriage of a young man full of life.

(Text):

Senator James H. Spence had a very interesting career at the Bar, in Toronto. Unfortunately, he took ill a short time after his appointment to this chamber, and was thereby prevented from playing a very active role here.

Senator Frank O'Connor, a good fellow and a genius for organization, accumulated great wealth, with which he made continuous benefactions.

Senator H. W. Laird was a man of wide knowledge, particularly of the affairs of the West, and a great journalist. He also had a notable military career.

Senator John S. McLennan, a writer of note, owned and edited a newspaper in Cape Breton.

Major General the Honourable Archibald Hayes Macdonell was essentially a great soldier. He participated in all military expeditions in which Canada was interested from 1886 to 1918.

Senator Archibald B. Gillis first served in the Legislature of the North West Territories. He came to this chamber in 1921 and was often heard on matters pertaining to western problems, on which he was both informative and interesting.

Senator George Lynch Staunton was, in my estimation, a great lawyer. He took an active part in the deliberations of the Senate, and was always listened to attentively.

(Translation):

Senator Charles Bourgeois, an upright citizen with solid principles, straightforward in his thinking and of sound judgment, soon gained prominence at the Bar of his province, as well as the confidence of his colleagues. In the Senate we were able to admire his noble qualities, his courtesy and his steadfast adherence to his principles.

Senator André Fauteux, although a brilliant speaker, was seldom heard in this House because of his failing health. He was a perfect gentleman, noted for his kindness and his modesty.

(Text):

Lieutenant-Colonel the Honourable Lendrum McMeans first served in the Legislature of Manitoba. In 1917 he was summoned to the Senate, where he always worked hard and faithfully. We all remember him as Chairman of the Divorce Committee. Large and impressive physically, he was as well big-hearted and broad-minded.

(Translation):

Senator D. O. L'Esperance entered politics after a number of years of service with the Intercolonial Railway, with which he had held various positions. He was elected to the House of Commons in 1911, and shortly afterwards became Chairman of the Quebec Harbour Commission. In 1917 he was appointed to the Senate, where his colleagues soon learned to appreciate his business experience, his moderation and his unflinching courtesy.

(Text):

Senator Lorne Webster, of Quebec, was connected with many business enterprises and financial institutions. He was able, persevering, and charitable.

Senator J. J. Hughes, of Prince Edward Island, was a man of firm convictions, who had a practical way of looking at public questions. A constant student of the Holy Bible, he never hesitated to expound his views on religious matters in this chamber.

Senator J. D. Taylor, as a journalist, it has been said, was notable for his clarity of expression and conciseness. He was well informed on all questions, but spoke only on those with which he was thoroughly familiar, and therefore was always listened to with great interest and attention.

Senator John C. Elliott, before his appointment to the Senate, in 1940, had successively been Minister of Labour, Minister of Health,

Minister of Soldiers' Civil Re-Establishment, Minister of Public Works and Postmaster General. In all these positions he served his country faithfully and well.

Senator H. H. Horsey always took an active and useful interest in the work of this chamber.

Senator George Gordon commenced his business life at an early age and by means of ability, integrity and perseverance he soon attained a great success as a lumber manufacturer.

The Right Honourable Senator Raoul Dandurand when he died was an old and distinguished parliamentarian. From his entry into the Senate, in January 1898, until his death, in March, 1942, he took a great interest in the work of this chamber, wherein he soon became proficient. He had a remarkable career, both in the educational and political life of Canada.

Senator Edgar Rhodes, a distinguished son of Nova Scotia, had also an outstanding political career, both in the Legislature of Nova Scotia and in the House of Commons.

Senator William Henry Sharpe was for twenty-six years a member of this house. His familiarity with business, and his experience in western affairs enabled him to render great service.

(Translation):

Senator Joseph Rainville, a barrister, a businessman, and a man active in politics, was known for his assiduousness and his quest of lofty motives. He was a true Frenchman, endowed with a lucid and alert mind.

Senator Georges Parent, another son of Quebec, had an honourable career in the House of Commons and in the Senate. As our Speaker he was always fair, impartial and courteous.

(Text):

The Right Honourable George P. Graham had a long and distinguished career in the journalistic field, in the Legislature of Ontario, in the House of Commons and in the Senate. He was kind-hearted and always ready to render service and assistance.

Honorable Senator Louis Côté, a gentleman of high ideas, well versed in the law, in the comparatively short time of his existence did much for the welfare of the Canadian people in general, and particularly for the education of the youth of this country.

(Translation):

Senator Jules Edouard Prévost played an important role in the province of Quebec. In his excellent newspaper he was always a staunch advocate of educational progress.

Senator Pierre Blondin, always utterly sincere throughout his long political career, was at his best on the hustings and in both houses of parliament.

(Text):

Senator Sidney Little, always attentive to the work of the Senate, courteous and pleasant, has left a cherished memory amongst his colleagues and friends.

Senator Creelman MacArthur, of Prince Edward Island, had, as we remember, strong views on matters pertaining to his own province and never hesitated, when occasion arose, to make them known.

(Translation):

Senator Arthur Sauvé began his career as a journalist and later entered the political field. For over forty years, he was one of the outstanding political personalities of his province.

(Text):

Senator Rufus Pope was already old when I entered this house. I have been told that in his younger days he was a great fighter and a valiant champion of the Conservative party. From his demeanour in this chamber, I never had occasion to doubt it.

Senator B. Frank Smith had a long and active public life in the Legislature of New Brunswick, in the House of Commons and in the Senate. On the hustings he was bold and fearless; but of a kindly and sympathetic temperament, he made many friends.

Senator C. W. Robinson, of my home town, a good party man, but never a bitter partisan, occupied a very prominent place both in the political and business life of New Brunswick and of Canada.

Colonel the Honourable Senator Thomas Cantley was for sixty years a striking figure in Nova Scotia, both in the commercial and political sphere. A man of strong convictions, he never lacked the courage to uphold them.

Senator Frank B. Black had a remarkable career, occupying as he did a high position in the educational, business and financial world. He served this chamber well for nearly twenty-five years. As chairman of the Banking and Commerce Committee, he presided with ability, fairness and distinction.

Senator John Alexander Macdonald, an outstanding physician, served in the Legislature of Nova Scotia, in the House of Commons and in this chamber. Knowing how to make friends, he occupied a prominent place in his province.

(Translation):

Senator Onésiphore Turgeon, a great Christian, always proud of his country and deeply attached to his adopted province, had a long and fruitful career, both in provincial and federal politics.

Senator Hance Logan during his long political career always remained interested in matters pertaining to the welfare of the Maritime Provinces.

Senator W. A. Griesbach likewise had a long political career in the municipal, provincial and federal field of action. He was primarily a soldier, having attained the rank of Brigadier General and Major General.

(Translation):

The Honourable Sir Thomas Chapais, in turn barrister, professor of history, author of numerous outstanding works, journalist, member of the Legislative Council of Quebec, minister in the provincial cabinet, President of the Legislative Council, government leader in the Legislative Council and, finally, senator, was unquestionably one of the finest figures of the province of Quebec. In the Senate, as elsewhere, he had gained the admiration and respect of all by his kind and friendly approach.

(Text):

Senator A. D. McRae, a military man attained the rank of Major General. His association with various financial, industrial and administrative activities before he became a member of the Senate well qualified him for the active part which he took in all the work of this chamber.

Senator Charles E. Tanner, in turn lawyer, magistrate, town solicitor, officer in the militia, member of the legislature, leader of the Conservative party in his province, and a member of the Senate for nearly thirty years, possessed a wealth of information that served him in the transaction of the affairs of this house. He was a ready and able speaker.

Senator Duncan Marshall, successively teacher, journalist and publisher, agriculturist, member of the Alberta Legislature, member of the Legislature of Ontario, in turn Minister of Agriculture of both these provinces, then senator, had a distinguished career. A great lover of the soil, he never, in this house, missed an occasion to laud its virtue.

Senator Robert Francis Green had been a senator for a quarter of a century when he died, at a ripe old age. He first started in municipal life; afterwards was Minister of Lands and Forests in the McBride government; and later became a member of the House of Commons, and, finally, of the Senate. In all these positions he helped to make Canada a better country to live in.

Honourable senators, in the last twelve years fifty-eight senators have died, and four have resigned: Senators Arthur Meighen, Marcelin Wilson, E. D. Smith and G. H. Barnard.

Although senators are appointed for life, Providence has, at least during the last twelve years, made the personnel in the Senate subject to as much change as that in the House of Commons. The average term of office is not longer in the Senate than in the House of Commons; in fact, it is a fraction shorter.

In memory of our departed colleagues, may we reiterate our sentiments of respect and of admiration for their virtues and achievements; and for all the members of their respective families who remain may we again express our sympathy.

Hon. GRAY TURGEON: Honourable senators, I am rising for a moment on this occasion because, although I come here from British Columbia, I had the honour and the pleasure of sitting for some years with our late colleague in the Legislative Assembly of Alberta. We were in different political parties, but we became close personal friends. For that reason I wish to join in the tribute being paid to Senator Michener because of his accomplishments, and to add my word of sympathy to his widow and the other members of his family.

EXCISE TAX BILL

SECOND READING

Hon. SALTER A. HAYDEN (for Hon. Mr. Robertson) moved the second reading of Bill 271, an Act to amend the Special War Revenue Act and to change its title to the Excise Tax Act.

He said: Honourable senators, some amendments to the Special War Revenue Act are before us, and I think I should particularly direct your attention to the fact that it is proposed to change the name of the act from the Special War Revenue Act to the Excise Tax Act. The Special War Revenue Act was originally passed in 1915. At that time it was stated to be a temporary measure for the purpose of enlarging the revenues of the Canadian government in time of war. I call attention to this in a kindly spirit of warning that, while taxes easily grow upon us, it is difficult to get rid of them. We have persisted with the Special War Revenue Act from 1915 until 1947, and as it has now been decided that it is no longer to be of a temporary nature, it is proposed that its name be changed from one associated with a time of war. In the meantime the act has been carried through a period of two wars, and now although we are asked to approve a change in name, the taxes will still go on.

In the bill itself there is nothing very contentious. The Special War Revenue Act grew up by the addition of items as the search for

more revenues went on, and a lot of compartments were created in the act which resulted in a great deal of duplication in connection with returns and penalties; and now an effort is being made to consolidate some related parts and to repeal obsolete sections.

The second phase of the bill seeks to implement budget resolutions. May I deal with them first? The first budget resolution which the bill implements has to do with transportation taxes. It removes the transportation tax from foreign travel, so that when this bill becomes law there will be no excise tax on trans-Atlantic and trans-Pacific travel. This will mean that when travelling by direct route from a point in Canada to the United Kingdom there will be no tax. The tax, of course, would still apply on transportation from Canada to any place in the United States, just as it applies to travel in the reverse direction. The purpose of that amendment is to put our air transportation in the trans-Atlantic and trans-Pacific fields in a competitive position with that of the United States.

Several other changes have been made in this connection. For instance, the tax has been removed on air travel leading to logging, lumbering and mining centres, from the end of rail or steamboat transportation to the point where the passenger desires to be settled. The Governor in Council is given the power, as and when he may deem it necessary, to reduce or abolish the transportation tax.

The second budget resolution which the bill implements deals with one phase of the so-called sugar tax. In the last few years the excise tax on sugar and various components was reduced to one cent a pound, but the excise tax of two cents a pound was left on table syrups, including corn syrup. This bill seeks to amend the second schedule of the act by making the rate of tax on table syrups, including corn syrup, one cent a pound instead of two cents a pound.

The next budget resolution deals with the gasoline tax. As announced, this particular tax was repealed as of April 1 of this year, so it is now a *fait accompli*. The government, in removing that tax, gave up a possible source of revenue of about forty million dollars a year.

Among other resolutions that are being implemented is one for the collection of sales tax on taxable goods that are sold on instalment payments. Apparently the department had some unfortunate experiences in their interpretation as to the application of sales tax on instalment purchases, particularly where delivery was not made and where title to the goods did not pass. So to make

assurance doubly sure, it is proposed to amend the act so as to make the sales tax applicable whether or not property in the goods has passed and whether or not physical delivery of the goods has been made.

Heretofore the sales tax applied to the importation of goods when imported at the instance of government agencies, whether federal or provincial. There have been ramifications in the operation of all government agencies, and so as to make sure that the sales tax applies in every instance where any commercial operation is involved in the use to which the imported goods are to be put by the government or government agency, the act will make sales tax payable. For instance, goods brought in for resale or to be used by some government agency to work in with something else to be sold on a commercial basis, would fall into this category.

I should draw the attention of honourable members to the fact that the bill gives the force of law to an order in council passed during war time in relation to cigarette papers. In the early years of the war a small machine was developed which, by the use of a spool of paper—called continuous paper—was capable of producing a tremendous quantity of cigarettes. The government saw the possibilities for the use of these machines by small manufacturers located here and there, a situation which would present administrative difficulties in respect to excise tax. Therefore, by order in council the government imposed a limitation and licensing requirements on the importation and use of the continuous paper roll referred to in the act as "cigarette papers on spools or bobbins." The provisions of the order in council have been transferred into the bill under section 8, and the new subsection 4 of section 77A reads as follows:

Cigarette papers on spools or bobbins may be purchased or imported only by a manufacturer licensed under this act in respect of this part or licensed under section two hundred and thirty-eight of the Excise Act, 1934.

This amendment is desirable by reason of the fact that the amount of revenue which the government receives by way of excise duties and taxes from this particular item is very considerable. My information is that it exceeds ten dollars per thousand cigarettes.

There are some other matters, which I shall merely mention. Some provisions have been repealed and others have been incorporated into existing provisions, with the result that in the bill we have a more general set-up than if each part were shown in a separate and distinct statute. With all the repealing, amending and consolidating proposed by the

bill, I feel that after second reading it should be referred to a standing committee, so that we may hear the departmental officers.

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

REFERRED TO COMMITTEE

Hon. Mr. HAYDEN moved that the bill be referred to the Standing Committee on Finance.

The motion was agreed to.

PRIVATE BILL
SECOND READING

Hon. C. B. HOWARD (for Hon. Mr. Bouffard) moved the second reading of Bill C11, an Act to incorporate the Progressive Insurance Company of Canada.

He said: Honourable senators, this bill is in the regular form asking for the incorporation of an insurance company. The proposed company will come under the Canadian and British Insurance Companies Act. It has been approved by the Law Clerk of the Senate and by the Superintendent of Insurance, and carries the ordinary guarantee of security to policyholders.

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

REFERRED TO COMMITTEE

Hon. Mr. HOWARD moved that the bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

MUNICIPAL IMPROVEMENTS
ASSISTANCE BILL

SECOND READING

Hon. CYRILLE VAILLANCOURT (for Hon. Mr. Robertson) moved the second reading of Bill 256, an act to amend the Municipal Improvements Assistance Act, 1938.

He said: Honourable members, the purpose of this bill is to permit a municipal corporation which has undergone a reorganization to take over a loan made under the act to a former corporation.

The act was passed in 1938 to authorize loans to municipalities to finance self-liquidating projects, such as extensions to water or electric-light systems. Between 1938 and 1941 a total of almost seven million dollars was advanced to various municipalities for this purpose. After 1941 the loans were suspended because of the wartime shortage of materials and labour and the improved financial standing of most municipalities. In certain cases

the original municipal corporations have been reorganized; for instance, a local improvement district may become a village. This measure authorizes the transfer of the loan from the former municipal corporation to the new corporation.

Hon. Mr. ASELTINE: May I ask the honourable senator a question? Can he tell me what municipalities will be covered by this bill? Does it apply only to those which have already received assistance, or also to those which will be assisted in future? To how many municipalities does it apply?

Hon. Mr. VAILLANCOURT: A total of 109: Prince Edward Island 1, Nova Scotia 7, New Brunswick 7, Quebec 17, Manitoba 5, Saskatchewan 28, Alberta 23, British Columbia 21. The total amounts are more than seven million dollars; and this law was operative especially between 1938 and 1941.

Hon. Mr. ASELTINE: The bill does not affect any new municipalities?

Hon. Mr. VAILLANCOURT: No, not any new municipalities.

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

FARM IMPROVEMENT LOANS BILL
SECOND READING

Hon. Mr. VAILLANCOURT (for Hon. Mr. Robertson) moved the second reading of Bill 257, an Act to amend the Farm Improvement Loans Act, 1944.

He said: Honourable senators, Bill 257 is very short and is self-explanatory. Section 2 of the act is amended by adding thereto the following subsection:

(2) For the purposes of this act, and in respect of any farm improvement loan, for the purposes of the Bank Act, "livestock" includes poultry.

This means that a person who raises poultry may take advantage of the Farm Improvement Loans Act.

A short history of this legislation since it came into force on March 1, 1945, might be interesting at this stage.

Its purpose is to provide for certain loans to farmers who wish to improve their standard of living, through the purchase of farming implements or cattle, through repairs, or extensions to farm buildings, or electrical installations—in short, through the purchase or repair or extension of anything needed to improve the farmer's lot and to render life on the farm more attractive and working conditions easier.

People complain that rural areas are being deserted. It is no use trying to keep farmers and their sons on the land if we do not make

life easier for them. Some may claim that it is healthier to live outdoors. That is true. But the man who works eight hours a day can rest at night, whereas the farmer, particularly during the summer months, often has to work from dawn to dusk; so I say that if we care to have food to eat tomorrow we must take the necessary steps to keep the farmer on the land.

The total amount that can be loaned throughout Canada under this Act is \$250,000,000. Loans are to be made through the banks, under a government undertaking to make up losses up to 10 per cent. The loans are granted for a period not exceeding ten

years and the rate of interest is 5 per cent. The maximum amount for a single loan to an individual is \$3,000.

Between March 1, 1945, and December 31, 1946, the total amount loaned was \$13,262,307.65. Of this total, \$5,181,161.94 has been reimbursed, which is slightly more than 39 per cent of the total amount loaned.

Up to December 31, 1946, no claim had been received by the government from lenders for losses incurred.

I am placing on record a table showing loans made under the Act, in each province, during the years 1945 and 1946.

The Farm Improvement Loans Act, 1944

Classified by provinces:

	1945 (10 months)		1946	
	No.	Amount	No.	Amount
Alberta	1,633	\$1,250,447.85	4,798	\$3,388,114.70
Saskatchewan	1,035	834,498.85	4,075	3,140,157.35
Manitoba	751	537,450.53	1,928	1,397,538.74
Ontario	586	523,518.11	1,443	1,369,371.47
Quebec	150	111,965.75	193	146,639.00
British Columbia	71	66,849.83	467	343,706.21
Nova Scotia	37	23,213.40	76	55,617.11
New Brunswick	29	26,437.20	42	34,541.16
Prince Edward Island	19	7,360.50	8	4,880.00
	<u>4,311</u>	<u>\$3,381,742.02</u>	<u>13,030</u>	<u>\$9,880,565.74</u>

From this table it will be noted that, in 1946, out of a total amount of \$10,000,000 loaned and out of 13,030 loans, the province of Quebec has granted only 193, totalling \$146,639. Considering its population and number of farmers, it may seem surprising that the loans in Quebec should be so slight. The explanation, however, is quite simple: there is, in Quebec, an organization which has been active for the past 47 years and which lends and will continue to lend without any assistance from the government. At present, outstanding credit union loans to farmers in rural or semi-rural areas total almost \$20,000,000, and for the past two or three years that is approximately the yearly amount which our credit unions have advanced to farmers.

In spite of the millions loaned by our credit unions, losses are practically unheard of. Do you wonder why? Because the first security we require from our borrowers is the moral guarantee, and that remains the most trustworthy.

This Farm Improvement Loans Act is and will continue to be remarkably useful to our agricultural population. We hope that in the

future it will be implemented in the same spirit and will bring equally good results. This act is not only practical, but it is also humanitarian.

Hon. Mr. EULER: May I ask the honourable senator a question? Are those loans made direct by the government, or by a guarantee by the government to loaning institutions, such as banks?

Hon. Mr. VAILLANCOURT: The loan is made by the bank, and the government guarantees only 10 per cent of losses.

Hon. Mr. EULER: And has the government any guarantee, supposing it is called upon to make good to the banks?

Hon. Mr. VAILLANCOURT: No.

Hon. Mr. DAVIES: Of the loans made up to the present time, what has been the percentage of losses?

Hon. Mr. VAILLANCOURT: Nothing. The scheme has been operating for only twenty-two or twenty-three months.

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

INCOME WAR TAX BILL
MOTION FOR SECOND READING

Hon. **SALTER A. HAYDEN** (for Hon. Mr. Robertson) moved the second reading of Bill 269, an Act to amend the Income War Tax Act.

He said: Honourable senators, the bill which we have before us provides a number of amendments to the Income War Tax Act. Since the general tone of the bill provides for a reduction in rates, one must accept reductions in taxation kindly and sincerely. Nevertheless, I must point out the other things that the bill does, because I have always found that in the beginning legislation of this kind proceeds along a certain plan or principle, and then the old method of trial and error starts to work out and it is claimed that doors are found to be opening up which it was thought never might open, and blocks are put in the law which may possibly change its principle. That is what has happened as to some of the amendments that are proposed in this bill. Some of them are ameliorative; that is to say, they are to the advantage of the taxpayer. For instance, during the war years exemptions allowed for dependents were limited. Under the act a man supporting dependents—a wife, or children, or other dependents—was not entitled to an exemption unless the dependents were qualified on a residence basis. For example, they qualified if they resided in Canada, or in another British dominion, or in a country contiguous to Canada, or in some country allied with Canada in the conduct of the war in which this country was engaged. However, the legislation is being broadened by the amendment, and so long as a man can establish that he is supporting a dependent, wherever that dependent may live, he is qualified to apply for exemption.

In another direction the government is reaching out. It expects to get four million dollars in additional revenue this year from Canadian subsidiary companies with parent companies abroad, such as in the United States. Heretofore there was a provision in our Income Tax Act that dividends passing from Canadian subsidiary companies to foreign parent companies under these circumstances were not taxable. This exemption is now being repealed, and provision is made for a specific tax, at the rate of five per cent, on non-resident companies upon their receipt of the dividends. In the next breath provision is made for what is called foreign tax credits, by recognizing that companies should not be subject to tax upon the same revenues in two different countries and that there should be setting-off privileges.

That represents largely the policy of the government as contained in the act today. At present the law allows a Canadian company a set-off against its Canadian tax in respect of the tax paid to a foreign country, in connection with the dividends received from a company in that foreign country, if the Canadian company owns the other company one hundred per cent. That is now modified so as to provide that anything over fifty per cent ownership will establish entitlement to foreign tax credit.

Honourable senators know that during the war years in Canada taxes on salaries and wages were deducted at the source, and the employer was obligated to remit the taxes to the government. A man might work at the rate of \$50 a week for three weeks and his employer, in deducting the tax, would compute it on the basis that the man earned \$50 a week throughout the year. Therefore, in the earlier war years considerable excess taxes were paid in to the government by employers on behalf of employees, and then there arose the problem of getting refunds. Some taxpayers were slow in applying for their refunds and many of them lost their rights to do so because application had to be made in writing within twelve months of the close of the calendar year in which the payment was made. That time is now extended, and any claim arising prior to December 31, 1945, may be asserted up to December 31, 1948. In addition to that it is also provided that without any obligation and of his own volition the minister may, at or prior to the time of the issue of the notice of assessment, make a refund. If he does not do that, the taxpayer himself, after receiving the notice of assessment, may apply in writing for a refund, within two years from the end of the calendar year in which payment was made, or within twelve months of the date at which notice of assessment was issued: whichever is the later. I think the government is attempting to give the person who may have accumulated refunds every possible leeway in getting his money back.

Hon. Mr. **EULER**: My honourable friend stated that the government may return that money without an application being filed.

Hon. Mr. **HAYDEN**: Yes.

Hon. Mr. **EULER**: Will it be the practice of the government to give it back, if it is known that a taxpayer is entitled to it?

Hon. Mr. **HAYDEN**: I am simply stating the various provisions in the bill. I would not expect that every taxing officer in every

jurisdiction would be equally alert. Some of them would see to it that a refund was made wherever the taxpayer had paid too much.

Hon. Mr. EULER: There should be consistency in the practice.

Hon. Mr. HAYDEN: I agree, but I think it is the part of wisdom for the government to provide the taxpayer with as many means as possible for getting his money back. Either the government may refund it without application, or the taxpayer himself may ask for a refund.

Hon. Mr. LEGER: Will it actually be a refund or simply a credit?

Hon. Mr. HAYDEN: A refund.

Hon. Mr. DAVIES: May I ask the honourable senator a question? If a resident of Canada now underpays his tax he is sent a notice and given so long to pay the balance, and if he does not do so he is subject to a fine. When he overpays, will the government refund the overpayment within any reasonable time? At present it usually takes a year or more to get a refund from the department.

Hon. Mr. HAYDEN: The difficulty, as I see it, is that the government cannot determine whether the taxes have been overpaid or not until the amounts returned have been investigated and assessments made. As my honourable friend (Hon. Mr. Davies) must know, in the last year assessments have been brought pretty well up to date. I believe the assessments on personal income tax must now be determined up to the end of 1945. I know that they are in the Toronto area, and I expect that they are in other areas as well. However, until a notice of assessment is made and the tax determined, the government cannot say whether or not a man has overpaid his taxes, and consequently it cannot make a refund. I have found that if companies report that they have overpaid their taxes for the preceding year, the department looks into the figures furnished but will not give a refund in those circumstances. If it finds there has been overpayment it will transfer the excess as a credit for the following year. In that way the government keeps the money, but it goes forward to the taxpayer's credit next year.

Hon. Mr. ASELTINE: In my experience that is the general practice with everyone, not only with companies.

Hon. Mr. HAYDEN: It may be the general practice, but I speak from a fairly broad knowledge of the actual physical refund being

made where the assessment has been determined and it is shown that the taxpayer has overpaid his tax liability.

Hon. Mr. ASELTINE: The department usually writes me to the effect that it will apply the overpayment on the next year's taxes.

Hon. Mr. HAYDEN: May I refer to another door that is being closed? Honourable senators will recall that by the Income War Tax Act a dividend passing from one corporation to another, within certain limitations, is not taxable in the hands of the recipient corporation. Shares may be redeemed at a premium of 2, 3 or 4 per cent above the issue price. For instance, preferred shares issued at \$100 may be redeemable at \$102½ or \$103. The difference between what the company receives for the shares and what it pays to buy them back on redemption is called premium. Under the act as it stands the premium is called a dividend. When shares belonging to an individual are redeemed the dividends received are considered to be taxable income in his hands; but when a company receives dividends from another company they are not taxable. A fair practice, I believe, has developed, whereby the individual, in order to get himself on a par with the corporation, can sell his security, after it has been called for redemption and before redemption date, to a corporation, and avoid income tax to the amount of the dividend. That door is being closed by this bill, and provision is made that where a corporation redeems its shares at a premium the amount of premium received on and after May 31, 1947, must be included in the computation of income tax for that year.

Hon. Mr. McDONALD (King's): What section does the honourable gentleman refer to?

Hon. Mr. HAYDEN: Clause 8 of the bill, repealing Section 17 of the act.

Hon. Mr. LEGER: When is the provision to become effective?

Hon. Mr. HAYDEN: It is effective in respect of any such premium on redemption of shares on and after May 31, 1947.

Hon. Mr. EULER: Dividends paid by one corporation to another are not now taxable. Is there any change in that respect?

Hon. Mr. HAYDEN: No, except that the premium is no longer considered a dividend for purposes of income tax.

Hon. Mr. EULER: I was referring to the regular dividends of a company.

Hon. Mr. HAYDEN: No, there is no change.

A change is made where security is received in lieu of interest or dividends. For instance, there may be arrears of interest on bonds which have been in default for a number of years; or shares may be cumulative in the sense that dividends on them have not been paid but have been allowed to accumulate for a number of years. If a reorganization takes place in those circumstances new bonds might be issued consolidating the principal and accumulated arrears of interest, or a new type of share security might be issued consolidating the arrears of dividends and the capital value of the previous shares. The department by this bill proposes to establish the principle that the tax liability in respect of that something which is received in relation to the accumulated arrears of interest or dividends, shall fall in the year in which the funding security is received by the bondholders. That applies on and after January 1, 1947.

In order to arrive at the taxable income from this source it is necessary to determine the value of the security, or the portion of its total value applicable to that element of interest or dividends which is required to be included in the income tax return of the person receiving that security in the year in which he receives it.

Hon. Mr. EULER: That is also the case, is it not, on accumulated bond interest?

Hon. Mr. HAYDEN: Yes, on bonds and shares.

Hon. Mr. EULER: That has been the case in the past?

Hon. Mr. HAYDEN: No; the tax liability has not applied to the year in which the security was received.

Hon. Mr. EULER: May I interrupt my honourable friend further? I know of an individual case in connection with Province of Alberta bonds which were in arrears. For some years only 50 per cent of the interest was paid. At a later date I believe the province recognized the liability and paid the full 100 per cent. Some bondholders did not cash the coupons on the basis of 50 per cent, because in doing so they would lose all chance of getting the other 50 per cent. If they accepted the accumulated interest for a period of seven, eight or ten years they were made liable for income tax on that amount in the year in which they received it, instead of apportioning it to the years in which the interest was earned.

Hon. Mr. HAYDEN: My friend is introducing something new. In connection with the Alberta bonds he is referring to payments on the balance of interest, whereas I am

talking about a provision by way of amendment. But let us suppose that the province of Alberta, instead of paying the unpaid accumulated arrears of 50 per cent, had issued debentures for the full amount of its obligation and handed them to the bondholders. In those circumstances the bondholders would be receiving security for money, but could not receive the money. If one receives *qua* interest it represents income in the year in which it is received, the same as salaries, profits from business operations or anything else. But heretofore if one received security as a consolidation and as an evidence of the accumulation of unpaid interest, it represented a different measuring stick and different timing for the determination of income. The department by this amendment says that if one receives a security, the tax liability is determined and falls in the year in which he receives the security.

Hon. Mr. CRERAR: That is a change in the regulations?

Hon. Mr. HAYDEN: That is a change.

Hon. Mr. EULER: Has that not always been the situation where one received a stock dividend in lieu of a cash dividend?

Hon. Mr. HAYDEN: No, a stock dividend is something else. There is specific provision in the Income War Tax Act.

Hon. Mr. EULER: The principle is exactly the same.

Hon. Mr. HAYDEN: I am not quarrelling with it. I am merely pointing out that the department is now proposing by amendment to the Income War Tax Act to make for the first time tax liability on arrears of interest and dividends, when funded, applicable to the year in which the security is received. Whether that principle is new or old, it is a new application of it.

Hon. Mr. CRERAR: I think that is a very important feature. For instance, if preferred stock bearing interest at 5 per cent is in arrears for five years and a reorganization takes place, and the holder of such stock is given a new security for \$25 on each share, is the new security treated as a profit for the year in which it is received?

Hon. Mr. HAYDEN: It is treated as income.

Hon. Mr. CRERAR: That seems to me to be a rather drastic measure.

Hon. Mr. HAYDEN: Honourable senators will recall that last year the Income War Tax Act was extended in its scope to deal with certain phases of co-operative enterprises.

This same principle has now been extended to allocations in proportion to patronage, and in the determination of income for tax liability they shall apply in the year in which the allocations are received and not to the time the payment is made.

There are several other points, which, if I may, I will hurry through. There is the question of deferred maintenance and repairs. A peculiar situation existed in this connection to which I should call your attention. Under certain circumstances, a taxpayer carrying on a business or doing underground work in connection with the operation of a mine was given the privilege of charging against his operations in a year a percentage of what was called deferred maintenance and repairs. During a certain period of the war it was desired not to handicap the war effort by having labour expended on such things, but the taxpayer was to be enabled to proceed at a period which would be proclaimed by the Governor-in-Council. This year, I believe, an order in council was passed, P.C. 1502, providing for the period. Then, I understand, difficulties developed in connection with the housing programme, and it was suggested that to enable the mines to get the benefit of doing deferred maintenance in competition with the development of housing projects was wrong, so it has now been provided by amendment of this section of the Income War Tax Act that they will get the benefit of this deferred maintenance and repairs in a twelve months period to be fixed by the Governor-in-Council, ending not later than December 31, 1950.

Then, to overcome the effect of having passed the order in council, the amending section goes on to provide that Order in Council 1502, already made, dictating or providing for such a period shall be deemed not to have come into force.

Then in connection with mining and logging companies that are subject to provincial income tax, the government under the act provides certain deductions from the federal tax otherwise payable, but the tax deductible must be taxes imposed on the same income or part of it. In other words, it is not on a tax paid basis, which might be a year ahead or a year behind; the provincial and federal taxes made up must be in relation to the same income; and in these circumstances you can deduct your provincial income taxes on logging and mining operations from the amount of federal income tax otherwise payable. That applies to 1947 and succeeding years.

Then there is a section in the bill providing for returns of information. It struck me as being a little bit ambitious in its scope, because one would suggest that under the Income War

Tax Act at the present time there is almost every bit of power and machinery possible for gathering every bit of information the department may want. But provision is made in clause 1 of the bill giving the Governor-in-Council power to make regulations, first of all prescribing the evidence required to establish facts relevant to assessments under the act, and secondly, requiring any class of persons to give any class of information required under the Act. That strikes me as being important and certainly a little unusual. I wonder how far its effect would go if the assessment were questioned and the matter got into the courts, for the Governor-in-Council by regulation may prescribe the evidence required to establish facts relevant to assessments under the act. How that may or may not interfere with the determination of facts, if you got before the court, as to whether you were properly assessable or not, I am not prepared to say. But it does seem to have elements which might be some cause of danger.

Another phase dealt with, another door which is closed, is in connection with private companies. Under part 18 of the Income War Tax Act, enacted two years ago, the idea behind dealing with private companies was this. There are a number of companies where a man, by his own individual initiative, may over the period of a lifetime have developed a business enterprise by himself, or with himself and family. Instead of taking the money out he has plowed it back into betterment of buildings and equipment and built up a very substantial surplus. He did that, say, between 1917 and 1939, when over a very considerable period the rate of tax was quite low. Then these people, growing older, with substantial surpluses, high income tax rates, and high succession duty rates, were faced with an almost impossible situation if their families attempted to liquidate that sort of business. As a matter of fact in many instances it was demonstrated before the commission of inquiry that, after you paid out all the surplus in dividends in order to provide money to pay succession duty on the value of the shares, the income tax on the dividends might be such that you would be minus enough money to pay the succession duty. The government, recognizing that inequity, enacted a special part of the Income War Tax Act providing a basis and rate of tax over all on which surpluses of undistributed income accumulating to the end of 1939 could be taken out. It was a new section, with new provisions, new methods and new formulae; and as a result, doors were opened which they did not expect; and a part of this enactment has to do, of course, with the closing of these

doors. For instance, getting back to the same question of dividends passing from one corporation to another as not taxable, or, until the end of 1942, the recipients of dividends from family corporations being in the position that the dividends were not taxable in their hands: some of these companies were family corporations, and some of the shareholders of private companies were private companies again; and one situation that developed was that if a private company sought to take advantage of this relief provided in the Income War Tax Act, and to make its election and pay this tax at the end of December, 1944, which was the critical period, at that time you might find that one of the shareholders of that private company was another company, so that the amount of income that would go to it might not be taxable in any event, and there might be no distribution until 1945 or 1946. In the meantime some individuals might come along who were alert enough to purchase the shares from the corporation that was the shareholder. So when the dividend was paid they were in receipt of non-taxable income in that form amounting to substantial sums in these cases. So the department in this bill works out special provisions dealing with that sort of situation, and imposing a tax at the end of the road. In those circumstances one does not, through that—shall we say—evolution, escape the burden of taxation which such transactions were intended to carry.

Hon. Mr. EULER: It will not be retroactive, I suppose?

Hon. Mr. HAYDEN: Yes.

Hon. Mr. EULER: How far back?

Hon. Mr. HAYDEN: I am sorry that I cannot give you the date. You will find it on page 11; clause 14, dealing with new section 97 of the Act. You may look at the explanatory note.

I think at this stage I should make this comment, that, in all the years during which I have had to consider legislation and read bills which were being introduced, I have never found any taxing act whose explanatory notes were so complete and so understandable as we find in the Income War Tax bill this year. I intended before I finished to make some comment on that, because the work is really very well done.

Now then, on this matter we were talking about, namely private companies, you will find this statement in the explanatory note:

To give effect to paragraph 13 of the resolution which provided "that a tax be imposed on an individual who holds shares of a private

company that paid tax on undistributed income in accordance with section 96 of the Act, which shares were held on December 31, 1944, by a corporation or other shareholder who would not have been liable to tax in respect of dividends on the shares so that the private company was not required to pay tax on the respective portion of undistributed income, such tax to be payable in respect of dividends paid to the individual out of the said respective portion of undistributed income, at the following rates:

(a) where the shares were acquired by the individual in the years 1945 and 1946—at a rate of 15 per cent; and

(b) where the shares were acquired by the individual on or after January 1, 1947—at the rate that the private company would have paid tax on the respective portion of the undistributed income if an individual had held the shares on December 31, 1944."

Hon. Mr. FARRIS: Why the difference between the two dates?

Hon. Mr. HAYDEN: I cannot answer that. It may be to recognize the fact that if transactions were completed in 1945 and 1946 a fifteen per cent rate is enough to charge, because the person who was making them had no idea he was going to pay any tax.

Hon. Mr. EULER: They were within the law at the time?

Hon. Mr. HAYDEN: Yes.

Hon. Mr. DAVIES: May I ask the honourable senator a question? Supposing that an individual had a large share in a company and owing to high income tax, when dividends were paid, instead of taking his shares for himself, he formed another company and handed the shares over to this second company, so that the dividends would be going from the parent company to the subsidiary company, what would happen to that individual when he tried to get the money from the second company?

Hon. Mr. HAYDEN: That depends. First, I should say that the definition of a private company is enlarged in the present amendments so as to include up to seventy-five shareholders other than those who are officers or employees. Heretofore, it was fifty shareholders. It is difficult to conceive that the kind of company that the honourable senator from Kingston (Hon. Mr. Davies) speaks about would have more than seventy-five shareholders, so it would be classified as a private company. In those circumstances, of course, you have got to go back to see what the rates are on undistributed income. The government has even enlarged this now on a basis set out in the amendments for private companies incorporated after that zero date, December 31, 1939. Conditions are provided on which they may distribute all undistributed income subject to tax.

Hon. Mr. DAVIES: Can the undistributed income be taken out of the second company at the rate prevailing today rather than the former rate?

Hon. Mr. HAYDEN: No. Let me put it this way. To deal with that sort of situation, where the surplus is accumulated over a great many years, the rates are substantially lower than the prevailing rates, so that it is intended to be a benefit. It does not go the whole way, and I feel it could go much farther because it is certainly putting a penalty on industry and enterprise, since out of some of those accumulations over a period of a long time great businesses have developed and substantial employment and wealth for Canada have been built up. Yet, because people did not take their money out as they went along, because they were more concerned about building up a permanent industry and enterprise in Canada, they ran into the penalty of very high taxation, almost confiscatory taxation. This is intended to relieve that.

Hon. Mr. ASELTINE: That only applies to profits built up in that way prior to 1939, does it not?

Hon. Mr. HAYDEN: Yes, but what I am pointing out now is that in the amendments provision is made to carry the thing through in relation to a private company incorporated after 1939.

Hon. Mr. ASELTINE: Let me give you an example. Say that a private company was incorporated in 1930 and it made no profits until after 1939. The company has made considerable profits since that time, and they are all in the business. What is it going to cost to take them out? Will it cost the regular taxation rate or a rate under this measure?

Hon. Mr. HAYDEN: That is one of the questions I have marked down to ask the representatives who appear before the committee. The department has covered a certain situation up to that date, but whether it was intended to deal with accumulations after 1939 I am not at all sure.

Hon. Mr. ASELTINE: We have many of these companies in Saskatchewan which did not make any money during the depression, but since 1939 certain surpluses have been accumulated and they have not been able to draw the money out except at the current rate of taxation.

Hon. Mr. HAYDEN: There are also two provisions dealing with the new tax rates of individuals. You have a composite rate for 1947, and then you have a new rate for 1948. The composite rate for 1947 is set out in a

schedule to the bill. Generally speaking, what is done is to add together the rate existing before this bill was introduced and the rate existing afterwards and split them. That composite rate is the rate that applies. For instance, the prevailing rate on the first \$500 is twenty-two per cent. The new rate is ten per cent. Adding the two rates we get thirty-two per cent, and we find that the starting rate for 1947 is sixteen per cent. For 1948 it is substantially lower. Honourable senators can look at the schedule themselves as set out in the act.

There is another provision dealing with deductions to a taxpayer exploring and drilling for natural gas and oil, and for minerals, and also in the case of companies engaged in the refining and marketing of petroleum and in exploratory work—deep drilling, oil drilling and geophysical work and so on. Heretofore, a percentage of the expenses was permitted to be deducted from taxes. There is a departure in this amendment which permits one to deduct the entire expenses from income, but the result is the same as if permission were given to deduct say 20 or 22 per cent of the expenses from the tax. While it puts one on the same basis, it seems to be a more sensible approach to the matter.

I am frank to say that from reading the pertinent sections of the bill I have not been able to relate to the whole set-up some particular clauses dealing with the allowing of deductions to taxpayers engaged in various occupations. Someone may have slipped up in the drafting of the bill. I know that it was subject to amendment in another place and was printed hurriedly. There may be some connecting link that is not quite correct, but I am sure we can clear that up. The principle is clear, that the expenses may be deducted from income.

Hon. Mr. McDONALD (King's): Will the honourable senator please tell me what section relates to appeals?

Hon. Mr. HAYDEN: The appeals are in the original act, and are not dealt with here.

Hon. Mr. ASELTINE: Will the honourable senator tell me when the new Income Tax Act is to be brought down?

Hon. Mr. HAYDEN: I am sorry, I am not in a position to say.

Hon. Mr. McLEAN: I would like to ask the honourable senator a question. He spoke about the 5 per cent tax on subsidiary companies operating in Canada. Does that pro-

vision apply only to companies from the United States or does it also apply to United Kingdom companies?

Hon. Mr. HAYDEN: The provisions of the reciprocal tax agreement between Canada and the United Kingdom are such that this tax would not apply on dividends as between the two countries. There is no such reciprocal provision in our agreements between Canada and the United States. So in these circumstances a Canadian subsidiary of a foreign company, being a United States company, in declaring dividends payable to a non-resident parent company would have to deduct 5 per cent.

There is one provision which I think may in its full application create some complications. But it is no part of my duty to point out possible legal complications; I am simply explaining the intentions of the bill.

Hon. Mr. McLEAN: I think the agreement with the United Kingdom expires at the end of this year. Is it automatically renewed after 1947?

Hon. Mr. KINLEY: Has Canada a reciprocal agreement with the United States on the question of taxes?

Hon. Mr. HAYDEN: We have on many phases of our income tax, but this situation relates to Canadian subsidiaries.

Hon. Mr. KINLEY: It is a new provision?

Hon. Mr. HAYDEN: There is no parallel.

Hon. Mr. KINLEY: It is a new tax and it may be the subject of a reciprocity.

Hon. Mr. HAYDEN: It could be the subject of a supplementary agreement, but in the meantime it is effective taxation.

Hon. Mrs. FALLIS moved the adjournment of the debate.

The motion was agreed to.

THE LATE SENATOR MICHENER'S FUNERAL

On the motion to adjourn:

Hon. Mr. ROBERTSON: Honourable senators, may I call your attention to the fact that the late Senator Michener's funeral is being held at the Dominion United Church tomorrow, at 2 o'clock in the afternoon. In order to accommodate honourable members who wish to attend the service it had been my intention to ask that the house be adjourned until a later hour than 3 o'clock; however, I have been assured that the service will not be long, and I believe that we shall not inconvenience anyone by adjourning until the usual hour tomorrow. Should

honourable members attending the funeral not have returned by 3 o'clock, the ringing of the bell will be delayed until they have arrived.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 18, 1947.

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

Prayers and routine proceedings.

PRAIRIE FARM ASSISTANCE BILL

FIRST READING

A message was received from the House of Commons with Bill 261, an Act to amend the Prairie Farm Assistance Act, 1939.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

PENITENTIARY BILL

REPORT OF COMMITTEE

Hon. T. J. BOURQUE presented the report of the Standing Committee on Public Health and Welfare on Bill 177, an Act to amend the Penitentiary Act, 1939.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 10, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. ROBERTSON: With leave of the Senate, I move that the bill be read the third time now.

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

DIVORCE BILLS

THIRD READINGS

Hon. Mr. ASELTINE moved the third reading of the following bills:

Bill D11, an Act for the relief of Eileen Francis Kerson.

Bill E11, an Act for the relief of Joyce Kathleen Reynolds Swards.

Bill F11, an Act for the relief of Anne Fishman Minsk.

Bill G11, an Act for the relief of Muriel Alice Goddard Perkins.

Bill H11, an Act for the relief of Irene Elizabeth Burke Robinson.

Bill I11, an Act for the relief of Gardner Hinkley Prescott.

Bill J11, an Act for the relief of Joseph Amedee Alexis Cousineau.

Bill K11, an Act for the relief of Mildred Verna Ruth Schnauffer Case.

Bill L11, an Act for the relief of Robert Ralph Tripp.

Bill M11, an Act for the relief of Charles James Langevin.

Bill N11, an Act for the relief of Edward Frank Fulton.

Bill O11, an Act for the relief of Pauline Bertha Marwick Dallison.

Bill P11, an Act for the relief of Evelyn May McNaught Grandison.

Bill Q11, an Act for the relief of Margaret Turner Shaw Ward.

Bill R11, an Act for the relief of Olivier Pierre Bernard Lagueux.

Bill S11, an Act for the relief of Hazel Mair Grant Rubin.

Bill T11, an Act for the relief of Doris Louise Dickson McMurray.

Bill U11, an Act for the relief of Ethel Florence Barr Shiells.

Bill V11, an Act for the relief of Gabrielle Augustine Gilberte Desmarais Creelman.

Bill W11, an Act for the relief of Christos C. Koukouvelis.

Bill X11, an Act for the relief of Aime Bibeau.

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

MUNICIPAL IMPROVEMENTS ASSISTANCE BILL

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of Bill 256, an Act to amend the Municipal Improvements Assistance Act, 1938.

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

FARM IMPROVEMENT LOANS BILL

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of Bill 257, an Act to amend the Farm Improvement Loans Act, 1944.

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

INCOME WAR TAX BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill 269, an Act to amend the Income War Tax Act.

Hon. IVA C. FALLIS: Honourable senators, as all members of this house are aware by this time, the chief criticism which has been levelled at the budget recently brought down in another place has been from that group of wage earners whose yearly earnings are not sufficient to bring them within the Income War Tax Act. They are subject to the sales tax and all the other direct and indirect taxes which are in existence, and the budget brought them no relief. There has been a protest from that very large group in this country, because they feel that there is discrimination; that when benefits were being handed out it should have been by removal of the sales tax, or in some way that would have benefited all groups in the community, and not simply those who were paying income tax. But I have no doubt that the government will reserve that action until what it considers a more propitious occasion.

Hon. Mr. EULER: Meaning—?

Hon. Mrs. FALLIS: There is another very large group of people in this country to which I wish to refer particularly this afternoon, a group who also feel that they are being discriminated against in the income tax law. I brought this matter to the attention of the house on a previous occasion and, while I must admit that my efforts to date have not produced any tangible results, still, because the matter is of vital concern to thousands of women across Canada and is having a very harmful effect upon community life in many respects, and because women's national organizations have gone on record as being opposed to the legislation and many women have asked me to speak further on their behalf, I beg the indulgence of the house for a short time this afternoon while I again discuss the matter.

I refer to the legislation that was enacted at the last session whereby the amount of tax-free money which a married woman may earn outside of her home was reduced from \$660 to \$250 a year. After her earnings pass the \$250 stage her husband's exemption is affected in proportion to the amount of her income. I think honourable senators will agree with me that at the present time the demand for women workers in practically

every line of activity throughout Canada far exceeds the supply. This is especially true in those occupations where the work is done almost exclusively by women; that is, occupations in which men either cannot or will not replace women. In all seasonal and part-time industry the work is of course done almost exclusively by women, for the obvious reason that men cannot take jobs that last for only part of a year. Teaching in the public schools is done largely by women, because of the small remuneration. At the beginning of last year 4,200 school units in Canada were closed on account of the shortage of teachers; and I am told by people who are in close touch with the situation that more married women teachers will resign in future if the reduced exemption is continued, in which event the shortage will become much worse and more schoolrooms will be closed.

But the one field of service in which the ill effects of this legislation are felt more than in any other, not only on the part of the individual but more particularly on the part of the community, is nursing. I do not need to tell honourable members what they already know so well, that during the past year many hospitals have had to curtail their activities drastically because of lack of help, and that the only thing enabling many others to carry on has been the assistance of married women ex-nurses.

We read about that situation in the press every day, but I was interested in reading about it from another angle the other day in the report of proceedings of the Standing Committee on Immigration and Labour, of which my good friend the honourable senator from Parkdale (Hon. Mr. Murdock) is chairman. On pages 275 and 276 of that report honourable senators will find a discussion of the proposal to help make up the shortage by bringing to Canada a number of nurses from among displaced persons. The Mayor of London was the witness, and he was being questioned by members of the committee as to his opinions on the subject, and as to conditions in his home city. At page 276 the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) asked this question:

You mentioned the need for nurses, did you not?

The reply was:

Yes, our hospitals are looking for them all the time.

The statement was then made that there were 3,891 female nurses available from displaced persons camps. The honourable senator from Toronto-Trinity added, "...and our hospitals are crying out for nurses." To which

the mayor remarked, "Yes, we are adding to our hospitals and making more bedrooms and there are not enough nurses." At page 275 the Chairman asked:

How are your hospitals and your children's homes for women's help?

The mayor answered:

We have not enough. We are short of nurses. Every day hospitals are begging people to work part-time. Women leave their own homes and their own children to work in hospitals a few days in order to help out, and they do it from a patriotic standpoint. Naturally they earn some money for that work, but we certainly need help in the hospitals.

Honourable senators, that being the situation all across Canada, is it not only common sense that the government should give some encouragement to these women who, as the Mayor of London said, for patriotic reasons leave their homes and work in hospitals? They are making a special sacrifice to do this work, and instead of being given encouragement they are by this legislation deprived of the very incentive to work.

I have talked to many nurses and a large number of women in various occupations who are affected by this legislation. Their resentment is not based only on financial reasons, but there is a psychological reaction as well. They feel that they are being discriminated against. They say that at the very time when the wages of workers in industry are higher than they have ever been in this country, and when the income tax on every group of taxpayers other than married women has been reduced, they are discriminated against in that the amount which they may earn free of taxation has been lowered from \$660 to \$250.

Because of criticism of this legislation from coast to coast in Canada the Department of Finance recently issued a statement, of which I believe all honourable senators have received a copy. It shows how the present tax affects joint income in homes. I do not intend to bore the house with a detailed analysis of this statement: Every senator can do that for himself; and, anyway, I never was very good at jigsaw puzzles.

I was interested to examine the figures in connection with the low income groups, because they comprise the greater number of women who go outside of the home to work, and the women who feel the hardship of the decreased exemption. I should like to call to your attention a group in which the husband's earnings range from \$1,200 to \$1,800 a year—honourable senators will admit that that is a pretty lean income to run a home on these days—and the wife's earnings range from \$250 to \$1,000. The extra taxes which a family in that income bracket pays run from \$50 to \$250 a year.

In this same statement which the Department of Finance has sent out, this paragraph occurs:

It is assumed by some married couples that the tax increase is such that there is little or no advantage for the wife to continue or take up employment; but this impression is quite erroneous and is not borne out by the facts.

Well, honourable senators, I am prepared to admit that, to men who are accustomed to thinking and talking in terms of tens of thousands and hundreds of thousands and millions of dollars, two or three hundred dollars a year may be so trivial as not to mean anything. But to young couples who are attempting to start a home today, in the face of increased prices for every commodity; to middle-aged couples who, through various misfortunes, have not been able to accumulate any of this world's goods; and to families whose breadwinner earns from \$1,200 to \$1,800 a year, two or three hundred dollars a year means a very great deal. I have not the figures—I do not suppose they are available—but I am under the impression that the total extra amount which the government is receiving from this source is negligible compared with the revenue of the country as a whole. Yet the tax is working extreme hardship in individual cases.

During the past few weeks, in order to get some background for the remarks which I wanted to make today, I talked personally to a number of men and women affected by this situation; and I was told over and over again, especially by nurses—and I know from speaking with some members of this house that they have been told the same thing—"Well, we are just going to work until we make the \$250, and then we will stop." Employers in whose industry part-time employees are engaged have had the same experience. This legislation affects adversely not only the individual but the prosperity and well-being of the community as a whole, and on that ground, just as much as because of cases of individual hardship, I am protesting against it.

In closing, may I say that I make no apology for saying today what I have said before in speaking to this house. I am old-fashioned enough to belong to that group of people who believe that the best policy which any country can pursue is one that encourages individuals to develop their skills and their talents to the fullest possible extent and to use them in the service of the community. If a policy gives incentive to people to make their own way, to carve out an existence for themselves instead of eternally looking to the government for assistance, that policy is for the good of the

individual and certainly for the good of this country as a whole. It is legislation of that kind which I should like to see brought in.

Hon. Mr. HAIG moved the adjournment of the debate.

The motion was agreed to.

CANADIAN NATIONAL-CANADIAN PACIFIC BILL

SECOND READING

Hon. GRAY TURGEON (for Hon. Mr. Robertson) moved the second reading of Bill 254, an Act to amend the Canadian National-Canadian Pacific Act, 1933.

He said: Honourable senators, the object of this bill is to amend the Canadian National-Canadian Pacific Act of 1933 in order to give the federal authority jurisdiction over rates of pay, hours of work, and certain working conditions of the employees of the Canadian National and Canadian Pacific railways. It was decided, I understand, to bring down this proposed legislation because of some confusion which resulted from conflicting labour legislation in the various provinces and interfered with the proper carrying on of work of the two railway companies and subsidiary companies. Speaking in another place, the Minister of Transport stated that both railway companies and, in general, the railway employees and brotherhoods, were all in favour of this legislation.

I do not intend to make any lengthy statement asking that the Senate give the measure favourable consideration, as I know it will do so.

The Minister of Transport stated definitely that the dominion government, having jurisdiction over the two great railway companies, intended to apply that jurisdiction so far as labour conditions are concerned, in order to avoid confusion and to meet the request of the railway companies and employees.

The new section 27A(1) states that rates of pay, hours of work and other terms and conditions of employment shall be such as are set out in employer-employee agreements, "if such agreements are filed in the office of the Minister of Transport."

A brotherhood or a railway company may file any agreement which has been entered into between the two bodies, and once it is filed it will be binding during the period stated therein. This section will not apply to any agreement that is not filed.

I do not know whether honourable senators wish the bill to go to a standing committee. I presume there would be no objection to

that, but personally I am inclined to think it could be discussed in detail better in Committee of the Whole.

Hon. JOHN T. HAIG: Honourable senators, I do not intend to discuss this bill in the usual way. I hope that the day will come when the Parliament of Canada will have complete jurisdiction over labour legislation. Then the federal regulations will apply all over Canada.

Hon. Mr. FARRIS: That would be all right if the British Columbia regulations were adopted.

Hon. Mr. HAIG: I suppose Manitoba—in fact, every province—would say the same about its own regulations. But, ultimately, if our labour legislation is to be a success, it will have to apply throughout the country. I am not anticipating legislation, but I believe that a bill concerning labour organizations was introduced in another place yesterday, and of course it will refer only to those organizations which under the British North America Act, parliament has power to deal with. Throughout my thirty years in parliamentary life I have felt that the labour problem requires a national solution. I am not speaking for my party; I am voicing my own sentiment and my own individual opinion, and I have not consulted anybody on the matter. I think it would be better for all the people in Canada if our labour laws had a national scope. I feel that a fight between labour and capital in one province stirs up people in Canada if our labour laws had provinces. On this question I speak as a friend of both labour and capital, as a man who believes in free enterprise in this country. Labour has an absolute right to a fair return for its work. The subversive elements which have slipped into labour organizations in the past two years indicate the trouble that is in store for us as well as labour itself. It is bad business. I think the problem can be dealt with only on a national scale.

I use this bill as a vehicle today to say that it is in the interests of the country to adopt a national labour policy. I am not criticizing the federal government. I appeal to the provincial governments to act in this matter. We in the Western provinces are disturbed about the coal strike in the Maritime provinces. While I have no knowledge of its merits and no desire to interfere with the affairs of another province, I do say that a strike in the Maritime provinces that has remained unsettled for more than three months has greatly disturbed at least the Prairie

provinces. A situation such as that is not in the interests of capital and labour and is detrimental to the country generally.

The majority of the Canadian people do not belong to labour unions or to the capitalistic class; they are part of that great middle class, which in the struggles between these groups, gets the axe.

I emphasize my belief that Canada needs a national labour code, that this would be in the interests of the country as a whole.

Some Hon. SENATORS: Hear, hear.

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

THIRD READING

Hon. Mr. ROBERTSON: With leave of the Senate, I move that the bill be read the third time now.

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

RAILWAY BILL

SECOND READING

Hon. GRAY TURGEON (for Hon. Mr. Robertson) moved the second reading of Bill 255, an Act to amend the Railway Act.

He said: Honourable senators, this bill proposes certain changes to the Railway Act, the most important of which is an increase in the salaries of the members of the Board of Transport Commissioners. The bill sets out the present salaries, and asks that they be authorized at the following amounts: the Chief Commissioner, \$13,500 per year; the Assistant Chief Commissioner, \$12,000; and each of the other commissioners, \$10,000.

In another place a question was raised as to whether the increased jurisdiction of the Board of Transport Commissioners during the past few years resulted in more work being done by the board today than previously. The bill having been passed by the other house, I assume it was concluded that the increased jurisdiction and added responsibility of the board justified the increased salaries.

It is proposed that section 2 of the Railway Act be amended by the addition of this paragraph:

(35a) "whistle" includes a horn of any type approved by the Board.

Section 6 of the bill deals with highway crossings by railways. It is recognized that the time has come to take up the work that was left in abeyance because of wartime conditions. May I take the liberty of placing on *Hansard* a recommendation made by the Committee of Reconstruction and Re-Establishment in another place, on January 26, 1944?

We recommend that the federal government in co-operation with the various provincial governments and with the railway companies should take positive steps to eliminate level crossings at the earliest possible moment. Further delay in the carrying out of this work should not be tolerated. Immediate action is necessary in this regard for the conservation of human life and property, and for the protection of engineers and trainmen from the nerve-wrecking responsibility of handling trains under constant hazard of an unnecessary nature.

Honourable senators will agree that the work necessary to eliminate accidents at railway crossings should be proceeded with, in the hope that it will exceed that contemplated by this bill.

Section 8 of the bill has to do with excessive speed over highway crossings where an accident has happened. Paragraph (e) of subsection 1 of section 421 of the act is repealed, and the following substituted therefor:

421. The company shall incur a penalty of one hundred dollars if . . .

(e) any train of the company passes over any highway crossing at rail level at a speed greater than twenty-five miles an hour, if at such crossing, subsequent to the first day of January, one thousand nine hundred and five, a person or vehicle using such crossing, or an animal being ridden or driven over the same, has been struck by a moving train, and bodily injury or death thereby caused to such person or to any other person using such crossing, unless the board has directed that the speed limitation of twenty-five miles an hour imposed by subsection two of section three hundred and nine of this act shall not be in effect at such crossing or unless such crossing is protected to the satisfaction of the board.

Hon. Mr. EULER: Is that amendment based on the principle of locking the stable door after the horse is stolen?

Hon. Mr. TURGEON: The proposed amendment provides for an increase of speed at such points from ten to twenty-five miles an hour.

Hon. Mr. EULER: A railway crossing may be very dangerous, but so long as no accidents take place there this provision does not apply. Do I understand that there has to be an accident, in which someone is killed, before this takes effect?

Hon. Mr. TURGEON: That is the existing legislation.

Hon. Mr. EULER: It is ridiculous.

Hon. Mr. TURGEON: There is no question but that that is the existing legislation, and that is one reason why I took the liberty of placing upon the record that recommendation which was made in another place by the Committee on Reconstruction, about a couple of years ago.

I do not know whether anyone wishes this bill to go to a standing committee, but personally I think the required discussion could be had if we were to resolve ourselves into Committee of the Whole. However, that matter is purely in the hands of the honourable senators.

Hon. Mr. MORAUD: What is the purpose of that definition of "whistle"? As my honourable friend knows, there is quite a jurisprudence about it. Is there any special reason for the modification?

Hon. Mr. TURGEON: I have here an explanatory note, that the purpose of the amendment is to permit the use of a horn instead of a whistle if the horn is of a type that has been approved by the board.

Hon. Mr. MORAUD: That does not explain much.

Hon. Mr. ASELTINE: I should like to ask the honourable senator a question with regard to section 3. This section states that the sum of two hundred thousand dollars a year is to be provided for the next ten years with which to aid construction work for the protection, safety and convenience of the public in respect of highway crossings of railways at rail level. On what kind of work is this money going to be spent? Is it proposed to build subways? If the intention is to build subways, two hundred thousand dollars would build only a couple of them.

Hon. Mr. EULER: It would not build one of them in Kitchener.

Hon. Mr. ASELTINE: I should like a more detailed explanation of how this money is going to be spent, and how, if we do not build subways, it will be used in carrying out the objects mentioned in section 3.

Hon. Mr. TURGEON: I understand, from the discussion in the other place—

Hon. Mr. EULER: Why not call it "the House of Commons" and be done with it?

Hon. Mr. TURGEON: I would like to. I understand that the Board of Transport Commissioners are now making a survey of conditions at railway crossings; and of course their report will be given prompt consideration by the government. I understand that consideration will be given to it particularly by the Department of Reconstruction. If the report is accepted, the whole matter of elimination of dangers at railway crossings will receive special and designed attention. Personally, I am extremely hopeful that the board's report will soon be received, and that it will obtain favourable consideration and

result in speedy action by the dominion government. But this bill relates only to payment of the sum set out in the section quoted by the honourable senator from Rosetown (Hon. Mr. Aseltine), though I am hopeful that much more work will be done than is contemplated in the bill.

Hon. Mr. ASELTINE: I am not very well satisfied with the explanation. I wonder whether we could not get a better explanation if the bill were referred to a committee. Also I am not entirely content with the explanation given to the honourable senator from LaSalle (Hon. Mr. Moraud) with regard to the use of the horn. I am interested in that matter because, in my own town, when trains back in, they sometimes use a whistle, as they are supposed to do, but I believe they also use a horn; and I do not know the reason why.

Hon. Mr. MURDOCK: The item in section 3 merely represents the amount of money which the federal government is ready to grant to railways towards the elimination of public crossings which are a menace to public safety. As regards the Canadian National, to all intents and purposes the federal government will be assuming the whole cost of this work. So far as the Canadian Pacific Railway is concerned, that railroad will pay the cost of eliminating any of its highway crossings, and the federal government will make a donation, by way of assistance, from the \$200,000.

Hon. Mr. ASELTINE: That would not build many subways.

Hon. Mr. MURDOCK: No; but upon instructions of the transport board the railway would be under obligation to do the work without any assistance, whereas this does offer some assistance.

Hon. Mr. ROBERTSON: If my recollection serves me right, contributions to the amounts expended by the railways are made, not only from this sum, but in some cases by the provinces and the municipalities, the respective proportions being subject to agreement. The extent of the work is not limited to the amount provided under this bill.

Hon. Mr. ASELTINE: Oh, no, I do not say that it is.

Hon. Mr. FARRIS: I would like to say a word or two about this bill. In the first place, I would commend the provision to increase the salaries of the members of the Board of Transport Commissioners. They are exercising exceedingly responsible duties, which will

probably increase as time goes on, and there should be the same recognition of the importance of the work they are doing, and the same standard of competence in the men selected for the position of commissioners, as there is with respect to the work and competence of persons who occupy judicial positions. The matter mentioned by my honourable friend from Waterloo (Hon. Mr. Euler) is one to which we might give a little more consideration in committee. With all the organizations that we have in this country for the promotion of safety, it does not seem very logical that the real test of whether a crossing is dangerous is that somebody has been killed there.

In view of the extremely important matters we are considering in connection with this bill, there is one point to which I should like to call attention. The point may seem rather frivolous, but I do think that the Parliament of Canada ought to have some regard to the phraseology of legislation. I call attention of honourable senators to the fact that in four sentences—not paragraphs—the word "such" occurs twenty-six times. Let me read one short sentence, in section 6:

(2) No train shall pass at a speed greater than twenty-five miles an hour over any highway crossing at rail level if at such crossing subsequent to the first day of January, one thousand nine hundred and five, a person or vehicle using such crossing, or an animal being ridden or driven over the same, has been struck by a moving train, and bodily injury or death thereby caused to such person, or to any other person using such crossing, unless the board directs that such speed limitation of twenty-five miles an hour shall not be in effect at such crossing or unless such crossing is protected to the satisfaction of the board.

There are three other sentences just as bad. Considering that the word "such" is used twenty-six times in four sentences, may I respectfully submit that in such an act such abundance of "suches" is too extravagant a use of such "suches".

Some Hon. SENATORS: Oh, oh.

Hon. Mr. FARRIS: If this bill is sent to committee I think we ought to sit down and try and redraft it in ordinary good English.

Some Hon. SENATORS: Hear, hear.

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

REFERRED TO COMMITTEE

Hon. Mr. TURGEON moved that the bill be referred to the Standing Committee on Transport and Communications.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS
FINANCING AND GUARANTEE
BILL

SECOND READING

Hon. GRAY TURGEON (for Hon. Mr. Robertson) moved the second reading of Bill 258, an Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways system during the calendar year 1947, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: Honourable senators, this bill is similar to bills presented annually for betterments and improvements to the Canadian National Railways. It provides authority for financing capital expenditures of the system and retiring certain maturing obligations either by way of loan from the dominion or by the issue to the public of securities of the company guaranteed by the dominion. The total amount to be provided for this purpose is limited to \$46,723,000. Eighteen million dollars are for additions and betterments, forty-one and a half millions for new equipment, about two and a half millions for construction of the Barraute branch line, and about one million for the acquisition and retirement of securities. This makes a total of \$63,241,000, from which is deducted the amount available for depreciation and debt discount amortization, \$16,518,000, leaving a total of \$46,723,000.

As I said a moment ago, this is a bill that is presented to parliament each year to authorize the dominion government to provide for the necessary expenditures of the Canadian National Railways.

Hon. Mr. EULER: May I ask the honourable senator a question? The title states that this is "an act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred". Does it also provide moneys for further expenditures, or merely moneys to meet expenditures already made and obligations undertaken?

Hon. Mr. TURGEON: It covers 1947, and therefore it applies to some months in the future. The limit is \$46,723,000.

Hon. Mr. MORAUD: I hope that this bill will be referred to a committee; otherwise I should like to ask for some information from my honourable friend (Hon. Mr. Turgeon), because we are again considering an expenditure of fifty or sixty million dollars for the Canadian National Railways.

Hon. Mr. HAYDEN: Or we are doing what is worse: approving expenditures after the work has been done.

Hon. Mr. MORAUD: I know that a great deal of this work has not been done. Last year we provided two million dollars for the Barraute branch line extension, and I understand that this money has not yet been spent. Therefore, I think it is quite proper that the Senate should investigate beforehand and not, as we did a few years ago, investigate afterwards.

Hon. Mr. TURGEON: I may say that the honourable leader of the government (Hon. Mr. Robertson) informed me that some time ago he promised the honourable leader on this side (Hon. Mr. Haig) that after this bill had been given second reading it would be sent to the Standing Committee on Finance. Therefore, if the motion for second reading is adopted I shall move that the bill be sent to that committee.

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

REFERRED TO COMMITTEE

Hon. Mr. TURGEON moved that the bill be referred to the Standing Committee on Finance.

Hon. Mr. HAIG: No; the Transport committee.

Hon. Mr. MORAUD: It is a finance bill.

Hon. Mr. ROBERTSON: Honourable senators, the mover of the bill (Hon. Mr. Turgeon), on my suggestion has made a motion that it be referred to the Standing Committee on Finance. I might point out that we are reaching a time when our committees are becoming very pressed with work. I am quite willing to meet the wishes of any honourable senator, but inasmuch as I propose to move tomorrow that the Finance Committee be authorized to consider estimates and other financial matters, so that honourable senators may be able to obtain detailed information about them, I think it would be well to have this bill and others having to do with financial questions referred to that committee. It is hoped to have a meeting of the Finance Committee on Wednesday morning of next week, and if that is to be done it will be necessary for us to give notice to the railway officials, so that they may be present.

Hon. Mr. MORAUD: May I ask the honourable leader to see that the proper officials appear before the committee? Last year we wasted a lot of time because the officers who

came did not know anything about how these millions of dollars were to be spent, and we had to adjourn.

Hon. Mr. ROBERTSON: I have already been in touch with officials of the Department of Transport. I shall follow the suggestion of the honourable senator from La Salle (Hon. Mr. Moraud).

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 19, 1947.

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

Prayers and routine proceedings.

NATIONAL PARKS BILL REPORT OF COMMITTEE

Hon. J. J. DONNELLY presented the report of the Standing Committee on Natural Resources on Bill M9, an Act respecting certain National Parks and to amend the National Parks Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 5, 1947, examined this bill, and now beg leave to report the same with two amendments. These amendments are not contentious. They were both either suggested or approved by the Law Clerk of the Senate or representatives of the department. The first amendment deletes paragraph (p) of clause 9. That paragraph purports to grant certain powers to tax; but the power to tax must originate in the House of Commons. It is therefore proposed that the paragraph should be deleted, in the expectation that it will be inserted by the other house and returned for our consideration. The second amendment deletes schedule "C", and substitutes a redrafted schedule. The reason for this is that the original draft failed to include the description of certain roadways located in the tract of land defined in this schedule.

The amendments were read by the Clerk, as follows:

1. Page 2, lines 26 to 31, both inclusive: Delete paragraph (p) of clause 9.
2. In the Schedules. Page 5: Delete Schedule "C" and substitute therefor the following:—

SCHEDULE "C"

(Addition to) Elk Island Park

All and singular that certain parcel or tract of land or premises situate, lying and being in townships fifty-two (52) and fifty-three (53), range twenty (20), west of the fourth (4) meridian, more particularly described as follows:—

Commencing at the intersection of the easterly limit of the road allowance between ranges twenty (20) and twenty-one (21) with the northerly limit of a surveyed roadway in the said township fifty-two (52), range twenty (20), west of the fourth (4) meridian, as shown upon a plan of survey of the said roadway of record in the Department of Public Works, of the Province of Alberta at Edmonton as No. 867; thence in a generally easterly direction along the said northerly limit of the surveyed roadway to its intersection with the westerly limit of the road allowance between ranges nineteen (19) and twenty (20); thence northerly along the westerly limit of the said road allowance to the north-east corner of section twelve (12) of the said township fifty-three (53), range twenty (20); thence westerly along the northerly boundary of the said section twelve (12) and its production westerly to the north-east corner of section eleven (11) of the said township fifty-three (53), range twenty (20); thence northerly in a straight line across the road allowance to the south-east corner of section fourteen (14) in the said township fifty-three (53), range twenty (20); thence northerly along the easterly boundary of the said section fourteen (14) to its intersection with the southerly limit of a surveyed highway as shown upon a plan of survey of the said highway of record in the said Department of Public Works as Plan No. 12723; thence westerly along the southerly limit of the said highway to its intersection with the north boundary of section seven (7) of the said township fifty-three (53) range twenty (20); thence westerly along the north boundary of the said section seven (7) to its intersection with the easterly limit of the said road allowance between ranges twenty (20) and twenty-one (21); thence southerly along the easterly limit of the said road allowance between ranges twenty (20) and twenty-one (21) to the point of commencement;

Saving and excepting thereout and therefrom
Firstly: A strip of land three (3) rods in perpendicular width adjoining throughout the southerly limit of the said highway as shown upon the said Plan No. 12723 and the productions of the said southerly limit across the statutory road allowances and

Secondly: The northerly three (3) rods in perpendicular width of the north half of the said section seven (7) extending from the firstly above described area on the east to the west boundary of the said section seven (7).

The land herein described containing by admeasurement 24 square miles, more or less.

The Hon. the SPEAKER: When shall the amendments be taken into consideration?

Hon. Mr. DONNELLY: Next sitting.

PRIVATE BILL FIRST READING

Hon. Mr. CAMPBELL presented Bill I12, an Act respecting The Canada Permanent Trust Company.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. CAMPBELL: Tuesday next.

PRIVATE BILL

FIRST READING

Hon. Mr. BOUFFARD presented Bill J12, an Act to incorporate The Limitholders' Mutual Insurance Company.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. BOUFFARD: Tuesday next.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill Y11, an Act for the relief of Henry Eaton.

Bill Z11, an Act for the relief of Lodie Kadei Nakel.

Bill A12, an Act for the relief of Margaret Sophie Bolenski Dubeau.

Bill B12, an Act for the relief of Marion Mapes Harvey Allinson.

Bill C12, an Act for the relief of Frances Alice Egg Johnston, otherwise known as Frances Alice Egg Willey Johnston.

Bill D12, an Act for the relief of Selden Grant Stoddard.

Bill E12, an Act for the relief of Elmon Parker Law.

Bill F12, an Act for the relief of James Dewey, junior.

Bill G12, an Act for the relief of Peggy Alicia Stilwell Kneeland.

Bill H12, an Act for the relief of Alexander Monteith.

The bills were read the first time.

SECOND READINGS

Hon. Mr. ASELTINE: With leave of the Senate, I move that these bills be read the second time now.

The motion was agreed to, and the bills were read the second time, on division.

CHEMICAL FERTILIZERS

MOTION

Hon. JOHN A. McDONALD (King's) moved:

That, in view of the recent discoveries of high-grade phosphate rock in the Saguenay area in the province of Quebec, and of good quality potash in the province of Saskatchewan, the dominion and provincial governments confer with a view to taking prompt action to have mines developed in order to make available to our farmers, at fair prices, these high-grade chemicals, which are necessary in building up soils, and in the production of maximum crops,

so that Canada may be self-sufficient so far as requirements of chemical fertilizers are concerned.

He said: Honourable senators, with your kind permission I should like to introduce a subject which is of first importance to our farmers throughout Canada, namely, soil conservation. I hope to be able to show that over a long term of years our soils have been depleted of much of their natural plant food and that, although farmers have increased the use of fertilizers from 300,000 tons in 1939 to 650,000 tons last year, they are putting back into the soil only a small percentage of the plant foods which are being taken out by the crops.

The cause of this depletion of natural plant foods is to a large extent the high cost of imported chemicals. I hope to be able to show also that we are expending \$10,000,000 annually for imported fertilizers which can now be secured from our own natural resources. It has recently been discovered that we have in Canada two chemicals which we are importing. My thought is that if the attention of the federal and provincial governments is brought to this subject they might be induced to do something about putting the mines into operation at an early date. Fertilizers of our own manufacture could be produced more cheaply and farmers could be encouraged to buy more of them.

In the Maritime Provinces, unfortunately, the best land that we have is water-logged. As you know, we have been endeavouring to work out with the governments concerned a policy for putting these marsh lands in prime condition and enabling us to grow at least a portion of the grains which are now being imported from the West. During the war years we were told that we should wait until the post-war period to carry on this work of opening up the main vents and repairing and building dykes and aboteaux, so that these rich lands would produce more abundantly in the future. I believe that a common policy would suffice for the provinces of New Brunswick and Nova Scotia, because their requirements are similar.

Hon. Mr. QUINN: The marsh lands join?

Hon. Mr. McDONALD (King's): In some cases they do.

Hon. Mr. QUINN: They are on the border line?

Hon. Mr. McDONALD (King's): Yes; for instance, the Tantramar marshes.

As we are now well advanced in the period of rehabilitation, I sincerely hope that a policy may be reached between the federal and

provincial governments that will make it possible to do this much needed work and to prevent further loss of property. This policy should be finally worked out and agreed to within the next few days, before the supplementary estimates are brought down, so that the work may begin very soon.

I should like to mention that although the farmers in the West have very valuable lands, they are depleting their soils of the needed chemical plant food, as the farmers in the East have been doing for a hundred years or more. If western farmers are to keep their farms in condition to grow large crops they must not continue to take plant foods from the land without returning larger quantities of nitrogen, phosphorus and potash than they have been doing. There are also rich farm lands in Western Canada which could be greatly improved through irrigation. I believe that our governments must in the near future give more serious thought to and expend larger amounts of money on this type of improvement in the West, and also must put the valuable marsh lands in the East in condition for maximum production. I hope that a policy may be worked out. I know that it is under consideration so far as the Maritimes are concerned. If one is formulated within a few days an amount can be included in the supplementary estimates this year and work can be begun on the basis of a three to five-year policy. I trust that other honourable senators, better qualified than I to speak on this important subject, will be willing to give us the benefit of their information; and I hope that we shall do everything we can to encourage our government to help the farmers to get cheaper plant food and to carry on a better system of crop rotation, so as to build up the soil before any further depreciation occurs.

I would also like to have an expression of opinion from honourable senators as to whether or not they think it would be worth while for this motion to be referred for further study to the appropriate committee, where officers from the Department of Mines and Resources and of Agriculture could attend and give much more information than we have at this time. I feel confident that one or more of the standing committees of the Senate could render very valuable service by inquiring into this and any other related subjects, such as extension of markets for the products of our farms, forests and seas. I feel confident that inquiries of that kind would help make this important branch of parliament even more useful.

There are three basic plant food elements in the soil: nitrogen, phosphorus and potassium. All three are essential for proper plant growth.

Many diseases of plants, animals and men have been traced directly to deficiencies of one or all three of these basic elements. Where ample use is made of these elements in farm practices, crops grow more abundantly and are more nutritious; better animals are produced more cheaply, and humans are more healthy, vigorous and intelligent.

In other words, these chemical elements are essential to a happy and prosperous civilization. The phosphorus and calcium in the soil build our skeletons and nerve systems. Everything that our bodies need, except air and nitrogen, comes from the earth. It is, therefore, truthfully said that the soil is the mother of us all—plants, animals and men. Deficiencies of calcium, phosphorus, magnesium, manganese and cobalt may be the cause of many of our diseases, including cancer. Our medical friends will tell us that this is not a new question with them; that investigation has been made, but their workers in cancer research have not yet been able to determine that these deficiencies are not the cause of cancer. I believe, honourable senators, that in the not distant future consumers are going to demand knowledge that their foods such as milk, butter and meats, contain these minerals.

It does not take much imagination to realize the necessity for these minerals, especially among growing families. I think it is correct to say that Canadians, particularly in the larger centres are prone to be too complacent about farm conditions. We should not forget that Canada's great wartime production record was made on a very large number of farms at the expense of the soil. In many parts of Canada, particularly in the earlier settled provinces, our soils were depleted of necessary elements such as phosphorus, calcium and magnesium, long before the last great war; and heavy and continuous crops throughout the war and improper rotation of crops have caused increased deficiencies.

Due to the war and the foresight and leadership of the Department of Munitions and Supply, Canada has now become the second largest exporter of nitrogen in the world. But we must remember that nitrogen is the only basic element of which we have a supply in our own country, and the other basic elements are imported. Immediately following the outbreak of hostilities, the Department of Munitions and Supply constructed three large plants for the manufacture of nitrogen, primarily for military purposes. During the war upwards of 100,000 tons of the new product "ammonium nitrate" were used by Canadian farmers to increase our agricultural produc-

tion, and even larger quantities were exported to the United States for similar purposes. In pre-war years large quantities of nitrogenous products were imported into Canada; we secured nitrates from Chile, and synthetic nitrates from the United States and Norway, in the form of nitrate of soda.

In addition, thousands of tons of ammonium sulphates were imported from the United States and Europe to supply the Canadian demand, usually at prices which made them uneconomic to use. Nevertheless, the need for such products made their purchase imperative, even at extremely high cost.

Unfortunately, Canada is not in such an enviable position with respect to phosphate supplies. Phosphorus, or superphosphate, as it is known to farmers, has sometimes been called the master key to agriculture. Perhaps I should explain that instead of "phosphate" farmers use the word "superphosphate." Superphosphate is phosphate that is acidulated, which means that it is mixed with sulphuric acid to make it more readily soluble in the soil. To date Canada does not produce a single pound of this great growth-promoting chemical. Its importance in general farming is indicated by the fact that low yield and uneconomic crop production are due more often to a lack of phosphorus in the soil than to any other element. Phosphorus is found in every living cell and is essential in both plant and animal nutrition. In plants it is found in largest concentrations in the seeds, whereas in animals it makes up, along with calcium, the important element found in the bones and skeleton.

Adequate amounts of available phosphorus in soils favour rapid plant growth and development, hasten maturity and improve the quality of the vegetation.

In most parts of Canada where the growing season is relatively short and early maturity is important, liberal supplies of phosphorus enable many crops to mature before injury by the early freezes. Low phosphorus in the soil means not only delayed maturity and poor plant growth but a low phosphorous content of the plant itself. This is particularly true with respect to grazing land where, due to high cost, very small quantities have been used or are used at the present time.

Hon. Mr. QUINN: Are there any mills in Canada for treating that rock?

Hon. Mr. McDONALD (King's): Not at the present time. As I have said, all the phosphorus and all the potash that we use are brought in from outside. However, I think I misunderstood the question of the honour-

able senator (Hon. Mr. Quinn). The smelting company at Trail has a mill for acidulating phosphate rock and making superphosphate.

Hon. Mr. QUINN: That is what I meant.

Hon. Mr. McDONALD (King's): Canadian Industries Limited also have a mill in Quebec. At the present time all of this product that is being acidulated or treated in making superphosphate is brought in from the United States. The company at Trail brings its phosphate rock from Montana; and Canadian Industries Limited import theirs from the Florida coast.

Animals fed on plants and grains where the amounts of available phosphorus in the soil are very low grow poorly and develop diseases that can be corrected only by supplying more phosphorus in the ration.

Practical experience by farmers and the many experiments conducted by our various experimental farms across Canada definitely show that most of the soils respond to additions of phosphorous fertilizers. The high cost of producing farm crops in Canada is due more largely to low phosphorous content of our soils than to any other cause. The poor quality of a large percentage of our grasses and the lack of proper growth of many of our livestock, particularly in the dairy breeds, can be laid directly to the low phosphorous content of our soils. These soils, of course, were not always so low in phosphorus, but for the past one hundred or more years, due to improper soil practices and the fact that so little phosphorus was returned to the soil in the form of superphosphate, the phosphate banks in our soils have been deplorably overdrawn.

When one considers that every seven 1000-bushel carloads of oats and every five such carloads of wheat carry away as much available phosphorus as that found in the ploughed surface of an average acre of land, even though the straw is returned to the land, and that thirteen carloads of mixed hay, or one-half that quantity of clover or alfalfa hay, carry off as much phosphorus as seven carloads of oats, one can readily understand why our soils have been so rapidly depleted of phosphorous content. The above information was gathered from *Soils and Men*, an official record of the Economics Branch, United States Department of Agriculture.

Some farmers assume that if the hay and most of the grain are fed on the farm there will be no loss of fertility; but the animal must find in its food the elements necessary to build up its skeleton and other tissues, and, in the case of the dairy cow, sufficient phosphorus to produce thousands of tons of milk

per year. Six carloads of fatted cattle, or fourteen carloads of hogs, remove from the farm the phosphorus equivalent contained in the surface six inches of an acre of good land; and the milk from one hundred and thirty average cows will carry off the same quantity in a year.

Practically every section of the farm lands of Canada requires additional phosphates; and that is more particularly true of the five Eastern provinces, which have been under cultivation for over a century longer than the others. In these provinces we are paying back each year only a fraction of what we are taking away, especially from our grass lands. The Western provinces are already beginning to show the need for additional phosphorus, and the need will become more evident as time goes on. Tens of thousands of tons of phosphorus are being removed yearly from the western soils, and only very small quantities are being returned.

If Canada is to retain its place as a leading agricultural country it must become more phosphorus conscious. It must study its soil problems more intimately. I was startled to learn that during the pre-war years our sister dominion of New Zealand, with less than one-tenth the cultivated and grass lands that we have, used twice as large a quantity of phosphates as Canada used of all fertilizers, and practically four times as much phosphates alone.

The consumption of phosphates in Canada has approximately doubled since pre-war days and now amounts to about 325,000 tons per year, most of it being used in mixed fertilizers. All of that tonnage is being imported from the United States, either in the form of phosphate rock and acidulated into 20 per cent superphosphate, or as ammonium phosphates. A very much larger amount would be used by our farmers if this product could be obtained at lower cost.

The Department of Mines and Resources reports that recent explorations have resulted in the discovery of extensive deposits of phosphate rock in the Saguenay district of Quebec; and it has been known for some years that immense quantities of phosphates exist in the Buckingham area in the form of apatite, a mineral from which great quantities of phosphates are derived in some of the European countries, particularly Russia. Phosphate rock deposits have also been discovered recently in Albert county, New Brunswick. It is stated that the phosphates from these sources are of very fine quality.

Competent authorities say that less than one half of the money spent annually during the war years through import freight subsidies

would have been sufficient to develop any one of these sources for domestic consumption. It is estimated that phosphate rock could be produced from the deposit in the Saguenay area for a cost of approximately \$5 a ton, as compared with \$14 a ton for the Florida imports. The sulphuric acid necessary for the acidulating of such rock could be produced from the native calcium sulphate of New Brunswick. Such a development would require the active co-operation of the dominion government Departments of Mines and Resources and of Agriculture with the Quebec and New Brunswick governments. These provincial governments are already conscious of the importance of this development as a source of cheaper phosphates for the benefit of the farmers of their provinces.

The recent discovery of potash in Saskatchewan by officials of the Department of Mines and Resources indicates that huge quantities of that indispensable soil requirement are ready for development on a very large scale.

Since Canada is an importer of potash salts, largely in the form of muriate of potash, to the extent of approximately 100,000 tons per year, no time should be lost in having the benefit of such deposits made available at the lowest possible cost to the farm people of this country. It is estimated that in an area north-west of Saskatoon five million tons per square mile may be available. I noted in this week's *Standard* that the head of the chemical division of the University of Saskatchewan says there may be eight million tons of potash mined to the square mile instead of five million tons, which, I think, was the estimate of officials of the Department of Mines and Resources.

Until relatively recent years there was no known potash deposit on this continent; and during World War I, due to the German blockade, very little potash was available for North American farmers. Until the late twenties all the potash used in Canada and the United States was imported from France and Germany, with a small tonnage coming from Spain. The development of the huge potash deposits in New Mexico and California was sufficient to make the United States and Canada self-sufficient in their potash requirements during the war years, notwithstanding the fact that the consumption of the product practically doubled in that period. At times the demand for potash was so great that, when the facilities for its production had not reached their peak, it was found necessary to import several thousand tons from Russia. Those imports were used largely in the Maritime provinces.

Potash could well be called one of the "big three" of plant food. It is indispensable for the production of practically all crops. It is most important in producing maximum crops of grains, grass and potatoes. Our ten million acres of hay land get very little potash. Our fourteen million acres of oats, our twenty-three million acres of wheat, and our seven million acres of barley receive even less. The potato crop, however, fares much better. This, of course, is because it is absolutely essential to use potash in order to get good crops of potatoes. Our 500,000 acres of potatoes receive approximately 35,000 tons of potash, by far the largest quantity per acre being used on the great potato fields in the Maritime provinces. However, the average quantity used by farmers across Canada for the growing of potatoes is less than one-half of what should be used in order to produce maximum quality crops. As I have intimated before, judging from what officials have said I believe that if we could process our own natural resources the cost could be about halved; and I am sure that that would encourage farmers to use these materials in much larger quantities.

The amount of potash removed annually by crops alone from the soils of Canada is exceedingly great. Based on our average production, it amounts to approximately 600,000 tons in muriate of potash for hay, barley, oats and wheat. Very little of this is being replaced. The statistics in this connection I gathered from the same source as I used before, the *Canada Year Book*.

Much of the top soil in Western Canada is relatively high in potash, but it is being gradually depleted, and in time, after years of continuous cropping, will require additional supplies. The same is true of the soils in the eastern provinces.

I am sorry to say that, although we have in Canada many good farmers, we have some who are not so good. I am speaking now from the standpoint of maintaining their soils in prime condition. The percentage of those who are keeping their soils built up is, I regret to say, small in relation to the number allowing their soils to be depleted. From that standpoint, I think honourable senators will agree that a "good farmer" may be described as one who, when he is through farming, leaves his soil in better condition than he found it.

Hon. Mr. QUINN: What is the reason why more fertilizer is not used? Is it that there is a shortage, or that the cost is high?

Hon. Mr. McDONALD (King's): The cause, Senator, is the high cost of fertilizers. Also, during the war years it was difficult to obtain

as much as we needed.' Early this spring it was estimated that 100,000 tons would be needed and would be purchased, even at the existing high prices. I judge that that estimate of 100,000 tons is pretty high, particularly in view of the very unfavourable weather, which has not permitted the ordinary amount of seeding to be done.

Hon. Mr. QUINN: Excuse me for interrupting so often. What is the main source of the basic material which Canadian Industries Limited use for the manufacture of these products?

Hon. Mr. McDONALD (King's): I assume the honourable senator means phosphates or potash, or both?

Hon. Mr. QUINN: Well, both.

Hon. Mr. McDONALD (King's): The supplies of phosphates which they have imported have come from the coast of Florida.

Hon. Mr. QUINN: All of it is imported?

Hon. Mr. McDONALD (King's): It is all imported, and all their potash is imported. During the war years their potash came, as I have already intimated, from the United States of America; and, before the war, from Germany and France, with a smaller tonnage from Russia.

Hon. Mr. DAVIES: Does the federal government or any provincial government make contributions by way of subsidies or otherwise, to expenditures upon fertilizers for the use of farmers?

Hon. Mr. McDONALD (King's): There were subsidies during the war years, and I understand that some freight subsidies are still being paid, but that is all. I believe that the government has always tried to help companies engaged in the fertilizer business in getting supplies from foreign countries.

Hon. Mr. LEGER: There is a subsidy on lime.

Hon. Mr. McDONALD (King's): Yes. Of course, properly speaking lime is not a fertilizer. I might say that in this connection the governments have done much more. In the province of Nova Scotia, for instance, we found upon analyzing our soil that probably ninety per cent of farmers needed lime to correct the acidity of the soil. Their soils were so acid that they could not grow maximum crops without first using lime, but after applying an average of about two tons to the acre they could get clover to grow and thus give nitrogen to the soil.

Hon. Mr. EULER: Would part of the difficulty arise, possibly, from the fact that some of those whom the senator has described as poor farmers are not sufficiently educated in the necessity of these chemicals?

Hon. Mr. McDONALD (King's): I would say that today lack of education is no excuse.

Hon. Mr. EULER: No, but is that a fact?

Hon. Mr. McDONALD (King's): It should not be so, in view of the assistance which is given them by officials of the federal Department of Agriculture.

Hon. Mr. EULER: But is it?

Hon. Mr. McDONALD (King's): I would not say that it is, in the province of Nova Scotia. I am not so familiar with what is being done in any of the other provinces. If I may be allowed a personal allusion; in 1933, when I took office in the Nova Scotia Department of Agriculture, I found that although the government was subsidizing the use of lime stone to such an extent that lime was costing the farmer only \$3 per ton at his railroad station, that alone did not seem sufficient to encourage him to use much of it. Eventually we cut the price in half, charging the farmer \$1.50 at his nearest railroad station. The department paid the difference between \$1.50 per ton and the cost of manufacture, as well as the freight, to encourage the farmer to use lime.

Hon. Mr. EULER: My thought was, if these chemicals were readily available would the farmer avail himself of them?

Hon. Mr. McDONALD (Kings): I believe that would depend largely on the cost; but, in my opinion, if the cost could be halved and the farmers continued to get a fair price for their products, they would use much larger amounts of these chemicals.

Hon. Mr. LAMBERT: Would the honourable senator inform the house, if he has the information, as to the effect on the present situation of the operations of the well-known world-wide cartels which control fertilizers and chemical products? Has the supply been increased or the product cheapened, or what?

Hon. Mr. McDONALD (King's): I hardly think I am in a position to answer that question. I believe that the price level during the war years was considerably higher, although the government did a lot to keep it down. During the last two years the price has been going up, but Canada has received its fair share of the available potash and phosphorus.

Hon. Mr. MORAUD: Is there any fixing of prices of fertilizers? I understand that in this country there are only two large corporations supplying fertilizers: Canadian Industries Limited and International Fertilizer. Is there any price control?

Hon. Mr. McDONALD (King's): The prices were controlled during the war years.

Hon. Mr. MORAUD: Are prices still being controlled?

Hon. Mr. McDONALD (King's): I believe they are.

Hon. Mr. GOUIN: May I ask the honourable senator a question? When the price of lime was reduced through the efforts of the government in Nova Scotia, was there a greater use of the product?

Hon. Mr. McDONALD (King's): The use of lime in Nova Scotia has increased from about 8,000 tons a year, which was the consumption when we reduced the price, to forty-nine or fifty thousand tons.

Hon. Mr. EULER: Is that only in Nova Scotia?

Hon. Mr. McDONALD (King's): There are government assistance policies in other provinces, but I am not familiar with them.

Hon. Mr. LAMBERT: Do many farmers use kelp as a fertilizer?

Hon. Mr. McDONALD (King's): Many farmers near the coast use kelp.

We also have a limited supply of phosphorus in slag, which is a by-product of our steel plant in Sydney. For several years we have been experimenting with that. I think that if the slag is taken hot from the oven and quenched by being placed in cold water, this has the effect of breaking it into smaller particles, which are easily ground, and which contain lime as well as phosphorus. If that phosphorus can be made available on the same basis as lime, it will be of great advantage to farmers.

Farms that are known as "poor farms" are ones from which the supplies of nitrogen, phosphorus and potash have been overdrawn. Unfortunately we have thousands of such farms in Eastern Canada.

The great potash deposits recently discovered in Saskatchewan, if prudently developed, would mean very much to Canada. Development should be undertaken from a long-term point of view, and not for the benefit of the few, but with the object of producing more and better crops at lower cost, and preserving our soils for centuries to come.

From information at hand with respect to the quantities available, it is quite possible that a huge export business could be developed as well.

If our pasture and hay lands, our grain and other crop lands were to receive somewhere near their annual depletion, a ready market for upwards of 800,000 tons muriate of potash exists here in Canada.

The United States government spent hundreds of thousands of dollars in proving up a domestic source of potash, as they realized its vital importance as a fertilizer to the whole country.

I bring this matter to the attention of honourable senators in the hope that we might be willing to give to the government of Canada all the support needed to encourage an early development of these rich natural resources.

If fresh drilling is necessary to determine best sites for development, I trust that this may be done at once, by the federal government or provincial governments, or through a united effort. If the provincial governments need financial assistance in carrying out this development, it might be good business for the dominion to offer co-operation. The dominion and the provinces will be interested in making sure that the products reach farmers at reasonable cost. All of the present known world deposits are either directly controlled by the governments concerned or their operations are under some form of indirect control, both as to development and sales.

Hon. Mr. MORAUD: Who is controlling the deposits now?

Hon. Mr. McDONALD (King's): The deposits are controlled by the United States government, so far as the United States itself is concerned.

Hon. Mr. EULER: How about the potash in Saskatchewan?

Hon. Mr. ASELTINE: Yes, what about Saskatchewan?

Hon. Mr. McDONALD (King's): In Saskatchewan the discovery was first made by persons interested in drilling for oil. When the Department of Mines and Resources heard of the possibility of there being potash salts in the ore, it investigated and found potash of good quality to the extent that I have already indicated.

Hon. Mrs. WILSON: Was there not at one time a substantial export of phosphorus from Buckingham?

Hon. Mr. McDONALD (King's): In Quebec?

Hon. Mrs. WILSON: Near Buckingham.

Hon. Mr. McDONALD (King's): They have a product there called apatite. That is the same product that phosphate is made from in European countries, particularly in Russia.

Hon. Mrs. WILSON: I was told that at one time many years ago this product was exported to the United States from Buckingham.

Hon. Mr. McDONALD (King's): I do not think it is being used now.

Hon. Mrs. WILSON: No, I do not believe so.

Hon. Mr. McDONALD (King's): It has been estimated that Canadian phosphate and potash could be sold to our farmers at or near the area of production for about one-half of what the imported products are costing.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. VAILLANCOURT moved the adjournment of the debate.

The motion was agreed to.

INCOME WAR TAX BILL

MOTION FOR SECOND READING— DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill 269, an Act to amend the Income War Tax Act.

Hon. JOHN T. HAIG: Honourable senators, I am not sure whether the government leader (Hon. Mr. Robertson) would like me to continue with the debate this afternoon or adjourn it until Tuesday of next week.

Some Hon. SENATORS: Proceed.

Hon. Mr. EULER: It is up to you.

Hon. Mr. HAIG: I believe the honourable senator from Southern New Brunswick (Hon. Mr. McLean) wishes to speak. I am prepared to adjourn the debate, but if there is much legislation for next week perhaps I had better speak now.

Hon. Mr. ROBERTSON: There is no particular object in concluding the debate at this time, as no committee will be available to deal with the bill until Wednesday of next week; but, as I shall not be here on Tuesday, I should like an opportunity to make some observations today; and I know that my honourable friend from Southern New Brunswick (Hon. Mr. McLean) also wishes to speak.

Hon. Mr. HAIG: My speech will not be a very good one, but, for what it may be worth, I want the leader of the government to hear it.

I am sorry that the honourable gentleman from Toronto (Hon. Mr. Hayden) is not in the house at the moment, because I want to offer him my congratulations. Apparently he is referred to as "the honourable senator from Toronto", but following the practice with respect to members from other large cities he should perhaps be styled "the honourable senior senator from Toronto". Also I take this opportunity of offering my congratulations to the honourable lady senator from Peterborough (Hon. Mrs. Fallis), upon her contribution to this debate. I was delighted to hear her speak, because I think she truly expresses the views of the women of this country. Further, may I offer an expression of appreciation to the honourable the Minister of Finance for the reductions he has made in taxes.

I do not propose to deal with what might be called departmental amendments, which arise in the ordinary course of events from year to year. The Minister of Finance made substantial reductions in income taxes available especially to those in the \$3,000 to \$10,000 a year bracket. Reductions are not so favourable to the other classes. May I say that while I do not think that the government made a political mistake, I certainly believe it made a business mistake in failing to provide more substantial reductions in the lower income brackets. In the other house the member for Eglinton—an able member who was first elected at the last election—stated the position very clearly in one sentence. He said the government had reduced the income tax by approximately 160 million dollars a year, commencing in 1948, and had taken off subsidies of 208 millions dollars, with the result that the income-tax-paying group receiving salaries of \$3,000 and less were most adversely affected.

A day or two after the budget came down I received from a lady acquaintance in Winnipeg a letter in which she said that she presumed my income tax had been reduced. She added that what I had saved in income tax she had lost, because butter had gone up ten cents a pound. That expresses the position the low income people have been placed in by the removal of 208 million dollars in subsidies. It is well known that a man with a family of five children who earns \$2,000 a year, pays as much for the necessities of life as a man with the same family who earns \$10,000 a year. The increase in the cost of

living brought about by the taking off of subsidies has had a disastrous effect on the taxpayers in the lower income groups.

Let me warn the people that the subsidies are not all off yet. For instance, when the subsidy on wheat is removed millers in Canada will have to charge more for flour, and that will mean an increase in the cost of bread.

I do not think there will be a general reduction in income tax until the government has a change of mind with respect to the expenses of administration. I am one who believes that the government of this country cannot carry on at the present rate of expense. We are living in a world which except for the United States and probably South America, is in abject poverty, very close to starvation, a world that cannot buy goods from us. During the past year we have maintained our exports by lending money to the people buying from us. That system can go on only so long. We have reached the stage where our American exchange is gradually dwindling. Of course, we can make some deal with the United States whereby it will buy goods from us for Europe and give us American exchange to bolster up our financial position in relation to that country. But until we can change sterling or European money into United States money we have to keep on lending to Europe, and the value of our currency will go down. It is said that its value was not depreciated as much last year as was estimated. The reason is that we got from Europe, certain gold and money, which we shall not get again.

I want to plead for general reduction in the overall expenses of the government of this country. I do not suggest that we are facing a depression, but certainly we shall have a recession. Remember, three out of ten of our people depend on our goods being sold to the world. At present the United States is extremely prosperous and is buying our pulpwood, timber, lumber and other commodities on a basis that is very profitable to us. But I give warning that the day will come when that country will face an inevitable change of conditions. The United States has to cut down its tariff and let the world trade with it, or there will be no world trade. It is no secret that recently it put the tariff up on wool. How is Australia going to sell her wool to the world and pay her debts if there is a tariff on wool going to the United States? The psychology of the United States seems to favour tariffs. True, some of its abler men are trying to break down that psychology; but if they are to succeed, honourable senators, the standard of living in that country

must come down. In Canada also the standard of living has to come down, but there will be tremendous resistance before it does.

The government is going on bolstering up things by giving money to the people; but, make no mistake about it, we shall get to the end of the road. The same factors that apply to individuals apply also to nations. I argue most strongly for a realization on the part of the people of Canada that we have reached the limit in expenditure. We have got to cut down expenses if we are to do our part when the world around us is starving to death. Do not forget that men and women in other countries are getting by on fifteen hundred calories a day, while we have about four thousand—and we do not regard ourselves as being over-fed.

Hon. Mr. LACASSE: In some places the people get only nine hundred calories a day.

Hon. Mr. HAIG: I am talking about the average in some parts of the world today.

Our country depends more on world trade than does any other country in the world. The United States has been very nearly able to live within herself, and for sometime she may do so, but she is lending money in an attempt to keep the world from going down into despair and communism. Honourable senators, communism cannot live in this world if a reasonable standard of living is provided for all. It may by force fasten its tentacles on peoples; but, given a fair deal, those European countries which have tasted democracy and freedom will never adopt communism.

Consider our position as Canadians. In Western Canada practically all our primary products—grain, cattle and hogs, but mainly wheat—must be sold elsewhere. Our standard of living is determined by the price obtainable for our wheat on the world's markets, although also, of course, it is affected when by the action of our government that price is reduced. But if the world has not the money or cannot exchange the goods with which to buy our wheat, we cannot sell it, and therefore our standard of living, both in the West and down here, will be reduced. Perhaps I should have reserved these remarks until the debate on the budget, but the budget comes down so late in the session that it is very difficult then to deal intelligently with the matters raised by it. Some people have been misled because, as they point out, in the last year and a half we have been able to sell to the world everything we could produce. But we are selling abroad because we are lending the money with which to pay for our goods. We loaned Great Britain about \$1,250,000,000: I understand that more than half of that money has already been

expended. We have lent also to France, Holland, Belgium and other countries. Indeed, I would rather say that we gave them the money, and I am quite content that we should have done so. Those countries withstood the crash of the world; and I am quite willing to pay my share of the taxes necessary to relieve their situation. But do not let us deceive ourselves. We sell to these countries because we lent them the money to pay for our goods; and that is a condition which cannot go on very long. That is the situation which we in Canada face today.

To deal more specifically with the subject of income tax: thanks to the Civil Service Commission, I have in my hand a brochure, copies of which I assume all of you have received, dealing with the position of salaried workers. I do not intend to indulge in a long reading, but I refer to page 37, where it appears that, taking all the elements which enter into the cost of living, the cost for fifty-two weeks, which in 1938 was \$1,475, had risen by the 1st of April of this year to \$2,170, or an increase of 52 per cent. It is higher now. That amount has not been affected by income tax exemptions, although in my opinion those exemptions to people in this bracket should be proportionate to the increased costs. But I would point out that the increase of 52 per cent is not a fair reflection of the position, for the reason that an increase of only 26 per cent in rent is included, whereas the only reason that rents have not increased more is that owners of property have had to bear the difference between 26 per cent and the amount, namely 80 per cent, by which the cost of building has increased. In other words, the additional 54 per cent has been borne by the owners of property, and but for that condition the additional cost would have been, not 52 per cent but about 62 per cent over pre-war figures.

Someone may say, "But, Senator, how are we going to raise the money?" The main consideration is that people must have enough money to live on. We are going to have strikes, and a movement, if not as far left as communism, at any rate to socialism, if the trend continues to a point where people in the lower-income brackets cannot live. That is the situation. What cost some people \$1,475 or \$1,500 in 1938, costs the same people \$2,170 today; and, as I have pointed out, it would cost more but for this heavy discrimination against people who own real estate.

I have read the speeches in another place; I have listened to some of them; and, in effect, the argument is that money must be raised and everybody should pay part of the taxation. Certainly everybody should pay

taxes, but when you do not get enough to live on, what about the taxes? I am as bitterly opposed as anybody to communism, but I do not think it can be effectively fought by speeches or in any other way than by enabling people to live on their incomes. There is no sense in asserting that they should, when they are unable to do so. I candidly admit that I am not in the lower-income brackets, but I certainly came from a lower-income bracket, and I know by experience what it means. I know the trouble which my parents, along with hundreds of others, went through on our prairies. I can recall when they sold eggs for ten cents a dozen, and butter for ten cents a pound. I know what it is to go to the village with two pounds of butter and bring home as much tea as it would buy; and tea was about all that was bought at the stores in those days. And there were not a few, but hundreds, even thousands of people in that position. I understand that sort of problem, and therefore I feel keenly about that class of people. I am not advocating that people should congregate in cities, or that they should work in the steel plants and receive exorbitant salaries, or put in forty hours and call it a week's work; for I know that, for every farmer who works under eighty hours, there are many who work more. At the same time, what I am seriously concerned about is the position of people in the low-income brackets, for I know that they are the ones who are suffering, and I do not believe they should be required to pay this tax.

Let me deal briefly with the point raised by my honourable friend from Peterborough (Hon. Mrs. Fallis). I cannot understand why the exemption of \$660 should not have been continued to the women of this country, the more so as we cannot get nurses. I have a case in mind. A comparatively young woman, about forty-five years of age, came to my office the other day and asked, "Will there be any change in the law regarding the \$250 that I can earn?" I asked her, "What are the facts?" She said: "I am a married woman. I was married early in life; my youngest child is about twenty-five, and all the children are out doing for themselves. My husband has a job in the Canadian National Railways, not very remunerative, but he earns enough to pay our way. I am a trained nurse, a graduate of the Winnipeg General Hospital"—I think she is a medallist of the hospital—"and people come to me begging me to take their cases. But now, Mr. Haig, when I get \$250, what do I do?" I said, "You quit." She said, "That is exactly what I am going to do."

Hon. Mr. ROBERTSON: Why?

Hon. Mr. HAIG: She said: "Why should I work when my earnings decrease my husband's exemption and no tax reduction is given to me? Why should a woman be compelled to go back to housework if she does not want or need to do so?" I do not deny that a woman's place is in the home, but surely she has the right to choose whether she will remain at home or not, if her husband is satisfied with the arrangement and the children are grown up. Or, take the position in our province with regard to teachers. We have a large number of girls, who, having attained grade XI or XII, and some without any Normal training at all, have been given certificates to teach, and have taken up the work.

With regard to girls working in a factory, a woman asked me the other day if the law had been changed as to the \$660 that a woman could earn free of income tax. I replied that the law had been changed and the amount was now \$250. I told her that the new budget had been brought down and this was still the amount of her exemption. She said, "Well, I will get my scrub woman to come." I asked what she meant, and she explained that a woman who had been a factory worker during the war years would now, because of this lowered exemption, have to quit and return to her old job of working from day to day. Of course, no record is kept of that sort of thing. This situation also applies to women teachers, hairdressers and many others. I think that a woman can find her greatest delight in her own home. However, many a woman with special qualifications, after having raised a family and reached the age of forty-five, wishes to work at some job for which she has a preference. Many women like nursing, yet although our hospitals all over the country are crying out for nurses, these women cannot take the jobs. Because of the new legislation in Saskatchewan I do not think there will be any nurses at all available in that province. There are several reasons for the general shortage of nurses. First, the pay has not been sufficient. Second, during the six years of war very few girls entered the nursing profession. Third, girls who have been nurses have been induced to enter other forms of employment that pay far better salaries. Fourth, as my honourable friend from St-Albert (Hon. Mr. Blais) will agree, many nurses marry after they enter hospital service, and then retire. Most of them marry doctors. Those are some of the reasons why hospitals throughout Canada are so much in need of nurses. There are other reasons. At one time nurses used to work from dawn to dawn, but now they work eight hours and that is all. My friends in the medical profession tell me that hospitals now

require three nurses to do the work that one nurse used to do in the old days. In former times a nurse would sleep on a chair beside the bed and when her patient woke up she would attend to her duties as best she could. And despite the present shortage of nurses in hospitals the government refuses to allow those who are married a tax exemption of more than \$250.

What about farmers' wives? Why should they not have an exemption of \$660? I say that the farmers in this country who have no wives would be tickled to death to get their homes kept for them for that amount.

The present taxation is causing unrest in the rural parts of Canada. I speak for Manitoba, where the farmers, in proportion to the whole population, pay more income tax than do the farmers of any other province. The farmers in Saskatchewan pay a higher total, but they are more numerous than the farmers of Manitoba. The government knows all that, yet it will not give a reasonable exemption to the women who form part of the team that makes the thing go.

Honourable senators, I have spoken longer than I intended, but I feel that as members of this Senate we owe a duty to the people of Canada to express our thoughts on what should be done in the interests of the economic life of this country. It is for that reason and no other that I have made the statements I have this afternoon.

Free enterprise can be put out of existence by the tax route. There is no more effective way to stifle industry in any country than by excessive taxation. That is what is happening in Canada now. I have given the Minister of Finance great credit—I repeat it—great credit, for the steps he has already taken. However, I say that he must go much further before industry, enterprise and individual liberty can prosper in Canada.

One more word. I am pleased to hear by the rumour route—I have not been told officially—that the government is drafting a consolidated income tax bill. I hope that it will take cognizance of the report made last session by the committee of which my honourable friend from Waterloo (Hon. Mr. Euler) was the distinguished chairman, and in which he did a first-class job. That report did more to put the Senate on the map of Canada than anything else since I came into this house twelve years ago. I say that, not because I was a member of the committee, for I did not have much to do with it, but because the report gave the people of this country cause to hope that we may have a reasonable and workable income tax law. I hope the government will read the report

very carefully. I know that people will say to me, "Mr. Haig, what about this expenditure and that expenditure?" I can only reply that if the Senate cannot sit down on expenditures, God help this country.

I am in favour of having the bill go to a committee, where it can be discussed in detail.

Hon. WISHART McL. ROBERTSON: Honourable senators, I should like to take this opportunity of joining with the leader opposite (Hon. Mr. Haig) in complimenting the mover of the motion for second reading (Hon. Mr. Hayden) upon his clear and lucid explanation of the details of this bill. I wish to comment in a general way upon the remarks of my honourable friend opposite, but I shall not attempt to usurp the right of the mover to reply. I should also like to refer particularly to the comments made by the honourable senator from Peterborough (Hon. Mrs. Fallis).

I do not think anyone can take much exception to the general remarks made by the leader opposite. We all agree with what he so eloquently said as to the importance of external trade to this country. That is a matter which perhaps in the past has been appreciated on this side of the house more than on the other. The desirability of removing tariffs and increasing the volume of business, with not only the rest of the world but in particular with the great country to the south, is something which honourable members on this side of the house can applaud, because our record in that respect is a good deal better than that of honourable members opposite, as they will know if they remember the traditional elections which had to do with our trade relations with the United States.

On the general question of governmental expenditure and taxation, I do not think anyone would deny that it is desirable for us to have the lowest taxes possible. Nor do I think anyone would deny the general thesis that, consistent with good service to the country, it is well that governmental expenditure should be reduced to the lowest possible level. So I am not inclined to be too critical of the remarks of my honourable friend in the latter part of his excellent speech, where he referred to the tendency of oppositions to call at one time for increased expenditures and at another time for reduced taxation. I believe that in a great many different circumstances that is characteristic of oppositions. In the present session, for instance, I know of practically no major issue that has come before this country on which the leader of the party of which my honourable friend is such a distinguished member has not criticized the government for not spending enough money. A certain leeway is

given to the opposition, as we all appreciate and realize, but it will of course be for the government which, after all, has the responsibility, to choose between two conflicting points of view.

I believe that this house and the general public will support the broad thesis of the leader opposite. But I wish to give a little background to the subject, and perhaps bring it down from the dramatic and eloquent level on which he and the honourable senator from Peterborough (Hon. Mrs. Fallis) have discussed it, in their attempt to make it appear that an injustice had been done to the people of Canada.

The honourable senator from Peterborough speaks so fluently and gracefully, and her remarks carry such conviction, that until I began to loose myself from the spell of her magnetic eloquence I find myself almost convinced that her viewpoint is the right one. After listening to the honourable lady I set about to study the subject and see what the situation was, according to the hard facts. Honourable senators, we must consider these matters today in the light of the fact that we have just come through a war which has caused a great deal of dislocation in this country and resulted in tremendous expense which we and the future generations have to bear. In considering the matter with that background we must be careful about letting our minds drop back to the days when we had no such financial responsibilities. Let us look at our situation realistically, as it is today, and compare it with that of other countries under democratic government.

My honourable friends directed their remarks more particularly to the matter of the exemption of \$250 to married women. It was claimed that that level of tax free income has had a detrimental effect upon the willingness of women to engage in industry. The honourable lady from Peterborough gave as an illustration a young couple starting out in the income bracket of \$1,200 to \$1,800 a year. I intend to give a specific illustration along those lines, and leave it to the judgment of the house whether or not, taking everything into consideration, the action of the government is one that could rightly be criticized as causing a grave injustice to the people of this country.

Let us not forget that in 1939 the exemption for income tax purposes stood at \$1,000 for single and \$2,000 for married status. When the wife's income exceeded \$1,000 both she and her husband became taxable as single persons. In 1940, the exemptions were reduced to \$750 and \$1,500 respectively. The wife could receive an income up to \$750 without

paying any tax or affecting her husband's tax, but when her income exceeded that amount by as much as one dollar her husband lost his married status, and both paid as single persons. In 1942 the exemptions were again changed to what in effect was \$660 for single persons and \$1,200 for married status. Due to a state of emergency which then existed a further change was introduced, providing that the husband could claim the full married exemption of \$1,200 regardless of how large his wife's earned income might be, and she could pay as a single person. The exemption was again changed in 1947, to \$750 and \$1,500; and so as to place the taxation of a husband and wife on a more equitable basis, and to bring our law into closer conformity with that of other countries, it was provided that a husband's exemption would be reduced by the amount by which his wife's income exceeded \$250 and did not exceed \$750. When the wife received more than \$750, both she and her husband were taxed as single persons.

In respect of the last change, designed to place the taxation on a more equitable basis, general factors were taken into consideration, including the one which my honourable friend pointed out in connection with farmers where the wife assists in increasing her husband's income but cannot take advantage of the existing exemption for her share, as she could if she worked at some outside activity from which she received \$X. Of course when the exemption is only \$250 some discrimination exists, but it is not as great as it would be if the exemption for the wife were higher. No special provision is made for the farmer's wife, and how practical or how feasible it would be to devise such an arrangement, I do not know. However, that problem is not specifically before us at the moment.

Hon. Mrs. FALLIS: May I suggest to my honourable friend that the fact that the farmer's wife is not being treated justly is no reason why other women should not be. Two wrongs do not make a right.

Hon. Mr. ROBERTSON: I admit that there may be another way of handling the taxation of farmers' wives and other wives who are employed, but the whole question of practical difficulties would be encountered, and we would come back in varying degrees to the same problem. Farmer's wives and storekeepers' wives who contribute to their husband's income would raise objection to the deductions allowed.

In the United States a husband who wishes to claim married status, which carries \$1,000 exemption, must include his wife's income with his own and pay a tax on the total; or,

if the husband and wife so elect, they may each file separate returns and pay as single persons, with \$500 exemptions. In the United Kingdom a husband and wife living together must file a joint return of income; that is to say, the husband must include all his wife's income with his own. The husband is allowed the married exemption of £180, or \$720, and an additional exemption in respect of his wife's earned income up to £110 or \$440. My honourable friend might point out that in the case of a wife's earned income the exemption in the United Kingdom is higher than \$250, but it must be remembered that when the two earnings combined are taken into consideration the amount is brought up to \$1,160.

Hon. Mrs. FALLIS: The honourable senator has referred to the United States tax. May I ask him whether they pay as large an income tax in the United States?

Hon. Mr. ROBERTSON: I am glad my honourable friend brought up that point. I think it is a pertinent one and I am prepared to deal with it. In actual figures here is the situation. The comparative exemptions as between Canada, United States and Great Britain, in the case of a married couple where the wife has no income, are these. In the United Kingdom the exemption is \$720, in the United States it is \$1,000, in Canada it is \$1,500. But if the wife is earning, the combined exemptions are these; in the United Kingdom, \$1,160; in the United States, \$1,000—for there is no exemption applicable in this case—and in Canada, \$1,750. Much as we may desire to remove taxes from everybody, as long as they must be imposed we must deal with them relatively, bearing in mind that all of us are to a greater or lesser degree beneficiaries of the expenditures, and must bear the financial responsibility which our respective countries have assumed. The comparison I am making relates to the three countries in which these conditions are most similar. Exemptions for man and wife range from \$720 to \$1,500. In Canada the amount is \$1,500. For those families where the wife earns an income, the exemption totals \$1,160 in the case of United Kingdom, the amount remaining at \$1,000 in the United States, and rising to \$1,750 in Canada. On that basis, I think, the people of Canada are not badly off, and I do not know that any great injustice is being done, bearing in mind that we are in a world which holds that a fair share of the national income should be raised in accordance with the principle of ability to pay. I admit that this form of taxation is not the

only source of income. But we believe that the basis which has been established is on the whole a fair one.

I come now to the point referred to by the honourable senator from Peterborough (Hon. Mrs. Fallis). Converted to dollars and cents, how does the matter stand? I intend to take an average case: I am not prepared to discuss all possible permutations and combinations, as the old phrase goes. My honourable friend talked about the range from \$1,200 to \$1,800. I am going to take the case of a married man who earns \$1,500, on which he is not subject to taxation, owing to his married status. A situation develops in which, partly as the result of a desire to supplement the family revenues, and partly in response to the call to participate in nursing or school teaching or factory work, his wife, having the time at her disposal, undertakes to work. The implied suggestion of my honourable friend is that she goes out and works to the tune of \$250, and then because, above that sum, a tax is involved, her inclination is not to do any more work.

Hon. Mr. MacLENNAN: On the advice of counsel!

Hon. Mr. ROBERTSON: On the advice of counsel—all right.

Hon. Mrs. FALLIS: I am merely repeating what these women have told me.

Hon. Mr. ROBERTSON: Let us see how much it amounts to. I am not saying that some do not do that. But I have some doubt if the husband himself, having \$1,520, would say, "If my salary is increased to \$1,700 or \$2,000 I shall have to pay income tax, so when the boss calls me in and says, 'I am going to increase your salary to \$2,000' I shall say, 'Keep your money; I would have to pay a tax on it, so I don't want it'."

Hon. Mrs. FALLIS: That is not a case in point.

Hon. Mr. ROBERTSON: The financial result is exactly the same, and human nature is much the same. In undertaking outside work, women are actuated by high motives and also by a perfectly logical desire to supplement the family income. Having earned \$250, and realizing that if she earns more than that amount the joint exchequer will be subject to taxation, she will decide whether she will quit work or continue. Supposing she goes on working and gets extra money, how much is it going to cost her? That is quite a pertinent point. To tell you the truth, I did not know, and I thought I would like to find out what it would cost a woman

to get that extra money, not only in Canada, but in the United States and Great Britain. I say that this is a pertinent point. My honourable friend shakes her head.

Hon. Mrs. FALLIS: I think we are concerned with what is happening in Canada.

Hon. Mr. ROBERTSON: I know, but the point is that the honourable lady argues that the government of which I am a member is working a great injustice on the people of Canada, and to these particular people. I am suggesting that in the light of all the circumstances the injustice is not quite so great as her eloquence would seem to indicate. If the wife earns \$500, obviously their combined income is \$2,000, of which \$250 is taxable. I thought I would cite two instances: one, where \$250 is earned, which of course is not a case in point, because no tax is imposed; the other, where the wife is earning \$500, of which \$250 would be taxable. On this sum the family would pay a tax of \$42 in 1947 under our present tax rates, which are half the 1947 rate and half the 1948 rate, but in 1948 the tax would drop to \$29. That is the amount she would have to pay if she earned \$500 and her husband's income remained stationary at \$1,500. In other words, \$42 would be payable on the 1947 basis and \$29 on the rates which come into effect on July 1. In the United States, however, a married couple in the same income tax bracket pays \$154, and in the United Kingdom, \$156, against our \$42 on the present 1947 basis and \$29 on the whole year on the 1948 basis. I do not undertake to say that it would not be much better, as my honourable friend remarks, if they did not have to pay the \$29 at all. I am not scorning \$29 by any manner of means, but I am pointing out that a person in this position is substantially better off in Canada than in the United States or the United Kingdom.

Let us take another case. Let us suppose that the man earns \$1,500 and the wife \$750. The combined income is \$2,250, of which \$500 is taxable. In Canada under the present rates in effect for 1947, they would pay a tax of \$94, while under the rates to be in effect for 1948 they would pay \$70. That is, she would have to pay \$70 income tax on the \$750 extra that goes into the household as a result of her efforts. A married couple earning exactly the same amount in the United States, however, would pay \$197 at the present tax rates; and in the United Kingdom, \$250.

Honourable senators may recall that the proposed reduction in the tax rates in the United States, a reduction passed by Congress,

was vetoed by President Truman. This question might arise: "Are you dealing with the rates which would have prevailed had the proposed measure gone through?" I reply that I am dealing with the rates which now exist, as a result of the veto. But I am informed that even had the new rates gone through in the United States, our rates would still be more favourable than theirs until the \$2,700 income class is reached, in which bracket the new rates in the United States would have been more favourable than ours.

Honourable senators will perhaps remember that when this bill was before us last year considerable suggestions were made in our Senate committee. I believe that at one time the Senate considered proposing that the amount of the exemption be raised from \$250 to \$400. There appeared to be general agreement that, while a higher figure would have been more desirable, \$400 would have been satisfactory. I just want to give an illustration as to what would have happened had the exemption been raised to \$400. Suppose a husband earns \$1,500, and his wife \$750. At 1948 rates—the latest rates—the couple would pay a tax of \$44, as compared with \$70 on the present basis. That is, if the exemption were \$400 instead of \$250, there would be a total difference of \$26 in their income tax.

My honourable friend from Peterborough (Hon. Mrs. Fallis) made graphic reference to people who are so used to talking about hundreds of thousands of dollars, that they cannot appreciate the value of small sums. I want to say that I am not belittling the importance of \$26 to people paying income tax. It is an important item to anyone. I think that I am even more cognizant of these facts than my honourable friend is. She lives in one of the most fortunate parts of this country, a district which from the beginning of Confederation has had the benefit of many advantages that people in other parts of Canada have not had. I admit that it is a great hardship for a couple in Canada earning \$2,250—\$1,500 to the man and \$750 to the woman—to pay \$70 in income tax. However, I can tell my honourable friend that in the part of the country from which I come there are literally hundreds and thousands of families to whom \$2,000 a year would seem like an almost unobtainable objective. Does my honourable friend realize that in the years before the war thousands of families were earning somewhere in the vicinity of only \$300 or \$400 annually?

Hon. Mrs. FALLIS: We are speaking of present day conditions.

Hon. Mr. ROBERTSON: A family earning \$2,250 in the United States has to pay \$197 in income tax, and a family earning \$2,250 in the United Kingdom has to pay \$250. Therefore I do not understand how my honourable friend can say that the Canadian family is subjected to a grave injustice. Moreover, I do not think the tax is anything like the deterrent that the honourable lady portrayed it to be. I will admit that an argument may be made in individual cases. There is the argument that when a person earns more money he has to pay more income tax, so he may decide to work less, earn less money and in that way avoid some taxation. That may sound reasonable enough, but I am of the opinion that only a minute percentage of people in Canada would cease work on that account. I have a small business and I remember that whenever it was time to pay income tax the manager of my company would come to me and proceed to berate the government for the amount that had to be paid. He would say that next year he did not intend to do so much business; and everybody else in the company, whatever work he was doing, would say the same. However, I could not see any particular tendency on the part of my company or of any other company in Canada to curtail business. If that practice were followed out every businessman in Canada would lie down when he got to a certain place and say, "I will do no more business." And the members of the Senate might say, "Since we are taxed over the \$1,500 exemption for marriage status, we will not attend any more sessions." I give my honourable friend credit and say that the individuals with whom she has discussed the matter have been sincere in what they said, but I doubt if their viewpoints affect the economy of this country very much. I say to her that if it were in my power to offer an income of \$2,250 to thousands of families in the province of Nova Scotia, on conditions that they pay \$70 a year in taxes, they would take it so quickly, it would make her head whirl.

Hon. Mrs. FALLIS: May I ask the honourable senator a question in respect to his figures? Apparently I have not been reading correctly the table that was issued by the Department of Finance. When I spoke yesterday I said that I was not very good at jigsaw puzzles. This table states that where the wife's earnings are \$780—a trifle over the \$750 mentioned by my honourable friend—and the husband earns \$1,500 the tax is \$124. The figure my honourable friend gave was \$70. What is the reason for the discrepancy?

Hon. Mr. ROBERTSON: I forgot to mention in the course of my remarks how impressed I was with my honourable friend's remarks about the figures. A copy of that table was sent to me too, and I said to the fellow who brought it over that Senator Fallis had seen it and had said she could not make it out. I could not make it out either, so I thought that it would help to explain the problem better if I presented illustrations of specific cases. I would not like to be cross-examined by anybody as able as my honourable friend from Peterborough, but if there are any discrepancies between the figures she has and those supplied by the Department of Finance, I think it would be an excellent idea for her to cross-examine the officials who come before the committee.

Some Hon. SENATORS: Hear, hear.

Hon. A. N. McLEAN: Honourable senators, I am going to say something with reference to Newfoundland today, but before doing so, I should like to associate myself with constructive criticism of the honourable senator from Peterborough (Hon. Mrs. Fallis) as to the increased taxes on married women. Last session legislation was passed increasing the tax on married women who work outside the home. I spoke very strongly in committee against its enactment, for these reasons: first, it seemed to me to be discriminating against citizens in a certain class by raising their taxes when other income taxpayers were getting a reduction; secondly, I had a great fear that the tax would kill incentive and that many sincere hard-working women would quit their jobs at a time when their services were needed fully as much as at any time in history.

Honourable senators will remember that representatives from the Bank of Canada came before us in committee last year and stated that every available worker should remain in productive work. One has only to travel about the country, as I have, or read the press, to realize that the fears some of us had last year materialized to an even greater extent than we foresaw. Thousands of working married women in every part of Canada either quit their jobs or reduced their services to part time. During the past year hospitals all over the country have been desperate for nurses, and have had to cut down on their services, yet there is no greater or more necessary service rendered in Canada.

Married women school teachers, who render a great and necessary service in the education of our youth, also have resigned their positions, and country schools are finding it almost impossible to carry on.

During the war tens of thousands of married women did a great and patriotic job for this country by working long hours outside the home wherever they were needed. The war was scarcely over when their taxes were substantially raised—a mighty poor kind of thanks for the contribution they made.

Seasonal industries are especially adversely affected by the present tax. In certain packing seasons every hand available is sorely needed. Many married women are expert packers. In the canning and chocolate factories they do an excellent work that cannot be done by men. Many married women excel in the packing of foods. They are absolutely essential in carrying the peak load when the season is on, and are capable of earning \$25 a week or more. To earn this amount, they often hire female help to come into their homes a few hours a day to do the cleaning work and pay them \$7 of \$8 a week out of their own pockets. The least that can be done is to allow these working women to deduct from their taxable income the amount they pay to such help. In many cases if they did not hire this help they would not be able to stay on the job and earn what they do. I cannot see that in the long run the Government would be out much, if anything, if this exemption were allowed, and many more of these expert women would be kept on the job steadily in productive work in seasons of the year when crops have to be gathered and food preserved, thus increasing the production which is so necessary at these times.

I should like to refer to a circular which was sent out by the Department of Finance a few days ago. I presume all honourable senators received a copy. It states that the tax reductions commencing July 1 reduce to very moderate proportions the increase in the husband's tax that comes about because his wife is working, and that the assumption by some married couples that the tax increase is such that there is little or no advantage for the wife to continue to take up employment is quite erroneous. I have examined the figures, and I do not agree with this statement. According to the table attached to the circular, a married school teacher, for instance, who takes a country school at the small salary of \$780 per year, and whose husband is in the \$1,500 class, pays \$124 tax out of her meagre salary. Now a school teacher has to dress fairly well and has to maintain a certain station in our society. How is she going to save anything while paying such high taxes? I do not see how she is going to break even. If she were paid around \$1,000, the tax would

be \$200. Many would really like to take the work for the community's sake, but this tax is too big a hurdle for them to get over. One can readily appreciate how the tax kills incentive.

Let us take the case of the married nurse. If she receives the usual salary for nurses around \$30 per week, her tax will be over \$300. Now, nurses also have to dress well, and have clean uniforms every day; and they often work long hours, especially on private cases, and return home tired. The majority of them have to pay help to come to their homes, perhaps as much as \$10 a week. After paying over \$300 taxes and say another \$500 for help, with no exemption allowed for that item, how much is left? Not enough to give one much incentive.

I scarcely know why anyone would think the taxes are going to show any worth while decrease after July 1. I have before me a table which I believe is quite correct. It shows that in 1947 anyone earning \$1,000 will have his take-home pay increased by about one and one-third per cent by reason of the reduction in income tax; and in 1948, by two and three-quarters per cent. That is hardly worth calling attention to, because it is the take-home pay that counts with those who labour in industry and services. Some will say that married women paid taxes before the war. That is true, but the exemptions were so high that they were not affected then as they are now, and there was not so great a demand for married women workers as there is today.

Had exemptions been increased in the budget to \$1,000 on single persons and \$2,000 on married persons, the problem would be pretty well on the way to a solution, but since the war we raised the lower brackets on single persons from \$660 to only \$750—a mere \$90—and from \$1,200 to \$1,500 on married persons, and then placed this heavy tax on married women. During the war not many girls trained for nursing, school teaching or special trades, but went into the war services instead. It was easily seen there would be a scarcity in these other services during the first few years after the war.

In these circumstances it seems absolutely illogical to aggravate the situation by putting on a tax that kills incentive and drives thousands of married women in the classes I have mentioned out of productive services. The sure cure for inflation, which we hear so much about, is more production. Any tax or regulation that slows down production stimulates inflation. I know from experience that our taxing methods have slowed down the

production of real wealth to such an extent that in many cases the loss has amounted to several times the tax collected.

The circular makes reference to taxes in United States and Great Britain. It is hardly fair to compare our income tax system with that of the United States or Great Britain. In the United States there are many exemptions that we do not have, and there is no sales tax, which bears heavily on the ordinary man here. Great Britain encourages foreign investment and does not collect taxes on dividends as we do; in fact, the dividend taxes in that country are very light, except in cases where the taxpayer has a very large income.

I do hope some way can be found to raise substantially the exemption in the lower income brackets and eliminate this heavy increase in taxes on married women who did such a good job during the war period and are prepared to do just as a good a job in peace time, if given a fair deal.

Those who have the taxing powers should realize that it is impossible to impose an increase in taxes on a small minority, and give everyone else a reduction without causing widespread dissatisfaction. Unfortunately, it has seriously affected two of our greatest services—nursing and school teaching. Why take the risk of citizens suffering from a lack of nursing care, and of children going untaught, because of an unfair and unnecessary tax?

Honourable senators, before the end of the present month, a delegation of prominent citizens from Newfoundland will visit Ottawa, seeking information as to what terms Canada would be willing to grant if Newfoundland decided to join in partnership with our dominion and become a province of our confederation. These gentlemen from Newfoundland are duly elected delegates to a national convention which was convened to investigate what form of government Newfoundland should have in future. As you know, at the present time, this fine island is governed by a Commission consisting of three appointed Newfoundland citizens, three civil servants from England and a Governor appointed by the Crown. There are forty-five delegates making up the convention which were elected last summer. As stated, they are gathering information as to what form of government would be best for Newfoundland in future—whether she should continue the present Commission government, or set up a responsible government of her own, or confederate with Canada. I believe the

information gathered by these delegates will be placed before the people in the real democratic way, and a plebiscite will be held, and the people will vote for the kind of government they desire.

Newfoundland is the oldest colony of the empire. This great island is populated by a people like ourselves—good British citizens. It has been my good fortune to have travelled about the island very considerably and I know many people there, including quite a number of the delegates. In fact, I have had the honour of being asked to appear before some of the committees of their convention who were seeking information regarding the world fishery situation.

Over there, they are a stalwart hard-working people, and in my opinion would make a great addition to Canada. In fact, there would be substantial benefits on both sides, if Newfoundland saw fit to decide to enter into partnership with us. The *per capita* debt of the island is low, considerably less than ours, amounting to around \$230 per head. The total net debt is \$74,000,000, against which they have \$28,000,000 in cash. Some will say one reason why our debt is larger is that we have developed our resources. That is quite true; and Newfoundland, considering its size, including Labrador, has proportionately just as great natural resources to develop as Canada has.

Canada has the capital and considerable "know how" to contribute toward the development of Newfoundland's vast natural resources, which consist of lumber, metals, fisheries, water power, etc. I believe that in the next decade or two raw materials are going to be sought after by the nations of the world far more than ever before. Considering the small debt of Newfoundland, Canada could well set aside a considerable sum for the development of transportation and natural resources over there; that is, if a partnership was arranged. We have voted large sums to other countries, while in Newfoundland we have a great cash customer right at our door, who buys from us annually several times more than we buy from her, and whose purchasing power will be far greater when her resources are developed.

We talk of bringing many thousands of people from Europe, displaced citizens, and so on. This may be all very well, even though I am told that these displaced persons have to be screened very carefully, as otherwise we might get "would-be" citizens who have fought on both sides, in which case they could not be expected to make very good Canadians.

As I have stated, the people of Newfoundland—there are 320,000 of them—are good British citizens. Their fathers also were British citizens. There are no communists over there. So if we desire to add to our population in this great country, why not offer Newfoundland a generous deal and endeavour to bring her into partnership? Her people should have a preference over many others we are talking about.

Take the position of this great island from a geographic standpoint. I do not need to tell honourable senators, who have the interest of our commonwealth at heart, what a strategic position the island of Newfoundland and the territory of Labrador hold, whether it be commercial, air power, or defence air power. We have only to look at the map to become convinced. These territories are the real outposts of the northern Atlantic coast, quite similar to Alaska and the islands off the Pacific coast. A consolidation of our Atlantic seaboard is most desirable, indeed, from every standpoint. Can we, as a great nation, afford to drift along and in any way ignore the possibilities of the wonderful opportunity now presented to us for a partnership with these fine hard-working people and their great territory? It may prove to be a step toward a greater unity. It is not beyond a possibility, by any means, that some day, in the not too distant future, we may have one large maritime province consisting of the three present Maritime Provinces and Newfoundland. I believe we should bend backward in extending generous terms of all-out partnership, if Newfoundland desires to come in with us.

When Alaska joined the United States, strong criticism came from some of the older conservative states. It was said Alaska was an ice box and would be a continual liability to the great American republic. Well, we all know that Seward's vision was more than fully realized. Alaska is rich in resources and has contributed many hundreds of millions worth of raw materials to the partnership; and today Alaska is sometimes rightly called a Gibraltar of the air.

I am sure if we have the right vision and do our utmost to meet Newfoundland more than half way when her delegates come to us seeking terms of confederation, and if the people there decide to come in with Canada, future years will prove that on both sides there was great foresight; and those who come after us, whether they may live in Newfoundland or other provinces of this great confederation, will have every reason to be grateful to those who laid the foundation of the partnership.

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I personally am acquainted with several of the delegates who are coming. The whole delegation are outstandingly fine citizens of a great country, and I do hope every honourable senator will meet all the members. I feel sure this branch of parliament will give careful consideration to any proposals that may lead to a confederation of this great British island and our country. If Newfoundland becomes a province it can contribute a very great deal to our other provinces, and they can do many things for Newfoundland. The great benefits would be mutual. If she came in with us we would all be equal partners. That is the spirit that should prevail in a world that is torn in many places by dissension.

We, in North America, are fortunate indeed to be surrounded by friendly peoples who have our own ideals, people who are all-out in their support of tolerance, democracy and British institutions. In these times of trouble and stress the closer we, and the friends who are near us, work together, the greater will be our accomplishments for peace and good will.

Honourable senators, the opportunity is presented to us now to receive the delegates of a great people like ourselves, a people who stand on guard for the very things we love and respect. We are living, as we all know, in very troubled times. One of the greatest things that could be accomplished now is the maximum of unity and partnership throughout our half of the North American continent.

Hon. M. LACASSE: May I be permitted to ask some questions of my honourable friend? First, I wish to thank him for his enlightening statement on Newfoundland; and, in order to render it more valuable at this particular stage of the debate, I would candidly ask him to add to the picture of Newfoundland a description of the taxation picture over there as compared with that of Canada, so that we may know whether our comparative position is such that it is likely to induce them to join us or to scare them away from us.

Hon. Mr. McLEAN: Honourable senators, I do not think I should go into the details of Newfoundland's taxation system today. The main part of the revenue there comes from tariffs. Newfoundland uses tariffs for revenue, as she has very little industry to protect.

Hon. Mr. ROEBUCK: I wonder if the honourable senator will confirm the report that I have with regard to Newfoundland. It is to the effect that the bulk of the revenue is raised from tariffs. I understand that there

is very little municipal organization, and that land values bear no taxation whatsoever. In all the rest of America, from the Gulf of Mexico to as far north as there are municipal organizations, land is assessed and taxed.

Hon. Mr. MURDOCK: What has Newfoundland got to do with the Income War Tax Act?

Hon. A. L. BEAUBIEN: I move the adjournment of the debate.

An Hon. SENATOR: On Newfoundland?

Hon. A. L. BEAUBIEN: No; on the Income War Tax Act.

The motion was agreed to, and the debate was adjourned.

The Senate adjourned until Tuesday, June 24, at 8 p.m.

THE SENATE

Tuesday, June 24, 1947.

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

Prayers and routine proceedings.

IDENTIFICATION OF CRIMINALS BILL

FIRST READING

A message was received from the House of Commons with Bill 259, an Act to amend the Identification of Criminals Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

INTERPRETATION BILL

FIRST READING

A message was received from the House of Commons with Bill 260, an Act to amend the Interpretation Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

JUDGES BILL

FIRST READING

A message was received from the House of Commons with Bill 262, an Act to amend the Judges Act, 1946.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

EXCHEQUER COURT BILL

FIRST READING

A message was received from the House of Commons with Bill 263, an Act to amend the Exchequer Court Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

CANADIAN MARITIME COMMISSION BILL

FIRST READING

A message was received from the House of Commons with Bill 336, an Act to establish the Canadian Maritime Commission.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

INSURANCE COMPANIES BILL

FIRST READING

A message was received from the House of Commons with Bill 337, an Act to amend the Canadian and British Insurance Companies Act, 1932, and the Foreign Insurance Companies Act, 1932.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

DOMINION COAL BOARD BILL

FIRST READING

A message was received from the House of Commons with Bill 340, an Act to establish the Dominion Coal Board.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill K12, an Act for the relief of Evelyn Clara Woods Cross.

Bill L12, an Act for the relief of Minnie Braimaster Kazarensky.

Bill M12, an Act for the relief of Peter Moroz, otherwise known as Peter Morris.

• Bill N12, an Act for the relief of Lorne Earl Barth.

The bills were read the first time.

SECOND READINGS

Hon. Mr. ASELTINE: Honourable senators, with leave, I move that the bills be read the second time now.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. ASELTINE moved the third reading of the following bills:

Bill Y11, an Act for the relief of Henry Eaton.

Bill Z11, an Act for the relief of Lodie Kadei Nakel.

Bill A12, an Act for the relief of Margaret Sophie Bolenski Dubeau.

Bill B12, an Act for the relief of Marion Mapes Harvey Allinson.

Bill C12, an Act for the relief of Frances Alice Egg Johnston, otherwise known as Frances Alice Egg Willey Johnston.

Bill D12, an Act for the relief of Selden Grant Stoddard.

Bill E12, an Act for the relief of Elmon Parker Law.

Bill F12, an Act for the relief of James Dewey, Junior.

Bill G12, an Act for the relief of Peggy Alicia Stilwell Kneeland.

Bill H12, an Act for the relief of Alexander Monteith.

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

INCOME WAR TAX BILL

SECOND READING

The Senate resumed from Thursday, June 19, the adjourned debate on the motion of Hon. Mr. Hayden for the second reading of Bill 269, an Act to amend the Income War Tax Act.

Hon. SALTER A. HAYDEN: Honourable senators, the debate on this bill was adjourned at my request, and unless some honourable senators wish to continue the debate, I have one or two observations to make, which will formally close the discussion on second reading.

The debate that followed the explanation of the bill dealt with the provisions of our income tax law generally, and did not raise an issue requiring any answers as to particular points covered by the proposed amendments to the act. Therefore, there is nothing that I propose to add at this time. I intend, after second reading is given, to move that the bill be sent to the Committee on Finance. Without further comment, I am formally closing the debate.

Hon. CAIRINE R. WILSON: Honourable senators, may I crave your indulgence for a moment? As a good deal has been said on the question of the reduced exemption for married women, particularly as it affects nurses, I should like to place on *Hansard* an official communication from the Secretary of the Canadian Nurses' Association. It refers to a discussion by the executive of the association.

In reference to income tax exemption for married nurses the discussion revealed conflicting opinions. At one stage of the meeting it was felt that it would be unwise for the Canadian Nurses' Association to ask any special consideration for nurses. It was recognized that the financial effect will be small but that the psychological effect is a factor which must be considered. The feeling was expressed that a request for exemption for married nurses would reflect adversely on the profession if it were pointed out that mercenary considerations prevented nurses from giving their services when the need is so great.

The whole matter was referred to the Resolutions Committee for careful study, with the result that the following resolution was presented and adopted:

"Whereas there has been widespread discussion of the new tax regulations for married women;

And whereas it is anticipated that a certain number of married nurses will give up nursing when the regulations come into effect, in part due to the resentment expressed by their husbands, whose income tax will be altered:

Be it resolved: That the Executive Committee of the Canadian Nurses' Association communicate by telegram with the Minister of Finance urging that the application of the new regulation be deferred for one year because of the serious shortage of nursing service at the present time."

So apparently the nurses themselves do not take this very seriously. As a woman I protest that we cannot be both dependents and wage-earners at the same time. When a woman is fulfilling her obligations at home, perhaps she should be entitled to some consideration; but I think it would reflect very much on the members of our sex if we were willing to work outside the home only when we were not called upon to make any contribution in the way of taxes. I think that if we claim the right to earn income we should not seek exemption from taxes.

Women who stay at home have received substantial concessions in children's allowances and mothers' allowances. Perhaps we should receive a little more consideration when we are fulfilling what is considered to be our primary duty, in bringing up useful citizens for our country. But if I am a wage-earner I do not wish to claim exemption as a dependent.

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

REFERRED TO COMMITTEE

Hon. Mr. HAYDEN: Honourable senators, I move that this bill be referred to the Standing Committee on Finance.

The motion was agreed to.

PRAIRIE FARM ASSISTANCE BILL SECOND READING

Hon. A. B. COPP moved the second reading of Bill 261, an Act to amend the Prairie Farm Assistance Act, 1939.

He said: The honourable senator from Central Saskatchewan (Hon. Mr. Johnston) has kindly consented to explain this bill.

Hon. J. FREDERICK JOHNSTON: Honourable senators, this bill proposes two main amendments to the Prairie Farm Assistance Act, along with certain minor administrative changes.

As honourable senators know, the act as it was set up in 1939 provided for payments under two different sections. Under one, the Governor in Council might declare any year an emergency year; or, under the other, he might declare a province a crop failure area

if the yield in a certain number of townships fell below a specified minimum. The administrative unit for purposes of payment was the township: If the average yield for the township as a whole fell within a certain range, each farmer in the district was paid a certain sum on half his cultivated acreage, according to a graduated scale. Up to the 1945-46 crop year, total payments under the act were about 62 million dollars—

Hon. Mr. DUFF: Is that all?

Hon. Mr. JOHNSTON: —of which the farmers themselves contributed about 22 million dollars by virtue of a one per cent levy on all grain marketed in the prairie provinces.

Sections 3 and 4 of the present act are repealed. Section 3 is the one which provides for payment of certain amounts on an acreage basis in a year which the Governor in Council declares to be an emergency year; and section 4 is the one under which the Governor in Council could declare a certain number of townships to be a crop failure area. The proposed amendments will enable the Governor in Council to make payments in any year without declaring it an emergency year, and will do away with the requirement that there be a crop failure in a number of townships, and not merely in one, in order to have a declaration of a crop failure area.

The provision for two different ranges of payments is entirely done away with, and the measure will operate automatically. If in one township or more there is a yield of eight bushels per acre or less, payments will be made on the basis provided in the bill. Section 3 of the act provided for payment where the yield was four bushels or less, and section 4 provided for payment where the yield was five bushels or less, but under the new provisions payment will be made automatically in every township in which there are four bushels or less. That is the principal change made by the bill.

The bill also repeals the provision in the act whereby payment was denied to any farmer having over 3,000 bushels of wheat; so that no matter what bushelage a farmer has, he may be entitled to payment.

The other amendments set out in the bill are of minor importance. The definitions of "cultivated land" and "farmer" are given with precision for administrative purposes. The problem of deciding the area of cultivated land owned by a member of a co-operative farm association is to be handled by ministerial regulations rather than by provisions in the act itself.

The changes in the act put the administration of prairie farm assistance, in cases of widespread crop failure, on a simpler and more logical basis. I might point out that the government has always considered that the federal authority should not be expected to carry the entire responsibility for farm relief. Under the provisions of this bill, where whole areas of township size or larger are hit by drought the dominion will carry the responsibility. In isolated cases, however, where a small number of farms have poor crops, it is felt that the local and provincial governments ought to take the responsibility. Much of the criticism of the Prairie Farm Assistance Act administration arises from the fact that a few farmers with poor crops receive no benefits under the act, either because the rest of the farmers in the township had good crops or because the farms concerned did not fall into the smallest unit for administration purposes under the act—a quarter of a township, bordered on at least one side by a township receiving assistance. The answer to the criticism is that the act was designed to deal with crop failure over wide areas rather than in specific and isolated cases, and that in order to do this a line must be drawn somewhere. As long as the act remains in its present form there will likely be individual farmers who feel that they are being treated unfairly. The solution is for the local and provincial authorities to look after such cases. Where a few isolated farms have poor crops, or crop failures, year after year, the land is probably not fit for farming. Over the past few years much of this land has been taken completely out of cultivation. If aid were given to every individual case, it would be even more difficult to take such land out of cultivation.

As to the amounts to be paid, subsection (2) (a) of new section 3 of the act reads as follows:

If the average yield of wheat in the township is found by the board to be more than eight and not more than twelve bushels per acre, the award shall be ten cents per acre of the cultivated land of the farmer for each cent, or fraction thereof, not exceeding ten, by which the average price is less than eighty cents per bushel.

In other words should the price go down to 70 cents a bushel the farmer would receive 10 cents per acre for each cent the price is below 80 cents. If the price fell to 70 cents he would receive \$1 per acre. The bill sets out later the maximum acreages upon which amounts can be claimed.

Hon. Mr. ASELTINE: Claims can be made only on 200 acres.

Hon. Mr. JOHNSTON: On 200 acres.

New section 3(2) (b) says:

If the average yield of wheat in the township is found by the board to be more than four and not more than eight bushels per acre, the award shall be one dollar and fifty cents per acre.

In that case the maximum amount that could be claimed by any farmer on 200 acres would be \$300.

Hon. Mr. ASELTINE: No matter what the price of wheat was?

Hon. Mr. JOHNSTON: Regardless of the price of wheat.

Paragraph (c) of that subsection reads:

If the average yield of wheat in the township is found by the board to be not more than four bushels per acre, the award shall be two dollars and fifty cents per acre.

As this assistance can be earned in respect of not more than one-half of the cultivated acreage, a man with 400 acres who qualified on the maximum of 200 acres would receive \$500.

With regard to sub-marginal land, it might be interesting to note that, since the advent of the Prairie Farm Assistance Act, the government have been attempting to put all this sub-marginal land that is now under cultivation into community pastures. I have the statistics, which indicate that the amount of land so transferred runs into millions of acres. The Prairie Farm Rehabilitation Act, which was enacted by the Bennett government in 1935, led to a start being made on the building of community pastures. In 1939 Saskatchewan fenced more than 189,000 acres, and in the following year, 612,000 acres. Then Manitoba came under the scheme. Alberta is not affected by the act, because the federal government has not been able to make a satisfactory arrangement with the provincial government to include lands in that province within these community pastures. In the last seven years their growth has been rapid. All the sub-marginal lands which have been taken out of cultivation are included in the figures which I shall give. Last year, that is in 1946-47, 154,000 acres in Manitoba and 1,257,000 acres in Saskatchewan were taken into community pastures. So a real effort is being made to see that these lands, which should never have been cultivated, are suitably utilized.

Hon. Mr. QUINN: Were all these lands under cultivation at one time?

Hon. Mr. JOHNSTON: No. I have not been able to get a breakdown of the figures as to the formerly cultivated acreage included in this return: it would not be a large proportion of this total of 1,411,000 acres.

This bill, honourable senators, was discussed at length in another place, and referred to its Committee on Agriculture, where every section was given a thorough airing. I cannot see that any good purpose would be served by sending it to one of the committees of the Senate, although if it is desired to do so I would have no objection.

Hon. F. W. GERSHAW: Honourable senators, having been interested for a long time in this legislation and the organization set up under it, I desire to say a few words. Before 1939, if there was a crop failure people had to seek relief. It was a most humiliating condition, and often relief was difficult to obtain. As a consequence of this act some \$62,000,000 has been distributed among farmers, at a cost, for administration, of \$2,000,000. The legislation has been a great blessing to many people who lived on these sub-marginal lands. The government has collected about \$22,000,000 by a tax on all grain.

The act is one which it is difficult to administer with any degree of fairness. It has caused rivalry and bitterness. To be paid, a man must be in an eligible township, an area six miles square. Also payment may be made if a rectangular area containing only nine sections adjoins an eligible township, and suffers a crop failure. But only these large square areas become eligible for payment, and it sometimes happens that a man within such an area who markets a fair crop is paid \$400 or \$500, whereas one living just across the road allowance who sustains a complete crop failure is not entitled to compensation, because as measured by departmental officers there was not a crop failure in his township.

So there are many reasons why this act should be on an individual basis, but it would be difficult to administer it in that way. Another difficulty that we have encountered many times is that along about July or August a man will see that his crop has gone and he will want to go somewhere to work and earn a little money, but the act provides that he must be on the farm from May 1 to November 1. If he goes away to work, as many have done, he loses his dry bonuses.

Honourable senators, this act has been in operation for eight years, and for seven of those years payments have been made in the manner as explained by the honourable senator from Central Saskatchewan (Hon. Mr. Johnston). Eighty-two townships have qualified for payment in every one of the seven years; 396 have qualified in six years, and 849 in five years. Thus it can be seen that there are many people living on land where crop failures occur frequently. In fact, during the last seven years 1,160 farmers have received

an average of \$1,760 each. Surely it would be the part of wisdom to try some other means of increasing production in those areas.

Hon. Mr. EULER: Had we better move the farmers off the land?

Hon. Mr. GERSHAW: You would have a difficult time doing that. That has been tried and it has proved heart-breaking. In some areas those who have made a good living are very attached to their homes and cling tenaciously to them. Some of the land has been put into community pastures, but not in the province of Alberta. It is an extremely difficult undertaking. It might be suggested that land be left to ranchers; but there too is a problem, because there is no more free open-range land. In years gone by the dominion government invited thousands of land-hungry settlers to go into these areas. People went there and built roads, churches, fences, schools, homes, towns and villages. The government divided the land into townships, sections and quarter-sections and gave homesteads and pre-emptions to hopeful farmers. Now some method will have to be devised by which they can make a living there. The problem can be solved by irrigation systems.

Hon. Mr. DAVIES: Can the land not be improved?

Hon. Mr. GERSHAW: That is really impossible, as it is too large an area. The minister has tried to do something, and the community pastures have helped. Also, there is before parliament at the present time a bill for advancing some \$6,000,000 to the province of Alberta to help it reforest the eastern slope of the Rocky mountains. The trees have been burnt, the subsoil and rich heavy vegetation destroyed, and in the springtime the water runs away instead of continuing in a steady flow. If those mountain sides were protected from fire there would be a great increase in the size of the mountain streams and in the different surrounding bodies of water.

Hon. Mr. LEGER: What is the yearly average contribution by the government?

Hon. Mr. GERSHAW: Over a five year period it is \$6,000,000.

Hon. Mr. LEGER: In the five years?

Hon. Mr. GERSHAW: Yes: that is to help Alberta during the next five years to reforest the sides of the mountain.

Hon. Mr. LEGER: I mean, what is the contribution to the farmers?

Hon. Mr. GERSHAW: The average farmer if he has 400 acres and a yield of less than four bushels, can get about \$400 or \$500; and in the seven years \$62,000,000 have been paid out. That is about \$9,000,000 each year. The government has also given a contract to build a dam on the St. Mary's River. That project when completed will irrigate some 345,000 acres. The government has also shown indications of building another irrigation scheme, the Bow River scheme, which could be completed at a very low cost. It would help to create a great number of new homes and assist many farmers in the district, which qualifies under the bill.

In Alberta about half a million acres are under irrigation. That area supports three beet sugar factories, a large number of canneries, and many happy homes. But two million additional acres out there could be irrigated. The irrigation of even one million acres would result in 10,000 new farm homes, give employment to 2,500 men for three years, and increase the population in the rural districts by about 47,200 people, and in the towns and cities by about 39,000. It would be a great blessing to that part of the country. Immigrants would settle in that land if they were assured that they could produce and secure food. All down through the ages men have carried on an intensive search for food. As honourable senators know, in some parts of the world people are living on a 1,000 or 1,200 calories a day. This insufficiency of food weakens the body, leaves people a prey to different diseases, and brings about a desperate state of mind. The other day I read that in war-damaged Europe alone there are twenty millions of children living on five hundred to seven hundred calories a day. Even right in our country, while perhaps we have an abundance of pastry and cereals, on the average we do not use enough eggs, poultry, milk and other dairy products; certainly we do not use enough fruits and vegetables. These are some of the products which can be grown on irrigated land; and some of them can be frozen and kept available for all seasons of the year. This would mean a great advance in nutrition.

I do feel that in dealing with these sub-marginal areas a policy should be advanced to increase the production of such badly needed foods. This can be done by irrigation. One of the chief causes of delay is the difficulty in getting the dominion and provincial officials together. The dominion government seems to favour action, as does the province, but the problem is to get them to meet around a table and agree on a policy. Under the irrigation scheme the dominion government is

undertaking to build the main reservoirs and connecting canals, while the province would distribute the water and settle the land. If a project along this line could be vigorously pushed it would be a great monument to the people of the present generation, because an irrigation scheme is an enduring thing, which would be a blessing for long years to come.

Hon. Mr. ASELTINE: Honourable senators, I think we are pretty well agreed as to the principle behind this bill. It is a form of compulsory, contributory, crop failure insurance. As stated by the honourable senator who explained the bill (Hon. Mr. Johnston), contributions are made by all farmers in Western Canada. A percentage is taken off each bushel of wheat—

Hon. Mr. BEAUBIEN (St. Jean Baptiste): Off all grains.

Hon. Mr. ASELTINE:—when the farmer takes it to the elevator and gets his settlement.

Hon. Mr. BEAUBIEN: It covers all grains.

Hon. Mr. ASELTINE: It does not cover flax. I have never made a contribution on flax that I have taken to the elevators.

From what we have heard it is clear that the scheme is not self-sustaining; that is, the percentage taken from the farmers of Western Canada is not equal to the amount returned to them. The chief objection I have heard to the scheme is that in some townships one will always find certain farmers who have considerably more than the average yield of wheat or other grains—four, eight, twelve bushels per acre, or whatever the quantity may be—and who get assistance, whether they need it or not, the same as farmers who have a small yield.

I do not know whether it is necessary to send the bill to committee. Other honourable senators may wish to ask questions about it but I am satisfied to let it pass in its present form.

Hon. W. D. EULER: Honourable senators, I do not desire to sound a discordant note on what has been said by the senator from Rose-town (Hon. Mr. Aseltine). We all seem to be in agreement with the principle of the bill, that the strong should always help the weak.

A thought which I have voiced in other places occurs to me now. In the early days of the war certain industries, not in the Western provinces, happened to lose their markets because of the war, and immediately the people in those industries were bonused. That may have been necessary, but it appears

to me to be discrimination, so far as the various classes of business in this country are concerned.

For instance, the apple growers in Nova Scotia lost their market in Great Britain. The fishermen also lost markets. I am quite willing to admit that the fishermen needed all the assistance they could get, but during the previous years the apple growers had been quite successful and made a good living. When conditions changed for one year, or whatever the period was, and they made no money, the rest of the people of this country had to go to their assistance. That may be a sound principle in those particular cases, but why should it not apply to every other man in private enterprise who, through some circumstances over which he may have no control, finds he is not making any money? We do not come to the aid of everybody in those circumstances.

I point out that if in difficult times it is right to help certain industries, such as farming, fruit growing and fishing, why should not the same principle apply across the board? I am frank to say that I come from a manufacturing and a farming district. In the early days of the war some of our manufacturers, by reason of the war, could not get help. They had been giving employment to large numbers of people, but did not receive any assistance from the government when they fell upon difficult times. They found themselves in a most difficult situation.

I repeat that I do not wish to throw a discordant note into the debate, but it does appear to me that this bill continues a form of class legislation.

I should also like to refer to what my honourable friend from Medicine Hat (Hon. Mr. Gershaw) has said. He gave some rather impressive figures with regard to continuous and successive crop failures, where some families for a period of seven years out of ten had no crop at all. There is of course a sentimental consideration in such cases where a man has established a home, but that does not seem to me to be a fair reason why the federal treasury should support a hopeless proposition for all time to come. Surely some other disposition should be made of cases like that. The families should be removed from the land and established elsewhere.

I wish to ask a question of the senator who explained the bill (Hon. Mr. Johnston). He said, and I think it is the fact, that the Prairie Farm Assistance Act now provides that if a man has a wheat production in excess of

3,000 bushels he is not entitled to assistance. Do I understand that the bill changes this and there is to be no limitation whatever?

Hon. Mr. JOHNSTON: That is correct.

Hon. Mr. EULER: A farmer who operates on a large scale, producing ten or twenty thousand bushels per year, and who does not need assistance, has the right to receive money from the federal treasury? I assume that a man who had only 3,000 bushels would require assistance, and that the Prairie Farm Assistance Act was designed to help people who are in need. Am I right in my assumptions?

Hon. Mr. JOHNSTON: The honourable gentleman is right to this extent, that production of 3,000 bushels is not a factor today. It should not be overlooked, however, that the large producer has contributed proportionately to the fund, but that the maximum he can draw out is \$500.

Hon. Mr. EULER: The point I wish to call attention to is that the principle of the bill is to help the man who needs assistance.

Hon. Mr. ASELTINE: But in the case of the farmer who operates in a big way, 3,000 bushels would not begin to pay his expenses.

Hon. Mr. EULER: I will put it at 20,000, or even 40,000 bushels—I think some produce that much. If the principle of the bill is to help the man who needs assistance a crop limit should be imposed so that the federal government would not pay money to people who did not require help.

Hon. Mr. DAVIES: Honourable senators, I rise to suggest that this bill be referred to a committee, because I wish to find out what happens to the Ontario farmers in bad years.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DAVIES: I drove up to Ottawa today with two reeves from Leeds county, who told me that owing to the tremendous rainfall the farmers along the river from Gananoque to Brockville would have only half a crop this year. I should like to learn from a departmental official or someone else whether any assistance will be given to those farmers whose incomes will be diminished to some extent by the loss of half their crops.

Hon. Mr. EULER: They will not get any assistance under present legislation.

Hon. Mr. BEAUBIEN (St. Jean Baptiste): I think the federal treasury paid freight for Ontario farmers, amounting to millions of dollars, to bring seed grain from Western Canada.

Hon. Mr. DAVIES: Is that still being done?

Hon. Mr. ROEBUCK: Honourable senators, I should like to associate myself with my honourable friend from Kingston (Hon. Mr. Davies), with a view to having the bill referred to committee for further study. The honourable gentleman from Waterloo (Hon. Mr. Euler) said that he did not wish to strike a discordant note, but I believe he sounded a salutary note. For this house to pass a bill of this kind, with the weaknesses that have been admitted by its advocates, would show a lack of enterprise and earnestness in the public interest on our part. It has been shown that we are to carry unprofitable land for all time, or until this legislation is finally disposed of in some way in the far future. People not making a living are asking those who are successful to carry them, not for a period of emergency, but possibly for all time. In some of the speeches it has been shown that some people are paid, whereas others, equally deserving are not paid. Above all, the circumstance that some provinces have this benefit from the public purse and others have not, appears to me to be very strange. I should not like to see a bill of this kind pass with little or no consideration by men who are seriously seeking the public interest, as we are in this house. I support the suggestion that the bill be sent to a committee for further study, and, perhaps, for some amendments, or at least some suggestions.

Hon. Mr. McDONALD (Kings): May I say, by way of explanation and comment on what the honourable senator from Waterloo (Hon. Mr. Euler) has said regarding assistance to fruit growers, that this assistance was given to them to save the industry for the future. Upon the outbreak of the late war we lost our market in England, where in normal times eighty-five per cent of our fruit, principally Nova Scotia apples, was marketed. I think the government is entitled to credit for trying to save what is a very valuable national industry, and one which, but for this assistance, would have been lost.

Hon. Mr. EULER: That argument would apply to other industries in the same degree.

Hon. Mr. BEAUBIEN (St. Jean Baptiste): It would apply to manufacturing industries.

Hon. Mr. ROEBUCK: What about men who lose their jobs?

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

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REFERRED TO COMMITTEE

Hon. Mr. DAVIES: If no one else is going to do so, I will move that this bill be sent to the Committee on Natural Resources.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. G. P. CAMPBELL moved the second reading of Bill I12, an Act respecting The Canada Permanent Trust Company.

He said: Honourable senators, I do not think that this bill requires much explanation. It merely provides for an increase in the capital of the Canada Permanent Trust Company from one million dollars to five million dollars, and in the share capital from ten thousand to fifty thousand shares. This company was incorporated by Act of Parliament in 1913, and has done a trust company business throughout Canada. Its business has increased substantially, and it was thought desirable that there should be an increase in capital to support the present volume of business. The bill is self-explanatory, and I do not think it requires any study in committee. It simply states in the enacting provision that "the capital stock of the company shall be five million dollars, divided into fifty thousand shares of one hundred dollars each." As I have said, I do not think it is necessary to send the bill to committee, but if honourable senators think otherwise, it could go to the Committee on Banking and Commerce.

Hon. Mr. NICOL: Will the shares be offered to the public?

Hon. Mr. CAMPBELL: At the present time the shares of the company are distributed and held by the public; and I assume that, when the shares which are authorized by the increase are distributed, they will be offered also to the shareholders and the public generally. I do not know that any decision has been made as to the actual offering of the new capital.

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

REFERRED TO COMMITTEE

Hon. Mr. LEGER: While there may be no objection to this bill, it has been the practice of the Senate to send every private bill to a committee. For my part I think we should follow that practice, which in my opinion is a salutary one.

Hon. Mr. CAMPBELL: I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

PRIVATE BILL
SECOND READING

Hon. J. W. deB. FARRIS (for Hon. Mr. Bouffard) moved the second reading of Bill J12, an Act to incorporate The Limitholders Mutual Insurance Company.

He said: Honourable senators, I offer a brief explanation of this bill. This too is an insurance bill, but its principle is very different. It embodies the principle that the Lord helps those who help themselves, and it involves no insurance contribution from the state. The purpose of the bill is to enable a group of owners acting under a mutual arrangement to carry a certain amount of insurance against fire loss on their standing timber. Honourable senators know, I believe, that this form of insurance cannot be secured from the ordinary insurance company. So a group of large timber holders in the eastern part of Canada—the provinces of Quebec and New Brunswick, and possibly other provinces—are proposing through the medium of this corporation, if sanction is given by parliament, to carry a mutual form of insurance.

To obtain assurance on the matter at first hand I called up Mr. Finlayson today, and I have his statement that he has thoroughly investigated this proposition, that he has assisted the promoters in the by-laws which will be adopted if the company is incorporated, and that he is entirely behind the bill. For the information of the senator who is looking at me, I may say that no shares will be offered to the public. There is a limitation that shares can be held only by those who take out insurance on their limits under the scheme; and if any shareholder allows his insurance policy to lapse the shares may be transferred to another shareholder, in accordance with a book valuation to be worked out under the provisions of the bill.

The capital stock of the company is one million dollars. Before the company can appoint directors and organize, the amount subscribed must be \$100,000, and before it starts business the amount subscribed must be a half million dollars, with \$200,000 of that sum paid in cash. Of course, with the type of men and companies who are behind this, the remaining \$300,000 is just as good as cash. The premium rate is high. It is, I understand, fifty cents on one hundred dollars, up to the total valuation of the amount the company expects to carry in insurance. It works out so that there will be about \$125,000 in premiums the first year. Added to the subscribed capital this will make \$625,000 available in the first year to take care of losses. I do not wish

to tire the house with figures, and I am not sure that I understand them very well myself. However, an estimate has been made of the fires that have taken place and the losses incurred in any one area. I have Mr. Finlayson's word for it that, taking the rate, either the average or the maximum for any one year, it is considered that this \$625,000 is fully ample for even any calamitous fire that might take place. The scheme is designed, of course, so that if there are no fires the reserve will be built up and the rates will go down. In any event, those who pay the piper in the event of a big loss will be those who own the company. It is entirely self-contained and is a mutual scheme to provide for themselves a type of insurance that could not be secured in any other manner.

Hon. Mr. NICOL: Is it insurance on standing timber?

Hon. Mr. FARRIS: Yes, fire insurance on standing timber.

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

REFERRED TO COMMITTEE

Hon. Mr. FARRIS: Honourable senators, I move that this bill be referred to the Standing Committee on Miscellaneous Private Bills.

The motion was agreed to.

SUSPENSION OF RULE

Hon. Mr. FARRIS: Honourable senators, I wish to present the following resolution, which has been prepared for me by Mr. Hinds, Chief Clerk of Senate Committees:

That rule 119 be suspended in so far as it relates to Bill J12, intituled: "An Act to incorporate The Limitholders' Mutual Insurance Company."

If this motion is passed it will not be necessary to give seven days' notice before a meeting of the committee can be called to consider the bill.

The motion was agreed to.

NATIONAL PARKS BILL
CONCURRENCE IN AMENDMENTS

The Senate proceeded to consideration of the amendments made by the Standing Committee on Natural Resources to Bill 9, an Act respecting certain National Parks and to amend the National Parks Act.

Hon. Mr. COPP moved concurrence in the amendments.

Hon. W. M. ASELTINE: Honourable senators, I wish to make a few general remarks with respect to this bill. I believe I was one of those responsible for having the bill sent for consideration to the Committee on Natural Resources. My real purpose in doing that was to get information from officials of the Department of Mines and Resources, the Indian Department and any other departments having anything to do with the handling of this legislation. I am chiefly concerned about Prince Albert National Park, in the province of Saskatchewan. I say to honourable senators that I am and always have been unalterably opposed to the boundaries of that park being changed one iota. Section 3 of the bill reads:

Those parcels or tracts of land described in Schedule D to this Act are withdrawn from Prince Albert National Park and declared to be no longer required for park purposes.

An explanation given in committee was to the effect that there were some 400 Indians in the Montreal Lake area, and that it was advisable that they should be given the right to trap in the area of some 350 square miles which it is now proposed to withdraw from the park. That is a very large territory. Also some objection was raised to the cost of patrolling the area in order to prevent fires. I was unable to find out exactly how many families the 400 Indians represented, but in answer to a question of mine as to whether or not they would be the only ones allowed to trap in the area in question I learned that half-breeds and white settlers were also given permission. It is my opinion that under those circumstances the poor Indians would not have much chance. I discovered, moreover, that in the area there are 100 small lakes and three or four large lakes.

If honourable senators will pardon a personal reference, I might say that I have hunted big game in the area along the eastern boundary of that park. I hold in my hand a map which outlines the large area that it is proposed to take away from the park. It was added to the park originally for the purpose of preserving wild life, including muskrats, mink and all kinds of fur-bearing animals, particularly the beaver, and big game, such as elk, moose, and deer. It is known for a certainty that the animals we were hunting on the eastern boundary of the park were bred in that park and had spread throughout the surrounding country. This is particularly true of Candle Lake, the home of the last surviving band of elk running at large in Western Canada. That territory is their home ground, and if it is taken out of the park and thrown

open to the public it will only be a year or two before all those animals are shot and killed.

Hon. Mr. BUCHANAN: Would those animals not be under the regulations of the wild life game laws of the province of Saskatchewan?

Hon. Mr. ASELTINE: Persons have been allowed to shoot bull elk, and there is no prohibition against shooting deer or moose.

Hon. Mr. BUCHANAN: That is during the closed season.

Hon. Mr. ASELTINE: Yes, but the open season lasts from November 15 to December 15.

Hon. Mr. BUCHANAN: Hunters would not be allowed to go in and slaughter the elk, but would be limited to a certain number during the season.

Hon. Mr. ASELTINE: The honourable senator has no idea how many hunters there are since the end of the war. During the war years all the young men were away but now they are back and are taking out hunting licences. They are allowed to go into this area. Even if the limit were one deer or one bull moose, it would only be a year or two before all these animals would be shot off.

Hon. Mr. KINLEY: Did the officials not say that this land was not needed for a park, and that it would revert to the jurisdiction of the province of Saskatchewan?

Hon. Mr. ASELTINE: That is correct. That is why I am objecting.

Hon. Mr. KINLEY: Is it not a fundamental principle that the land in the country should belong to the province rather than to the dominion?

Hon. Mr. ASELTINE: I do not see the force of that argument at all.

Hon. Mr. KINLEY: Furthermore, if the land comes under the jurisdiction of the province of Saskatchewan, then provincial game laws will extend to that area.

Hon. Mr. ASELTINE: But they do not apply to the park area.

Hon. Mr. KINLEY: They will when that area is out of the park.

Hon. Mr. ASELTINE: In 1941 a bill similar to this was introduced in the House of Commons by the then Minister of Mines and Resources, and so much objection was raised to removing this same area from the park that the bill was dropped. Now, six years

later, we have the measure coming up again. Although I have little objection to the other parts of this bill, I strongly protest against any substantial area being taken out of Prince Albert National Park. This land was set aside, not only as a park but as a place in which to preserve for posterity the wild life of that part of Saskatchewan. I do not need to tell honourable senators that Saskatchewan is a great prairie province. It is about 350 miles wide along the forty-ninth parallel of latitude, and it runs north for six, seven or eight hundred miles up to the sixtieth parallel of latitude. Beginning at the southern boundary, the forty-ninth parallel, you can travel north for hundreds of miles without seeing a tree or a shrub. You see very few lakes and only the main rivers until you get up to about the northern part of Prince Albert in the park area.

The object in establishing this park in the beginning was to give the farmers and other people of Saskatchewan a playground where they could economically spend their holidays. It is entirely different from Banff or Jasper, which are very expensive places; the people of the Prairie provinces have not the money to spend at such resorts. But they can go to Prince Albert National Park and stay there for two or three weeks or longer at very little cost. I believe that every acre in the park should be preserved on that account. Also it should be preserved for the conservation of wild life. One can drive through the park and see elk, moose, deer, beaver and many other animals. Many of the animals are bred in this area now proposed to be taken from the park.

For these reasons I am much opposed to the bill being passed as it is. I am not, however, opposed to providing for the building of cottages and making lots available for building sites and other such purposes. My opposition is to the park being cut down in area. I am perfectly satisfied that if the land proposed to be taken out is given to the province it will never again go back to the park. The timber will be cut down and the fire hazard will be increased because of the tree tops and branches being left to burn; and the animals will be decimated. Furthermore, I do not think the area proposed to be taken away is good for anything but park purposes. If the government is seeking to save some money by this change, I think it is penny-wise and pound-foolish.

Hon. Mr. KINLEY: Honourable senators, I am not familiar with the Western lands, but I sat in committee when this bill was discussed and heard an official who was sup-

posed to be informed say that there were 400 Indians living near Montreal Lake, the district under review. He stated that these Indians were not allowed to hunt in the park area, and that if this section was taken out of the park it would provide a source of livelihood for them. We hear a lot these days about the Indians, and what Canada took from them, and I think if they will live up in the north country, under such conditions as must prevail there, they should have the rights to any available hunting. We could very well turn the land over to the Indians.

Hon. Mr. EULER: Give it back to the Indians.

Hon. Mr. ASELTINE: Give it all back to the Indians.

Hon. Mr. KINLEY: A lot of the land that we have been hearing about as requiring assistance under the Prairie Farm Assistance Act might be given back to the Indians.

Hon. Mr. ASELTINE: Has the honourable senator ever made a tour of the Western provinces?

Hon. Mr. KINLEY: Yes.

Hon. Mr. ASELTINE: Does he know their magnitude?

Hon. Mr. KINLEY: Yes.

Hon. Mr. ASELTINE: That they might have a crop one year and none the following year?

Hon. Mr. KINLEY: Yes.

Hon. Mr. ASELTINE: What would he do with all that land?

Hon. Mr. KINLEY: I do not suggest anything. I was merely answering an extravagant statement my friend made a few minutes ago. I said that if any land was available to the Indians we ought to let them have it. What was said beyond that was as a result of what my friend said.

I did not understand that the land under discussion was easily accessible to hunters generally. It was said that this land was suitable as a feeding ground for animals and nothing else. Surely the province of Saskatchewan—even though its government is contrary to what I think a government should be—is able to look after its wild life. It is too small a thing for us to propose a means that might prevent them from carrying out their obligations.

Hon. Mr. ASELTINE: An area of 350 square miles is involved.

Hon. Mr. CRERAR: Honourable senators, the matter covered by this bill is one that I happen to know something about. As my honourable friend from Rosetown (Hon. Mr. Aseltine) stated, a bill in almost the same terms was introduced in the House of Commons several years ago.

Hon. Mr. EULER: By whom?

Hon. Mr. CRERAR: By myself.

I do not wish at the moment to go into the reason why that bill was not proceeded with, but I do propose to deal with this measure on its merits and, in as kindly a way as I can, to correct some of the misconceptions of my honourable friend from Rosetown.

This park has an area of between 1,700 and 1,800 square miles, and the bill proposes to take out of it approximately 350 square miles lying to the eastern side of the park. This particular portion is not suitable for park purposes.

My honourable friend stated that there were a hundred lakes, large and small, in this particular area. As a matter of fact, the greater part of the area is muskeg. A small quantity of timber might be salvaged by small operations, but the area is not suitable for park purposes. The people from the prairies who visit the park would certainly not go into this particular area in the summer time, else they would be eaten by mosquitoes, black flies and other pests of that kind.

Maintenance of this particular area places an additional financial burden on the parks administration. I cannot at the moment recall the saving that would be effected by removing this useless piece of land from the park, but it would amount to several thousand dollars a year. My honourable friend's argument that it was necessary as a breeding ground for elk is, to my mind, rather thin.

Hon. Mr. BEAUBIEN (St. Jean Baptiste): It is a misconception.

Hon. Mr. CRERAR: He referred to it as the only place where any large herd of elk is found in Western Canada. There again my honourable friend is misinformed, because the largest herd of elk today is in Riding Mountain Park, in Manitoba, where their number is estimated to be in excess of 6,000.

Hon. Mr. ASELTINE: I was not referring to the elk in captivity. I had in mind those in this park and spread out around the surrounding country.

Hon. Mr. CRERAR: The elk in Riding Mountain Park are no more in captivity than those in the Prince Albert National Park.

The statement that the muskeg country is necessary for breeding purposes is, I think, quite incorrect. The whole northern part of Saskatchewan is suitable for the propagation of these large game animals. There are other parts of the park where elk are found as well.

In his shooting expeditions my honourable friend was, of course, not permitted to shoot within the park boundaries, but skirted, as hunters quite legitimately do, the boundaries of the park, over which animals sometimes stray and where they may be legally shot. But to argue that this provision will cause the disappearance of the elk in this particular park is, in my opinion, very wide of the mark.

There is a real and positive reason why the proposed change should be made. I do not wish to take up the time of the house tonight in discussing the fur conservation projects which were started about ten years ago by the Department of Mines and Resources; but, in brief, projects were undertaken in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia, to aid the Indians in the northern parts of those provinces who have no other means of livelihood. Now arrangements have been made in each case with the provincial authorities under which development programmes are being carried forward, and it is the intention, we were informed in committee, if these 350 square miles are released from the park area, to develop them as a fur conservation measure. The Indians will not have the sole right of trapping, but they will be assured of their fair share, and thereby a substantial means of livelihood will be provided for the band of Indians at Montreal lake. I may add that, to the extent to which their livelihood is provided for in this fashion, the amount of money to be paid from the federal treasury for their maintenance will be correspondingly decreased.

The measure is a sound one and should receive the approval of this house. In fact, this particular area should never have been included in the park. Let me repeat that there will remain more than 1,400 square miles of excellent park area.

I agree with everything that my honourable friend from Rosetown (Hon. Mr. Aseltine) said about the benefits which a park provides to those who live on the treeless plains to the south. I recall being in the park in 1937, at the height of the drought in Saskatchewan, when everything was parched. I saw a farmer, his wife and three children drive in to the park in an old model T Ford car with some provisions. They found a suitable place and pitched a tent to sleep in at

night; and I thought what a wonderful thing it was that these people from the parched prairie country could come in and see ever-green trees and water and animals; and that, even if the park conferred no other benefits, what a boon it was to the children. This vacation feature is one of the great advantages of our park systems all across Canada.

There is nothing of which I am more proud than the little part which I had the opportunity of playing in the development of national parks in this country. They are one of our greatest assets. I will only add that my honourable friend need not be too despondent over this change. I am satisfied that it will work out to the public good, and that it will not detract at all from the beauty and effectiveness of Prince Albert National Park.

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

THIRD READING

Hon. Mr. COPP: With leave, I move that the 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 until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 25, 1947.

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

Prayers and routine proceedings.

UNITED NATIONS BILL

CONCURRENCE IN COMMONS AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill F, an act respecting Article 41 of the Charter of the United Nations, and to acquaint the Senate that they have passed the said bill with the following amendments, to which they desire the concurrence of the Senate:

1. Page 2, line 2: Strike out the words "within fifteen days" and substitute the word "forthwith."
2. Page 2, line 4: Strike out the words "within fifteen days" and substitute the word "forthwith."

When shall these amendments be taken into consideration?

Hon. Mr. COPP: With leave of the Senate, I move that they be concurred in now.

The motion was agreed to.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

REPORT OF COMMITTEE

Hon. A. K. HUGESSEN presented the report of the Standing Committee on Finance on Bill 258, an Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways system during the calendar year 1947, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: Honourable senators, the committee have in obedience to the order of reference of June 18, 1947, examined the said bill and now beg leave to report the same without any amendment.

Hon. JOHN T. HAIG: Honourable members, I have been puzzled for some years as to certain practices carried on in the Senate, and I am told by members who have been here longer than I that these practices have been carried on for many years. After the principle of a bill is approved of in the house the bill is usually referred to a committee, where the whole subject is discussed fully. For instance, the bill now before us was dealt with in that way. I requested the house to refer it to a committee, and a reference was made to the Committee on Finance. In that committee this morning we had a fine discussion; representatives from the Canadian National Railways gave good evidence and were fair in their answers to all the questions asked them. But unfortunately there is no record at all of that proceeding.

I suggest that starting next session we appoint a special committee of this house to see what can be done about having a verbatim report made of the questions asked and the answers given in standing committees. The report in each case could be published as an appendix to our *Hansard*, and thus we would have a permanent record of what went on. In this particular case the information is very valuable. For example, we asked what was included in the \$18,000,000 for betterments and improvements. Downtown in the city of Winnipeg there was a Canadian National Railways office building which was torn down about seven years ago and replaced by a new building. How did that transaction appear on the books? To me it was of no great importance whether the value of the old building appeared on the books as of that date and the outlay for the year was charged to current expenses, while the construction item was put in under capital expenditure.

I am not now discussing the pros and cons of the accounting system; and as government-owned property is involved I do not think it makes much difference whether you show depreciation on a yearly basis. That is not what I want to discuss. The point I am trying to make is that there should be a verbatim record of those proceedings.

Men and women all over the country have spoken to me privately and written letters to the effect: "I see that you have passed a bill. You sent it to committee, but we do not know what happened there. It came back; there was no discussion. Did you do anything in committee: and if so, what?" I think we owe it to ourselves and to the public that some system should be worked out to provide a verbatim record of proceedings in committee, which could be reported to this house and included in our *Hansard* as an appendix. I was not a member of the Senate in 1917, but I remember very well that in the session of that year Sir Thomas White, the then Minister of Finance, submitted himself in committee to a cross-examination on the details of a matter which was then before parliament; and the proceedings were reported and published in the form of a brochure for the information of the public, and proved extremely valuable. I recalled that incident this morning; and I decided that at the opening of the session next year I would ask that the question of having a verbatim report of proceedings before our standing committees be considered by the house.

Hon. THOMAS VIEN: Honourable senators, I doubt whether under the rules of the Senate the question which has been raised is in order at this juncture; by unanimous consent, however, one may be permitted to say one word or two about it, as the Leader of the Opposition (Hon. Mr. Haig) has opened the door to such a discussion. I hesitate to support the suggestion of the honourable gentleman that we should at all times have a verbatim report of the proceedings of our standing committees. Firstly, it would entail a considerable expense; secondly, if there were a verbatim report our discussions might be considerably prolonged, as is the case in another place.

My reaction to the remarks which have been made by the honourable gentleman is twofold: I agree with him that there should be a printed, or at least a typewritten, report of our proceedings when important matters are being dealt with by our standing committees. This can be arranged at any time, under our present rules of practice. If a standing committee deems it advisable that

its proceedings should be reported, it can recommend accordingly to this house and its recommendations would generally be approved. That is the practice followed in another place, and in the Senate.

Secondly, I believe many bills should be referred, not to standing committees, but to our Committee of the Whole.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. VIEN: Of course, when witnesses must be heard, it is necessary to refer the bill to one of our standing committees, then, if the matter is of sufficient importance, the committee may ask leave to have its proceedings reported.

Again, when such a bill is reported, it can be sent to the Committee of the Whole for examination, clause by clause, and the discussion thereon would necessarily appear in our *Hansard*. That would give the public a fairer impression of the amount of work which is being done by the Senate in its standing committees. Under our present practice, most of our work on important bills, like the one now before us, remains unknown to the public.

Hon. Mr. EULER: It seems to me that while the suggestion of the leader opposite (Hon. Mr. Haig) is a good one, it would not be practical if the Senate had only the reporting staff that is available now.

Hon. Mr. HAIG: No; there would have to be a larger staff.

Hon. Mr. EULER: The printed report of the committee's proceedings would probably not be received until long after the bill came up for third reading. As a matter of fact, some of our committees are reported now, but usually we have to wait five or six days before printed copies of the reports are available. I rather favour the suggestion that we discuss some bills in Committee of the Whole.

Hon. Mr. MORAUD: Honourable senators, I am inclined to concur in the suggestion made by our leader on this side (Hon. Mr. Haig). At least, I think we should have a report of any committee dealing with the Canadian National Railways. About every ten years the Senate seems to wake up to the existence of our national railways, and then there is an investigation that lasts for weeks and weeks. Often the officers of the Canadian National Railways are not placed in the proper light. They have been given the responsibility of operating a railway that was a burden to a lot of people and a number of corporations, and have been asked to make it a paying proposition. That is an impossibility. In

many cases the officials have done a good job. I feel that instead of waiting ten years, until deficits pile up, an investigation should be made annually by the Senate—that is the proper body for making the investigation—into capital expenses and so on, and that the proceedings should be recorded. I believe that if this were done we would attain the desired end and the Senate would truly render a service to the railway and to the public.

THIRD READING

Hon. Mr. COPP: Honourable senators, if I may have unanimous consent I will move the third reading now. My honourable friend from Wellington (Hon. Mr. Howard) is prepared to speak on the bill.

Hon. Mr. HAIG: Agreed.

Hon. C. B. HOWARD: Honourable senators, for some reasons I hesitate to make the remarks which I intend to make this afternoon, because in criticizing the railways of Canada I realize that most of the executives of the railways are personal friends of mine. On the other hand, I deem it my duty to draw to the attention of the outstanding business men who compose the membership of the Senate of Canada some factors relating to railways.

Some years ago while I was a member of the House of Commons there was a publicity campaign to the effect that if the deficits of the Canadian National Railways were allowed to continue they would bankrupt Canada. Everyone remembers that publicity. I have given some study to the matter, honourable senators, and I want to leave a few thoughts with you for your consideration.

I consider that the Canadian National Railways and the Canadian Pacific Railway are operating to render service to the taxpayers of this country. My conclusion is that whether the Canadian National operates with a deficit or with a surplus is only a matter of distribution of the deficit or surplus among the Canadian taxpayers. In other words, when the railway operates with a surplus it means that the people who use it are paying the cost and building up a surplus; when there is a deficit in operations, it means the people using the railway are not paying in enough money to cover the deficit. And whether the Canadian taxpayer uses the railway or not, and irrespective of where he lives, he contributes toward the deficit on its operations.

For some years we have heard what a wonderful job the railways did during the war. No one would say that they did not do a wonderful job. But surpluses were created, not out of the railways themselves or out of the air, but by reason of the traffic carried

during the war years, when those who used the roads paid for the services. To put it another way, the taxpayers of Canada paid the bills for carrying our soldiers across this country and back many times. So I say that, provided the management is efficient and the handling of the finances is conservative and economical, it makes no difference whether we have a surplus or a deficit.

If this proposition is correct, and it is recognized that the railways operate to render a service to the Canadian people, then may I say a few words about the service in the section of the country from which I come? I appreciate* that it is not always proper to argue for one's own constituency, but my honourable friend the leader opposite (Hon. Mr. Haig) refers so frequently to the city of Winnipeg that I feel it is only fair that I should speak about the rotten railway service we get in the Eastern Townships of Quebec.

Hon. Mr. HAIG: Winnipeg is a great city.

Hon. Mr. HOWARD: Let me give you a few facts.

Hon. Mr. ASELTINE: Tell us something about Sherbrooke.

Hon. Mr. HOWARD: Sherbrooke twenty-five years ago had a population of less than 25,000; today it has nearly 50,000, and according to the forecasts it will increase by another 10,000 in the ensuing five years. That being the case it is only fair that we should have the improved railway service to which the taxpayers are entitled. In this connection may I inform the Senate that the second largest income-tax-paying province in Canada is Quebec; and in that province the largest income-tax-paying district, outside of the cities, is the Eastern Townships. Yet here is the situation. When the population of the city of Sherbrooke was less than 25,000 we had a real train service. We had a train running from New York to Sherbrooke, and from Sherbrooke to Quebec, and returning from Quebec to Sherbrooke to New York, every single day of the year. Some years afterwards that train was discontinued. Then we had a sleeper running from New York to Sherbrooke and from Sherbrooke to Quebec; also a sleeper from Boston to Sherbrooke and from Sherbrooke to Quebec. A little later it was decided to take off one of the sleepers, so the company discontinued the New York sleeper between Quebec and Sherbrooke, but still ran the two sleepers from Boston and New York into the city of Sherbrooke. A little later still, they decided to take off the Boston sleeper between Quebec and Sherbrooke and replace it by a chair car, which

was good accommodation. There remained the two sleepers from Boston to Sherbrooke and from New York to Sherbrooke. Not long afterwards they took off the New York sleeper, and, somewhat later, the Boston sleeper also. All these changes in the service were made while the population of the city was increasing continually.

Hon. Mr. PATERSON: You were not using the sleepers.

Hon. Mr. HOWARD: We still use them when we can get them. We used to have a Canadian National Railways train from Montreal to Portland which ran through Sherbrooke every night. It left Montreal late in the evening, and a passenger could alight at Sherbrooke around one or two o'clock in the morning; a citizen of Sherbrooke could visit the great metropolis of Canada for a game of baseball or hockey and get home late at night. That service has been entirely discontinued; there is now no night train running between Montreal and Portland through Sherbrooke.

Hon. Mr. EULER: Why don't you use motor cars?

Hon. Mr. HOWARD: I will reply to that in a minute. To relieve the people of Sherbrooke of the necessity of getting up at three o'clock in the morning in order to go to Montreal—for though, I admit, some western farmers still rise at these hours, we in the Eastern Townships do not like to do so—a Canadian National Railways sleeper was stationed at Sherbrooke, so that one could go to bed on the sleeper reasonably early and wake up in the city of Montreal; then, after spending the whole day in Montreal, one could return to Sherbrooke the same night. The Canadian Pacific Railway supplied a similar service, so that if you preferred to travel by that railroad you could arrive in Montreal in the early morning, transact your work in the metropolis of Canada, and get home the same night. But the Canadian National Railways discontinued their sleepers, and afterwards the Canadian Pacific Railway, having no opposition, decided that there was no point in providing a sleeper service between Sherbrooke and Montreal. In a word, while the population of the Eastern Townships has increased very considerably, and in the heart of the Townships has more than doubled, the railway service is worse than it has ever been.

Hon. Mr. ASELTINE: It could not have been a paying proposition.

Hon. Mr. HOWARD: I want to go a step further. Do not forget that a passenger who leaves Winnipeg or Calgary or Edmonton or Vancouver to go to the Eastern Townships should not be compelled to spend a day in the city of Montreal. We have nothing against the metropolis of Canada, but is there any reason why both railways should bring passengers into the city of Montreal in the early morning and not provide a service to enable them to get out of there until three or four o'clock in the afternoon? Is there any sense to that? It is worse coming from the other direction. Leaving Sherbrooke at 8.15 a.m., as my honourable friend from Bedford (Hon. Mr. Nicol) did with me only yesterday, you get into Montreal at 11.30. Then there is a delay until 4.10 in the afternoon, and you finally get into Ottawa at night. That is not so bad if you have business in Montreal. But when you leave on the afternoon train from Sherbrooke you get into Montreal at 5.45 and you do not leave there until 8 o'clock which means that there is a delay of two hours and fifteen minutes, during which time you can do nothing but sit on a bench in the railway station. I say to honourable senators that if the taxpayers are paying the bills for the operation of either our own railway or for privately owned railways, they have the right to get a lot more service than they are now getting.

My honourable friend from Waterloo (Hon. Mr. Euler) has been taunting me about the change in the roads. It is true. Railway traffic has dropped off because of automobile traffic and good highways. I am not going to say much about the demand for increased freight rates, because that matter is now under investigation by the Board of Transport Commissioners and is sub judice. However, I can tell honourable senators that as railroad freight rates go higher more freight will be hauled on our highways, to be paid for by the taxpayers of this country. This morning a representative of the Canadian National Railways told us in committee that 18.8 per cent of the total cost of running the railways is for maintenance of the right of way, and that every single time freight goes off the railways it means double taxation. The method of transportation is changing rapidly between Sherbrooke and Montreal, and when freight goes by road the taxpayers are paying double taxation. There is no way of getting around that. They are paying through their provincial taxes to build the highways on which the trucks travel, and at the same time they are paying the deficits on the railways which should be handling the business.

I want to place these facts on the record because I feel very keenly that the Eastern Townships are being terribly discriminated against. It was not until last year, after a great deal of pressure had been brought to bear, that the time of the two western trains into Montreal was shortened by two hours. Someone in the other house suggested that a whole day, or at least ten hours, could have been taken off these runs. One train arrives twenty minutes after the train leaves for Sherbrooke in the morning, and the other arrives forty-five minutes after the train has left for Sherbrooke. The result is that passengers have to spend the day in Montreal. I say that if the taxpayers of this country are going to pay the bills for the railways they should have the right to sit in when time tables are being made and see to it that they get some kind of decent service.

I have probably travelled more by air in the last two years than any other person in this house, yet I am still convinced that the railways could keep their business if they wanted to do so. But they cannot do this by taking three hours and twenty minutes to travel ninety-six miles. That sort of thing is out of date; it is long past the time when such slow service should be given. I can travel the same distance in my automobile quite easily in an hour and forty-five minutes.

Mr. Young, the man who owns the Alleghany Corporation and the Chesapeake and Ohio Railway, and who the other day forced himself into the directorate of the New York Central Railroad, is an expert in railway affairs. Even in these times when many persons are of the opinion that railways have passed out of the picture of modern transportation, he is linking up a group of railways so that he will have a direct trans-continental service between New York and Los Angeles, California. This expert said that railways are judged not by the amount of their freight per ton miles, but by the passenger service they give. I agree with that opinion 100 per cent.

The Eastern Townships associated boards of trade, which represent the whole of that district, recently held a joint meeting in Sherbrooke, at which a resolution of complaint was passed. I do not propose to read it, but I can see no reason for the discrimination that we in that section suffer in relation to railway service. One must consider—I am now speaking particularly to some honourable senators opposite—that you can leave Park Avenue station in Montreal and go to the city of Quebec, a distance of 168 miles, in three hours and thirty minutes; whereas it takes three hours and twenty minutes to go from

Sherbrooke to Montreal, a distance of 96 miles. True, the Canadian National Railways have this year put on a good train, making the trip in two hours and fifty-five minutes, but leaving Montreal before the train from the West arrives. It should be recalled that when the city of Sherbrooke had a population of only 25,000, when the railways operated on an ordinary ballast undertrack and the steel rails weighed only sixty to seventy pounds—today they are 120 pounds, and over half the way there is rock ballast—we had a train service to Montreal of two hours and thirty minutes, as against our present service of two hours and fifty-five minutes.

I intend to speak against this discrimination until we get decent railway service in the Eastern Townships of Quebec. Some may say that it is strange the railways do not realize this inequity. But sometimes one can be so close to his job that he does not see what is going on, and it takes someone outside to tell him what is wrong. That is why I have spoken on the motion for third reading of this bill.

Hon. J. J. KINLEY: Honourable senators, like my honourable friend from Wellington (Hon. Mr. Howard) I was for some years a member of the Railway Committee in the House of Commons. At that time there were two committees on railways: one, a general committee, and the other a special committee to examine the accounts and affairs of the Canadian National Railways and the Canadian National Steamships. That committee now also inquires into the affairs of the Canadian air service.

I recall that some years ago a special committee of the Senate conducted an illuminating investigation into railways. That committee did a splendid service, but the difficulty was that it did its work after the event. The money had been lost and the railways were in a muddle. We now learn that this year the Canadian National Railways have a deficit of more than eight million dollars. It seems to me that the time to get advice and assistance is now, when we are starting on the down-grade. If for no other reason, let us keep ourselves informed by appointing a special committee on railways. The members of the Senate, out of their long experience and service to the country, could offer much in the way of advice and experience.

I cannot entirely agree with the philosophy of my friend from Wellington (Hon. Mr. Howard), that because the people pay the bills we should encourage the railways to be extravagant.

Hon. Mr. HOWARD: I did not say that.

Hon. Mr. KINLEY: I put more emphasis on management and efficiency. It must be remembered that my friend's town is only about ninety miles from Montreal. Down in my country few travel that distance by railway in the summer; they all go by motor car. People come to the Board of Trade and inquire why the railway does not put on a certain train service; yet they have not travelled on a train for years. They expect the railway to provide a service that they will not use.

It is my impression that on short hauls the railways are outmoded; they must make some radical improvements if they want to get the short-haul trade. Of course Canada must have railways, because of the great distances to be travelled and for service in the wintertime; they are very important and must be maintained.

In Canada there are two railway systems; the Canadian National Railways, which is publicly owned, and the Canadian Pacific Railway, which is privately owned. It might be that a special committee of the Senate could define private and public ownership, and point out the difference between the two systems. This would have a salutary effect on those people who think the government should run all the businesses in the country. These are things that should be attended to by the Senate of Canada. We in this chamber are not too busy, for we do not have as much discussion as the other house does; we handle the legislation, but we do a lot of our work in committees. It seems to me that for next session we should plan a special committee of this house to go into the affairs of the railways, and that the committee should hold meetings from the start of the session to the end. Our efforts would at least have an effect on the activities of the officials who run the railways, and that would be a good thing. Whenever such a business is looked into by people with experience, services improve and the railways do better.

Honourable senators may not know that this year a deficit of one million dollars is shown on the dining car services alone; that is for the feeding of the patrons only, exclusive of the hauling and equipping of the cars. At the same time meals are being served in railway restaurants all across Canada; and no profit is made. We could also compare the services of the two railways in Canada. It seems to me that a committee should be appointed, and the intelligence of this chamber should be focused on the operations of the railways in this changing period.

Some Hon. SENATORS: Hear, hear.

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

EXCISE TAX BILL

REPORT OF COMMITTEE

Hon. A. K. HUGESSEN presented the report of the Standing Committee on Finance on Bill 271, an Act to amend the Special War Revenue Act and to change its title to the Excise Tax Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 17, 1947, examined the said bill, and now beg leave to report the same with one minor amendment.

1. Page 6, lines 11 and 12: Delete "assents to or acquiesces in the contravention of any provision of this Part or".

THIRD READING

Hon. Mr. COPP: With leave of the Senate, I move that the bill be read the third time now.

The motion was agreed to, and the bill as amended was read the third time, and passed.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K. HUGESSEN presented the report of the Standing Committee on Miscellaneous Private Bills on Bill C11, an Act to incorporate Progressive Insurance Company of Canada.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 17, 1947, examined the said bill, and now beg to report the same without any amendment.

THIRD READING

Hon. Mr. HOWARD (for Hon. Mr. Bouffard): With leave of the Senate, I move that the bill be read the third time now.

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

PRIVATE BILL

FIRST READING

Hon. Mr. DESSUREAULT presented Bill O12, an Act to incorporate The Catholic Episcopal Corporation of Labrador.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. DESSUREAULT: Next sitting.

SUSPENSION OF RULE

Hon. Mr. CAMPBELL: Honourable senators, with leave of the Senate, I move:

That Rule 119 be suspended in so far as it relates to Bill 112, intituled: "An Act respecting The Canada Permanent Trust Company."

Hon. Mr. HAIG: Explain.

Hon. Mr. CAMPBELL: Honourable senators, the purpose of this motion is to dispense with the one week's delay required by Rule 119, between the second reading of a bill and its consideration in committee. This bill was given second reading yesterday and referred to the Committee on Banking and Commerce. It is expected that the next meeting of that committee will be held on Friday of this week, but the bill cannot be considered at that time unless Rule 119 is suspended.

Hon. Mr. HAIG: Honourable senators, I have an objection to the bill being considered in committee on Friday. The Senate is asking a certain other committee to do a great deal of work. On that account a number of us are not planning to be present at the meeting of the Banking and Commerce Committee on Friday; but if we have to be there our other work will not go on. I think this matter should be put over until Tuesday of next week.

Hon. Mr. CAMPBELL: It could not be considered on Tuesday. The bill was introduced at a late date, and the purpose in asking that the seven-day rule be suspended is to enable the committee to deal with the bill when it finds time.

Hon. Mr. HAIG: That is all right.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. ASELTINE moved the third reading of the following bills:

Bill K12, an Act for the relief of Evelyn Clara Woods Cross.

Bill L12, an Act for the relief of Minnie Braimaster Kazarensky.

Bill M12, an Act for the relief of Peter Moroz, otherwise known as Peter Morris.

Bill N12, an Act for the relief of Lorne Earl Barth.

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

IDENTIFICATION OF CRIMINALS BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 259, an Act to amend the Identification of Criminals Act.

He said: The honourable senator from Toronto has kindly consented to explain this bill.

Hon. Mr. HAIG: Is that the junior senator or the senior senator from Toronto?

Hon. G. P. CAMPBELL: Honourable senators, the purpose of this bill is to extend the provisions of the Identification of Criminals Act to include persons apprehended under the Extradition Act or the Fugitive Offenders Act.

The Identification of Criminals Act provides that anyone held in lawful custody, charged with, or under conviction for an indictable offence, may be subjected to an examination and investigation under the Bertillon system. The purpose of this bill is simply to enable officers of the Crown to submit anyone who is apprehended under the provisions of the Extradition Act or the Fugitive Offenders Act to the same examination and investigation.

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

THIRD READING

Hon. Mr. COPP: 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.

INTERPRETATION BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 260, an Act to amend the Interpretation Act.

He said: The honourable senator from Toronto (Hon. Mr. Campbell) has kindly consented to explain this bill.

Hon. G. P. CAMPBELL: Honourable senators, even though most of the sections affected are set forth in detail in the explanatory notes, it would be difficult for anyone to follow the details of this bill without having the Interpretation Act before him. The bill provides for certain amendments to clarify some mistakes that have been found in the legislation. It also clarifies the language of the statute and brings it in line with certain provincial statutes.

Hon. Mr. HAIG: Honourable senators, it would be difficult to follow any explanation without having the statute before us, so I suggest that the bill be referred to a committee.

Hon. Mr. CAMPBELL: As I said, it is practically impossible for anyone to follow the details of the bill without having the statute available for ready reference before us.

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

REFERRED TO COMMITTEE

Hon. Mr. CAMPBELL moved that the bill be referred to the Standing Committee on Finance.

The motion was agreed to.

JUDGES BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 262, an Act to amend the Judges Act, 1946.

He said: The honourable senator from Toronto has kindly consented to explain this bill.

Hon. G. P. CAMPBELL: Honourable senators, the purpose of this bill is to amend the Judges Act. Section 1 designates the Associate Chief Justice of the Superior Court of Quebec in accordance with the Quebec Courts of Justice Act, recently passed in that province. It also provides for payment of a salary of \$13,333.33, which is the same as was formerly paid to a judge of the Supreme Court appointed to perform the duties of Chief Justice.

Section 2 provides the salary for additional judges of the Supreme Court of British Columbia. The number of judges has been increased from five to six, and the salary is \$12,000.

The motion was agreed to.

THIRD READING

Hon. Mr. COPP: With leave of the Senate, I move third reading now.

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

EXCHEQUER COURT BILL

SECOND READING

Hon. A. B. COPP moved the second reading of Bill 263, an Act to amend the Exchequer Court Act.

He said: The honourable senator from Toronto (Hon. Mr. Campbell) has kindly consented to explain the bill.

Hon. Mr. CAMPBELL: Honourable senators, this bill would enable the Governor in Council to increase the salary of the Registrar of the Exchequer Court, now fixed at \$5,000, to an amount not in excess of \$6,500.

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

THIRD READING

Hon. Mr. COPP: With leave of the Senate, I move the third reading now.

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

CANADIAN MARITIME COMMISSION BILL

SECOND READING

Hon. A. B. COPP moved the second reading of Bill 336, an Act to establish the Canadian Maritime Commission.

He said: The honourable senator from Thunder Bay (Hon. Mr. Paterson) has kindly consented to explain the bill.

Hon. NORMAN McL. PATERSON: Honourable senators, before going into details of Bill 336, an Act to establish the Canadian Maritime Commission, it is pertinent to note, in view of the war losses, that there are some five million tons of shipping afloat in excess of the 1939 total; but, had no war taken place, this excess would have been considerably greater, whilst other factors nullify further comparison.

Of the 70 million tons afloat today, 41 million, or 54 per cent, is owned by the United States of America, which in pre-war days possessed some 12 million tons or 18 per cent. Germany, which then boasted about 4½ million tons, is apparently to be left with 200,000 tons of mainly coasting craft, whilst Japan, which had worked up her marine to 5½ million tons, may be expected to be dealt with somewhat similarly. Italy, with 3½ million tons in 1939, will apparently get away with less drastic treatment. Whilst these are the main changes, there are minor ones worth probing and which should not be ignored. It is not possible at this time to do more than refer to changes in type and effect which are of import; but in passing, reference must be made to tankers, in view of their increasing nationalistic importance. An estimate of the equivalent tanker tonnage afloat today is some 49 per cent beyond that of 1939, and of this tonnage the United Kingdom owns 43 per cent less than in that year and Norway 53 per cent less, whilst the United States of America has an increase of 215 per cent, and Sweden 94 per cent.

The huge figure of American floating tonnage should not be cause for undue pessimism for, of the 41 million tons, big blocks are war emergency products and unsuitable for competitive trading under normal service conditions. Indeed, authoritative statements in the United States indicate a final American marine of 16 million tons, with the sale and tying up or scrapping of the balance. Even with this tonnage, high first cost, high wages and subsistence, the absence of popularity of shipping subsidies and, despite wartime propaganda, the lack of national sea-mindedness in normal times, history will probably repeat itself and the United States eventually will resume its previous relative position.

I would like to call honourable senators' attention to the position which Canada occupies in the merchant shipping of the world. We are, according to an estimate based on a survey made in 1946 by the United Maritime Consultative Council, in fourth position, only exceeded in ocean tonnage by the United States with 41 million tons; the United Kingdom with 13½ million tons, and Norway, with 2½ million tons; Canada being in fourth position, with 406 ships aggregating 1¾ million tons. Therefore, whether we like it or not, we are in the merchant shipping business in a big way. Not only that, but we have seventeen large shipyards rapidly building more tonnage for both Canadian and foreign interests and for this reason it is necessary to co-ordinate the supervision and regulation of these interests under one authority.

At the commencement of the second world war in 1939, Canada had thirty-five regular ocean-going ships of over 1,600 tons on its register, totalling in all 241,880 gross tons. Of these, twenty-two were owned by either the Canadian National Steamships or by the Imperial Oil Company. By the fall of 1940 the building of merchant ships had become a matter of highest priority for the allied cause and the United Kingdom called upon Canada to build ships. As a result, Wartime Merchant Shipping, a Crown company, was established in April of 1941. The first batch of ships programmed by this company consisted of ninety vessels of the *North Sands* type, of 10,000 tons deadweight. It was later arranged that these should be sold at cost price to the United States, which would in turn "lease-lend" them to Britain. As a result of this, the British government bought only two completed ships of the twenty-six which they had ordered before the "lease-lend" arrangement was made.

In 1942, as soon as construction was well under way, the government decided that a proportion of the ships being built in Canada

should be retained for Canadian operations. Accordingly, Park Steamship Company was formed in March, 1942, to take over the ships allocated for Canadian operation on the government's behalf. It was decided that the ships should not be operated directly by the government agency, but should be allocated to various private shipping organizations in the country who would manage and operate them on a fee basis. By this means private operators were given additional experience in the management of ships, whilst the profits earned by the vessels were turned back through the Park company to the treasury to offset the cost of their building. In all, Park Steamship Company has been directly responsible for 176 ships.

By the time the ninety ships for "lease-lend" had been delivered to the United States, arrangements had been completed for the proportion of ships not required by Park Steamships to be "mutual aided" to Britain direct by Canada on a nominal charter hire basis. In addition to the 90 ships bought by the United States, a total of 98 "Fort" ships were turned over to Britain under mutual aid from Canada. These were placed on the British registry but Canada retained title to them.

In October, 1943, the government appointed a special committee to investigate and advise upon future Canadian merchant shipping policy. Two important recommendations of this committee were that merchant ships should be operated in peace time by private enterprise; and that all government machinery dealing with merchant shipping should be co-ordinated. The first of these recommendations has already been fully implemented. This bill seeks to provide for the second.

If you will turn to page 3 of the bill, you will find in section 6, which is the pith of the whole bill, that—

The commission shall consider and recommend to the minister from time to time such policies and measures as it considers necessary for the operation, maintenance, manning and development of a merchant marine and a shipbuilding and ship repairing industry commensurate with Canadian maritime needs.

Immediately the war was over, the government set about the disposal to private interests of its Park fleet together with the diesel ships and China coasters under construction. It was provided that as far as possible these ships should be sold to Canadian companies for operation under the Canadian flag. There were, however, a certain number of ships which, for various reasons, were not considered likely to be of use to Canada in peace time, and these were offered for sale in the open market. The remaining government-owned merchant ships were offered to

Canadian companies on the basis of a special sales formula. Particulars of this formula are given in the House of Commons *Hansard* of November 20, 1945, and of June 16, 1947.

The response of private enterprise to the sales formula offer was most satisfactory, so that with the exception of three 4,700-ton ships which are on long term charter and seven 10,000-ton ships under sales agreement to be delivered to their prospective purchasers upon the termination of their present charters, the Canadian-operated government-owned fleet has now been disposed of. This means that six small tankers, one hundred and four 10,000-ton vessels and nineteen 4,700-ton vessels are now in the hands of private operators comprising thirty-three different companies registered in Canada.

Eighty 10,000-ton ships presently under bare boat charter to the United Kingdom remain to be eventually disposed of. A total of 98 of these ships were "mutual aided" to Britain and, since "mutual aid" ceased, have been operated by the Ministry of Transport. In the meantime the British have bought ten of the ships outright, and seven of the original 98 became casualties. One damaged ship among these 98 was sold by Park Steamships as agents for War Assets to foreign interests. The remaining 80 will be returned to Canada for disposal as their charters expire. All are to be returned before the end of 1950.

During the war, Wartime Shipbuilding Limited built a total of 446 ships, comprising forty-two naval auxiliaries, forty-three 4,700-ton dry cargo ships, three hundred and four 10,000-ton dry cargo ships, thirteen 10,000-ton tankers, six lake tankers, thirty-five China coasters and three diesel-driven 7,500-ton dry cargo ships.

Tabular accounts of expenditures on purely merchant shipbuilding during the war, together with the amounts accruing from the operation and sale of the ships, are listed in the House of Commons *Hansard* of June 16, 1947. The Minister of Reconstruction and Supply has pointed out that of the Park fleet 74 per cent of the original cost of its construction should be recovered. Of the non-Park ships, 61 per cent should be recovered. In this case, account must be taken of the fact that, up till the first of September, 1945, these vessels were on mutual aid to Britain and earned no revenue or hire. Moreover, this group includes the three diesel-driven ships and the thirty-five China coasters, which were disposed of for other than war purposes as soon as they were completed at prices which were, of necessity, considerably below their

construction costs. In all, a total of 626.9 million dollars was spent on the construction of these fleets for war purposes. We should finally recover approximately 418.9 million dollars, or 67 per cent of our expenditures, leaving an estimated net loss of 208 million dollars. Of this loss, 7.3 million dollars or 3.5 per cent is due to casualties.

Time at my disposal does not permit me to make more than a passing reference to shipping on the Great Lakes, but to give honourable senators some idea of the vast amount of tonnage carried on the lakes I would like to place on record the following statistics, which were prepared by the Department of Trade and Commerce.

During the season of 1946, traffic through both the Canadian and American canals at Sault Ste. Marie amounted to 91,586,895 tons, of which 11,765,234 tons were carried by Canadian ships and 79,821,661 tons were carried by United States ships. The amount of Canadian freight through both canals in 1946 was 9,270,454 tons, and United States freight totalled 82,316,441 tons: that is, 82 million tons through the American Sault and 9 million tons through the Canadian Sault.

In 1938 the tonnage through the St. Lawrence river waterway was 9,236,318, but owing to the canal-sized ships having been withdrawn for war purposes and not replaced, the tonnage for 1946 is down to 5,750,478—pretty nearly one-half. This is no reflection on the requirements of the canal, but the railways have taken up the slack by handling the grain from Georgian Bay to Montreal.

According to figures prepared by the Department of Transport, Canadian merchant ships over 500 gross tons as of June 24, 1947, consisted of 174 ocean going vessels of 1,026,978 gross tons, 83 home-trade ships of 134,376 gross tons, 232 Great Lakes and St. Lawrence River ships of 609,926 gross tons, a total of 489 ships of 1,771,280 tons.

The bill seeks to set up an authoritative body to advise the government on shipping and shipbuilding matters and to administer certain matters relating to those industries. All matters covered by the bill are functions being performed by government agencies at the present time. The purpose of the bill is to correlate those agencies and gradually to bring them under a single directing force.

The proposed commission is to consist of three full-time officials who, as a body corporate, will be responsible to and subject to the direction of the Minister of Transport. The commission will be staffed by the Civil Service Commission in the usual manner. There is

provision that with the approval of the Governor in Council the commission may employ professional and technical advisers and assistants for temporary and for specific work. Obviously, occasion may arise when it will be necessary to employ people with special knowledge to perform special duties for temporary periods.

The function of the commission in its advisory capacity is to consider and recommend to the minister such policies and measures as it considers necessary for the operation, maintenance, manning and development of a merchant marine and a shipbuilding and ship repairing industry, commensurate with our maritime needs. In order to fulfil this function, the commission will have to ascertain and record a number of matters concerning our own industries and those of other nations. On its administrative side, it is intended that it shall act on behalf of the minister in dealing with certain responsibilities which are vested in him by the Canada Shipping Act, 1934. It will also absorb the duties now performed by the steamship subsidies section of the Department of Trade and Commerce. It will be available to absorb other suitable administrative duties which may be allotted to it from time to time.

The expenses of the commission will be paid from appropriations duly authorized by parliament, and the commission will render an annual report of its activities to parliament through the Minister of Transport.

All the policies of the commission will require to be approved by parliament, because the only funds which will be available to the commission to carry out its policies will be those funds voted by parliament from time to time.

In drafting the bill, it has been endeavoured to provide in the commission a ready and accessible point of contact between the government and all sections of the shipping and shipbuilding industries. Special reference is made to the setting up of advisory committees by the commission, which will enable it to obtain all the points of view of the parties concerned in any particular matter. It is the view that a standing advisory committee consisting of representatives of ship operators, shipbuilders, and seafaring personnel should be set up as soon as possible, which will provide a forum for discussion on a number of matters concerning the efficiency and development of the industry. There is also need today for a well-informed government agency to represent the nation's view in various international shipping matters which from time to time are called into discussion by the United Nations and related organizations. In

short, the government is of the opinion that the setting up of an organization directly concerned with the Canadian shipping and shipbuilding problems is now desirable. One of its functions will be to assume responsibility for any continuing government-owned merchant ships now being operated through the agency of Park Steamship Company, Limited.

The bill does not represent any change in the policy which was previously adopted, but provides only what the government believes and hopes will be a more up-to-date medium for carrying out that policy.

Hon. Mr. MORAUD: May I ask the honourable senator a question? What are the government agencies that are going to be emerged into that commission?

Hon. Mr. PATERSON: I have not got the complete particulars here, but I hope that the bill will go to a committee where my honourable friend (Hon. Mr. Moraud) may ask that question. There are several matters on which I want to get information, and probably this is one of them.

Hon. J. J. KINLEY: Honourable senators, let me first of all congratulate the honourable senator from Thunder Bay (Hon. Mr. Paterson) upon the valuable information he has given to the house. Being a captain of industry and a man who has used his talents for the promotion of trade and commerce, mostly on the Great Lakes of this country, he is acquainted with the conditions surrounding the merchant service and is well qualified to speak on the subject.

We are reminded how great a maritime country Canada is when we consider the traffic on the Great Lakes and the other parts of Canada that are accessible to the sea. This bill is an act to establish a Canadian Maritime Commission. At a casual glance it might be thought that it is for the purpose of doing something for the maritime people of Canada. However, that is not the case. It is a Canadian maritime bill, supposed to be for national service and for the benefit of all the people of the country.

This bill has a counterpart in a bill which was introduced and passed in the United States in 1936 and which largely serves the same purpose. However, our bill has no preamble—it is just a statement of law that is to be enacted—whereas the American bill had a preamble setting out the reasons and the need for such legislation in the United States of America.

May I be permitted to read from the preamble of the American bill:

It is necessary for the national defence and development of its foreign and domestic commerce that the United States shall have a mer-

chant marine (a) sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of the United States and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times, (b) capable of serving as a naval and military auxiliary in time of war or national emergency, (c) owned and operated under the United States flag by citizens of the United States in so far as may be practicable, and (d) composed of the best equipped, safest, and most suitable types of vessels, constructed in the United States and manned with a trained and efficient citizen personnel. It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine.

Our bill is more general. It creates a technical board which will advise the government on matters of merchant service. As my honourable friend from Thunder Bay (Hon. Mr. Paterson) has said, the substance of the bill is to be found in paragraphs 6 and 7:

6. The commission shall consider and recommend to the minister from time to time such policies and measures as it considers necessary for the operation, maintenance, manning and development of a merchant marine and a ship-building and shiprepairing industry commensurate with Canadian maritime needs.

7. The commission may examine into, ascertain and keep records of,

(a) the shipping services between Canadian ports and from ports in Canada to ports outside Canada that are required for the proper maintenance and furtherance of the domestic and external trade of Canada;

(b) the type, size, speed and other requirements of the vessels that are and in the opinion of the commission should be employed in such services;

(c) the facilities in Canada for the construction, repair and reconditioning of vessels;

(d) the cost of the construction, repair and reconditioning of vessels in Canada and in other countries;

(e) the cost of marine insurance, maintenance, repairs, wages and subsistence of officers and crews and all other items of expense in the operation of vessels under Canadian registry and the comparison thereof with similar vessels operated under other registry;

The concluding paragraph, which seems to be all embracing, is as follows:

(f) such other matters as the minister may request or as the commission may deem necessary for carrying out any of the provisions or purposes of this act.

That is a very general direction to give to a commission. There is very little direction, by comparison with the American legislation. Maybe it was thought advisable to frame the bill in this general way so that the commission, as it goes along, can feel its way, as it were, and perform the services which it considers are most vital.

I feel that this bill is one that is greatly needed in Canada, and that it at least shows a continuance of a necessity that had a revival during the war. The need caused by the war provided the great test. It brought out the truth; it showed that Canada requires a merchant marine, and that we should sustain and expand our merchant marine so as to look after the services of the country adequately. In other years Canada was not marine-conscious. The fact that that is not so today is evidenced by this bill. I think honourable senators have evidence of that fact every day when they look at the tower of this building and see the red ensign, the flag of the British merchant marine, with the Canadian coat of arms, which makes it the flag of the Canadian merchant marine also. Every day that parliament is in session it flies from the flag staff on the Peace Tower and continually reminds us that our interests extend beyond our shores—to our men and ships upon the sea. Nay, more: one will see on the entrance to this building the inscription: "The wholesome sea is at her gates—her gates both East and West". There is a challenge to the people of Canada to take every advantage of the opportunities for export trade and do business on the great waters.

Canada's foreign trade, in comparison with her small population, is very extensive, and the general prosperity of the country is dependent upon it. Because of our surpluses and our foreign trade, the prices of commodities in this country are largely fixed by prices on the world markets. One of the greatest factors in foreign trading is the services required to carry the goods to other nations across the sea. For a thriving foreign trade we need an efficient merchant marine.

Honourable senators will pardon me if I refer to the province from which I come, because the subject of this bill is a matter of great interest to the people who live by the sea. I should like to recall a little history of Nova Scotia. Many of you have read the Sirois report's appraisal of what was known as "the Golden Age of Nova Scotia", and in fact of all of the Maritimes. It was referred to as the age of wind, wood and water, because our sailing ships, which were made of wood, sailed the high seas carrying goods to many lands. This was a perfect economy, as we had the wood and tradesmen in Nova Scotia to build the ships and the sailors to man them. These ships sailed to other lands, taking our products there and returning with cargoes which brought great riches to the province. We had banks, accounting houses and all the other secondary services that go with the marine trade. It was then the golden age of

Nova Scotia, which had a perfect economy because of the activities of our people down by the sea.

Hon. Mr. DUFF: Wooden ships and iron men.

Hon. Mr. KINLEY: Yes, those were the days of wooden ships and iron men.

May I say a few words as to why Nova Scotia did not retain that perfectly balanced economy? At that time the Maritime provinces were prosperous because the Nova Scotia sailing ships were the fastest transport upon the ocean. We built the ships, and no one except perhaps the New England states could compete with us in fast sailing craft. This accomplishment made us one of the biggest shipping countries in the world before Confederation. Then came the iron ships, a product of England's industrial era which started with Queen Elizabeth and was built up by mechanization and the use of iron, steel and coal. Great Britain and some of the European powers went out in the forefront, and the shipping facilities of Nova Scotia could not follow. We lost our predominance on the seas. Some people in my province even blame our decline on Confederation; they say it ruined Nova Scotia. Honourable senators, I think Nova Scotia was in the doldrums before Confederation, and her people were looking for something better when they accepted the terms of Confederation. May I remind my honourable friends that Nova Scotia's great statesman Joseph Howe at first violently opposed Confederation, but in the final analysis came to Ottawa and was a strong exponent of the entry of his province into Confederation under better terms. I am glad to hear that the present premier of Nova Scotia, like his illustrious predecessors, has been successful in coming to terms on matters involving dominion-provincial relations. That will, I believe, be good for the province.

The change that I mentioned was the first reason why Nova Scotia lost her pre-eminence. We have been trying since that time to do something about our activities on the sea, because if the Maritimes are going to hold their own with the people of Canada they must do it by their marine activities. In Ontario you have bigger farms and more extensive factories, but we are at tide water, living by the sea, and our hope for the future is again upon the sea.

I believe that the institution of the Canadian National steamship lines was a step forward in the merchant marine activities in Nova Scotia. True, the iron ships came into conflict with the passing sailing vessel and for a time it was the cause of some difficulty;

but, through the vision of Sir Henry Thornton we secured steamships which were the nucleus of our mercantile marine. May I digress at this point to say that the vision of Sir Henry Thornton is apparent in this country? The large hotels from Halifax to Vancouver, which when built were thought to be extravagant and providing accommodation beyond our needs, were found to be very useful in the crowded days of the war; and they are serving us well today.

The Canadian steamships are managed by the Canadian National Railways through an interlocking directorate. I do not agree with that method of supervision. The railway officials are not marine-minded men; they are railway men, and in this big country they are concerned mostly with carrying on the business of the railroads. This is true to such an extent that in the 30's, when Canada was passing through a depression and the Canadian National Railway was in a bad way, they began to sell the steamships at a low price. Sister ships of steamships sold at that time are still operating. Upon recent inquiry I learned that we could get today in excess of five times the amount that the ships were then sold for. And do not forget that those ships were sold after they had done the missionary work, after they had developed trade with Australia and other countries of the world and were coming out of the red.

Hon. Mr. QUINN: They were already out of the red.

Hon. Mr. KINLEY: I attribute the poor advice to the directors of the Canadian National Railway. It seems to me that the proposed Canadian Maritime Commission could very well take over the management of the Canadian National Steamships, and let the Canadian National Railway officials look after the railways.

Honourable senators, I emphasize that while the Canadian National Railway had a deficit of \$8,960,000 last year, the Canadian National Steamships, in spite of the number of ships that were taken for war purposes, many of which were eventually sunk by enemy action, showed a profit of \$1,802,000. I think that is a splendid showing.

There is a second reason why Nova Scotia, and indeed Canada, lost pre-eminence in the shipping world. It was world-wide competition, unfair competition. Firstly, there was the Canada Shipping Act. That act was designed to make a standard, in Canada and the empire, equal to that of Britain in respect of efficiency in running ships and the selection of officers. In my part of the country we had men who

went in ships all their lives, who got their experience in the fo'c'sles; and you can learn many things about seamanship in the fo'c'sles, but when it comes to the science of navigation you have to get out of the fo'c'sle into the cabin; and there is not much connection between the cabin and the fo'c'sle in a sailing ship. As a result our men were men of experience who had little school training; and when the Canada Shipping Act was put into force these men found themselves on the beach, and in order to put the boats to sea we had to bring in men from other places with certificates.

Hon. Mr. DUFF: And they were seasick when they got there.

Hon. Mr. KINLEY: Conditions became so bad, honourable senators, that at one time I had to appeal to the department here, and special inspectors were sent down, who passed a number of our experienced men who underwent certain essential tests. English certificates were preferred even in Canada to the certificates of Canadian seamen. It seems to me that when our country undertook to make a change in the law which necessitated more education, it should have provided institutions where our people could get the necessary education. The farmers have agricultural colleges in every province in Canada. What have the seamen to educate them and fit them to take command of ships in the Merchant Marine? We had one school during the war which did good work, but it was closed up; and along my shore in Nova Scotia there is no place where a seaman can go to be educated, under the supervision of the state, for the purpose of being an officer in the Merchant Marine.

I wish now to turn to something which is, I think, a little more important: it is what is known as the Merchant Shipping Agreement. For many years Canadian ministers of marine made journeys to Britain with a view to getting better control of the coastal merchant shipping of Canada; and when the Statute of Westminster was passed, concurrently the Merchant Shipping Agreement was adopted. The Statute of Westminster was our constitutional emancipation, but mother is a good trader, and the day before that statute was passed the Merchant Shipping Agreement was signed and put into effect; and that is the law which governs the coastal trade of our country at the present time.

Part IV of the agreement deals with "Equal Treatment". Let me read it to you:

Each part of the British commonwealth agrees to grant access to its ports to all ships registered in the British commonwealth on equal terms and undertakes that no laws or regulations relating

to seagoing ships at any time in force in that part shall apply more favourably to ships registered in that part, or to the ships of any foreign country, than they apply to any ship registered in any other part of the commonwealth.

While each of the British commonwealth may regulate its own coasting trade, it is agreed that any laws or regulations from time to time in force for that purpose shall treat all ships registered in the British commonwealth in exactly the same manner as ships registered in that part, and not less favourably in any respect than ships of any foreign country.

That meant, honourable senators, that British ships had the same privileges as Canadian ships in the Canada coasting trade. We were a young country, trying to build up a coastal trade; Britain was the foremost mercantile marine country of the world.

I will go a little further in this connection, and read to you, under Part X—the General part—article 27:

This agreement shall apply to all territories administered under the authority of the government of any part of the commonwealth and to ships registered there, or in any foreign port of registry, and fulfilling the requirements as to ownership set out in article 2 (1).

This means that in effect the coastal trade of Canada was practically open to the world. We found that European bottoms were carrying on the coastal trade of Canada; they were carrying coal from Sydney up to Montreal, and our own men were standing by. In contrast to that condition, the United States protect their own nationals. United States law requires that the great percentage of the crews and the officers shall be American citizens; and they will not allow our ships to coast in the United States. For instance, a Canadian ship cannot carry cargo from Boston to New York. In the days when Cuba belonged to Spain, our people made a great deal of money by taking fish to the West Indies and bringing back sugar to the United States. But immediately Cuba came under the dominance of the United States we were prevented, because of the American coastal laws, from bringing cargoes from Cuba to the United States. It seems to me that Canada has had no opportunity to become a great country with regard to merchant service when she was against such competition as that of Norway, Great Britain, and other countries with lower standards of living.

But, honourable members, it is useless to talk very much about this.

Hon. Mr. DUFF: Go ahead.

Hon. Mr. KINLEY: I want to make a suggestion. On January 18, 1932, we signed a treaty with the United States with respect to the St. Lawrence waterways; and Canada will

be in close association with the United States in the trade from the Great Lakes overseas. A great deal of this trade is coasting trade, and it seems to me that, in the co-ordinating of that agreement, we should have a degree of reciprocity in the coastal trade with the United States—the only country with higher standards than our own—on coastal shipping. It seems to me that an agreement of this kind with the United States would go very well with the St. Lawrence waterways treaty; because how can we deal together along the St. Lawrence river and the Great Lakes if we do not have reciprocity in coastal trade? Then down in Nova Scotia, half-way between the American Gulf ports and Fort William, where our country sticks out in the Atlantic, and especially on the route which ships take for the coastal service of this country, it would be the greatest boon to Nova Scotians that one can imagine if we could have a reciprocal agreement on the coasting trade with the United States. Canadian men, Nova Scotia men, could share with Americans, and Canadian bottoms could share with United States bottoms in the coastal trade of the continent.

I should like to remind the leader of the government in this house that when this agreement is finally settled we should have this reciprocity with the United States. There is also some hope that Newfoundland, a maritime country whose people live by the sea, is going to be brought into Confederation. If we can get her to join the dominion and can reach an agreement for sharing in the coastal trade and the St. Lawrence Waterway Treaty, we will have done something for the marine service of Canada which will be of great benefit in the future.

Honourable senators, I want you to realize that technically there are no Canadian ships. There are British ships of Canadian registry. It is difficult to define what a Canadian ship is. We occupy a sheltered position in some regards, but I doubt whether it is a position that should be continued by a self-confident country such as Canada. I believe that Canada should first look after the interests of its people, and then by using good will it should cooperate with other countries for the benefit of all.

I am of the opinion that this bill is a step in the right direction. Times change. We are told that there is a recurrence of events, and that things move in circles. That being so, the Martimes may come back into their own and they will do so by reason of the fact that they will enlarge their associations with the populous country to the south, and also within a country that can be travelled as far

as Fort William by ocean-going ships. This being true, there is great need for this legislation.

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

REFERRED TO COMMITTEE

Hon. Mr. COPP moved that the bill be referred to the Standing Committee on Finance.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. COPP: Honourable senators, I am advised that arrangements have been made for having the Royal Assent given to certain bills on Friday afternoon. That means we shall have at least two more sittings this week. In these circumstances I move that the remaining items on today's order paper be discharged and placed on the order paper for the next sitting.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 26, 1947.

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate chamber on Friday, the 27th of June, at 5.50 p.m., for the purpose of giving the Royal Assent to certain bills.

APPROPRIATION BILL No. 4

FIRST READING

A message was received from the House of Commons with Bill 363, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st of March, 1948.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. COPP: With leave of the Senate, next sitting.

INCOME WAR TAX BILL

REPORT OF COMMITTEE

Hon. A. K. HUGESSEN presented the report of the Standing Committee on Finance on Bill 269, an Act to amend the Income War Tax Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 24, 1947, examined this bill, and now beg leave to report the same with three minor amendments:

1. Page 1, line 23: Before "dividend" insert "declared".

2. Page 5, line 9: Delete "dispersed" and substitute "disbursed".

3. Page 7, line 17: Before "its" insert "any of."

The Hon. the SPEAKER: When shall the amendments be taken into consideration?

Hon. Mr. HUGESSEN: With the consent of the Senate, I move that these amendments be now concurred in.

Hon. JOHN T. HAIG: Honourable senators, I wish to protest against one clause, on the ground that some consideration should be given to waiver. Assume that a company is in financial difficulties. It has issues of bonds, preferred stock and common stock. The holders of the bonds and of the preferred stock waive their rights to interest, and an adjustment is made. I have in mind the case of a company in Manitoba about which I knew a good deal eight years ago. The bondholders devaluated their bonds to eighty per cent and cut the rate of interest from 5½ to 3½ or 3 per cent, and agreed not to take proceedings to foreclose the property. Holders of the preferred stock threw off so much of their stock; the common stockholders followed the same course, and they made some further stock concessions to the bondholders. Under the terms of the measure now before us, the bondholders will be taxed on the value of any common stock which they receive from the stockholders.

The honourable senator from Toronto—I do not know whether I should call him the senior or the junior senator, because it has not been decided just who is the senior and who is the junior senator from Toronto; so to avoid misunderstanding I shall have to call him by name—Senator Campbell tried to get an amendment to make it clear beyond doubt that the section limited taxation to consideration paid by the company itself. I can under-

stand that, when a company itself issues something to pay arrears of interest, the value of the thing it issues should be taxed. That is fair. But I do not for the life of me see why a tax should be put on a bondholder who gets a consideration from one of the common stockholders. The tax might not amount to much, but there is the difficulty of determining the value of the consideration. I say candidly that I have great confidence in the new Deputy Minister of Taxation. I have known him for many years, and I do not believe there would be any unfairness in the administration of this measure. However, I do not think we should pass legislation which makes it possible to tax people on something that the company has no interest in at all. I am not going to go any further but I wish to protest against that provision.

Hon. G. P. CAMPBELL: Honourable senators, I should like to support what the honourable leader opposite (Hon. Mr. Haig) has said. We have all experienced the difficulty of reorganizing corporations which have been forced to default on their securities during bad times. It seems to me that it is sometimes in the interest of security holders and the community generally to have the senior security holder permit his security to remain in default and the interest to accumulate, so that when times return to normal the company can reorganize and an adjustment can be made between the various security holders whereby the heavy accumulated arrears of interest on the senior security are wiped out in consideration of the junior security holders turning over some of their stock or securities, which may or may not be of value. I submit that under the proposed legislation it would be practically impossible for senior security holders to grant these concessions, because although they might be perfectly willing to release accumulated dividends and accept stock which might not have any value for some years to come, if they accepted that stock they would be taxed—they would have to pay taxes, in cash, upon a security which they got from junior security holders, not from the company itself. If this measure is passed we shall probably learn from experience that it imposes great hardship on junior security holders.

There is another matter which I think should be mentioned. The holder of a bond of \$1,000, on which there is possibly \$500 arrears of interest, may be willing to accept a new security for \$1,000. In other words, he may be willing to release his interest and accept a security for the principal only, thus giving the company a chance to rehabilitate itself. Under this legislation he would be taxed on one-third of the amount of the

security that he received. In other words, he would have to pay taxes in cash on a proportion of interest that was owing at the time he accepted his new security. I submit that that also would bring about hardship, because it would be much better for people to hold their securities and to realize what they can from foreclosure proceedings.

In committee I suggested that what was really intended by this legislation was that a person receiving something from a company by way of an obligation or a promise to pay, should be taxed on the value of what he received; but that when he received something from a compromise with the others who were interested in the company, and not from the company itself, it should not be taxed.

The honourable the Minister of Finance was spoken to about the matter, and he apparently felt that the bill should stand as proposed, his view being that the person who received a security or promise to pay, no matter from whom, for any arrears owing, should be taxed on the value of the security or promise at the time he received it.

I feel that the measure is too drastic and not in the best interests of the complicated economic structure of corporations in this country; and I think that if it is passed it will require to be amended in future.

Hon. **SALTER A. HAYDEN**: Honourable senators, I am not prepared to go as far as the two previous speakers in claiming that the amendment proposed is drastic and would work much hardship, though I am not to be taken as being entirely in agreement with it. The doors through which one may pass into some slight measure of tax freedom or exemption in corporate financing are rapidly being reduced in number. This has to do with a door that permitted some scope in the reorganization of companies, large and small, which through poor operations had defaulted on the payment of interest on bonds and of dividends on shares.

Hon. Mr. **LAMBERT**: What about over-capitalization in the first place?

Hon. Mr. **HAYDEN**: Of course, part of the difficulty has arisen because of original issues of securities being based on too optimistic a valuation of assets. Be that as it may, the section is realistic, in that it imposes a tax upon what is received in the way of security for a right to interest; and the tax is not on the value of the security in perhaps five or ten years, but on the value of it at the time received. The bondholder who receives common shares at a time when they have little or no value accepts them in return for forgoing his interest. If the shares

are going to increase in value he would be better off if their value were fixed at the time he received them and he paid tax on the value instead of on the appreciated value of a later date.

It has been said that the amendment will interfere with reorganizations. It will interfere only with a reorganization where bondholders—senior security holders—feel that the only way of dealing with the whole enterprise is to put it through the wringer and take out a lot of the water that was put into the original financing. If a bondholder feels the enterprise has a chance to operate, and forgoes his interest and gets some compensation from the common shareholders rather than from the company, then to the extent that the compensation is in common shares he must pay income tax on the value of it at the moment he receives it.

Hon. Mr. **CRERAR**: How is that determined?

Hon. Mr. **HAYDEN**: In the first instance it will be a matter of establishing to the satisfaction of the income tax department what the value is. If the common shares are listed the value can easily be ascertained, because public trading will set a value; if they are not listed the value will have to be settled by argument pro and con. If a taxpayer is not satisfied with the valuation made by the department he can appeal to the court.

The objection I had to the section was an overall objection, that it was closing a door which possibly provided an encouragement to company reorganization. But from the point of view of taxing and the principle behind it, it is difficult to justify the receipt of something of value for giving up a right to interest, and not regarding that something of value as being of the nature of income. Therefore there is some element to be taxed, although the quantum is a problem to be determined.

Hon. Mr. **ASELTINE**: What if you surrendered part of your capital?

Hon. Mr. **HAYDEN**: Well, I assume that you would do it only because you considered that the circumstances justified it. But this section does not deal with capital at all.

Hon. Mr. **ASELTINE**: But you get something in place of the capital you surrender.

Hon. Mr. **HAYDEN**: You do not pay any tax on it. It is only if you have a right to interest, or if you have a right to a dividend in the sense that a dividend has been declared and it has thereby become a debt. The principle must be that it is a debt. Having a debt payable, you, the creditor, give up the right to receive it in return for a consideration, and

under this section that consideration is regarded as being income, the amount of which would have to be determined, and then you would pay a tax based on that amount.

Hon. Mr. CAMPBELL: May I ask the honourable senator a question? Assuming that you had a security of the value of \$1,000, with arrears of interest in the amount of \$250, and you accepted a new security of the value of \$750, would you not be taxed on the proportion of that which represented your interest, which would in effect tax part of the capital?

Hon. Mr. HAYDEN: I do not think so.

Hon. Mr. CAMPBELL: I believe the bill so reads.

Hon. Mr. HAYDEN: I do not think it does. I think that, if I have a bond having a principal value of \$1,000, and there are arrears of interest of \$250, and I take a new security of \$750 in place of the \$1,000 bond, and it bears an interest rate of one per cent or half of one per cent less, then I have given up my bond and received a bond of lower value in place of it, but, I have received nothing in respect of the interest I gave up, and in that case there is no value applicable to the interest.

Hon. Mr. HAIG: Consider the position of holders of senior securities. Under the proposition advanced by the honourable senator who has just spoken, they would nearly always have to give up all the interest, and frequently they have to surrender some of the capital, in order to get reorganized. Yesterday afternoon, when we were examining a gentleman representing the Department of Finance, he was as doubtful as the honourable senator from Toronto (Hon. Mr. Campbell) if the bondholders were giving up all their interest; but I am persuaded that the department would try to tax that part of that \$750 which was held to have been received in lieu of interest, and you would have an awful struggle to show the department that interest was not part of the consideration.

Hon. Mr. HAYDEN: I do not want to suggest to my honourable friend that in these circumstances I might be ready even to violate the ordinary rule which applies to lawyers in accepting retainers, and I do not want to appear to be boasting; but I feel so firmly on the question, that if I had a security of \$1,000 and interest arrears of \$250, and gave that up and received a security of \$750 bearing a rate of interest less than or equal to the interest on the old bond, I could claim that I had given up my interest completely; and the best proof is that I have not got back all my principal, and I have a security which is of lower value. In these circumstances my

view and my firm conviction would be that no part of that new security would be referable to any of the interest arrears on the old security.

Hon. Mr. CAMPBELL: Section 2 of the bill reads, in part, as follows:

"Where a person has, on or after the first day of January, nineteen hundred and forty-seven, received a security or other right wholly or partially as or in lieu of payment of or otherwise in satisfaction of an interest, dividend or other debt . . ."

"Partially" is interpreted to include the interest that would be accumulated.

Hon. Mr. HAYDEN: That covers the situation where a company might issue to me a new bond and also some common shares. In those circumstances I would have received something for the principal of the old bond that I have turned in and also something for the shares. You know that in reorganizations this proposition is often put: "In return for your delivering up the securities you have, we shall issue you a new security in preferred shares and issue you some debenture stock to make up the arrears of dividends that have not been paid". In those circumstances you have received securities that would be referable to and be made referable to the security, interest, or dividend that you gave up. However, in the case cited, where a new bond is obtained for a reduced principal, it is my opinion that no part of that is referable to interest at all.

Let us again read part of section 2:

"Where a person has, on or after the first day of January, nineteen hundred and forty-seven, received a security or other right wholly or partially as or in lieu of payment of or otherwise in satisfaction of an interest, dividend or other debt the amount of which would be included in computing his income if paid . . ."

When I get a \$750 bond in return for a \$1,000 bond and arrears of interest, what part of that \$750, if paid, would be income in my hands? My submission is that no part of it would be. It is all principal.

Hon. Mr. BENCH: It might be, if the deal was made that way.

Hon. Mr. HAYDEN: Yes, but in the case cited there was no such deal.

Hon. Mr. LEGER: But you would not receive the same amount if no interest or dividend had accumulated. Therefore, a certain portion must be consideration for what has accrued.

Hon. Mr. HAYDEN: If my honourable friend (Hon. Mr. Leger) wishes to import that consideration into the transaction, then I

would say yes; but in the transaction as cited that consideration was not suggested. If you take \$750 for \$1,000—

Hon. Mr. LEGER: Yes, but you do not take it for \$1,000, but for the \$1,000 principal plus the dividend or profits which have accrued.

Hon. Mr. HAYDEN: If I take it on the basis of some part being interest, then, first of all, I have deliberately walked into the situation; secondly, I have done so very foolishly; and, thirdly, I did not need to do it at all.

Hon. Mr. HUGESSEN: There are two points that should be borne in mind in connection with this. First of all, it is a clause designed to levy tax on persons in respect of incomes they have received. Secondly, the point of difference between my honourable friends is a very small one indeed. May I perhaps just give an example to show what I mean. Suppose I am the holder of a \$1,000 first mortgage bond of a company which falls into arrears in the payment of its interest to the extent of, say, \$250. The time comes when the company is to be reorganized and the company itself offers me something in place of \$250 arrears of interest on my bond. According to this measure, if I receive that something from the company in exchange for \$250, it is income in my hands in the year in which I get it and I am taxable on it. That was agreed upon. There was no dispute about that point in committee.

Hon. Mr. HAIG: Correct.

Hon. Mr. HUGESSEN: The only point of difference between the honourable leader on the other side (Hon. Mr. Haig) and myself was this: as to whether or not after reorganization if that something received in exchange for my \$250, came, not from the company but from somebody else, it was taxable. It may perhaps have been that the common shareholders, in order to prevent the company from going into bankruptcy, were willing to give up part of their shares to me as a bondholder in exchange for my arrears of interest. My honourable friends say that that amount in the hands of myself as bondholder should not be taxable. Looking at it from the point of view of myself as an individual, my contention is that, whether I receive that something in exchange for my claim for interest from the company directly or from somebody else, it is income in my hands in the year in which I receive it. It is over that point that this whole discussion has arisen.

Hon. Mr. HAIG: Permit me to make a comment. This dispute was not over the question of consideration for interest. The interest was not paid by the company, so the bonds were in arrears; foreclosure proceedings against the company could have taken place, and the common shareholders could have been wiped out; but they got together and said to the bondholders: "No; abandon your interest, and accept a certain consideration rather than foreclose." I think that the bondholders should not be taxed on the value of any common stock so given and received.

Hon. Mr. HUGESSEN: My view is that whatever I receive in exchange for a claim for interest against the company, is income in my hands when I receive it and properly taxable.

Hon. CYRILLE VAILLANCOURT (Translation): Let us take, for instance, the case of some one who has \$50,000 and invests the full amount in a company. The company finds itself in difficulties, and defaults on its interest payments for several years. A reorganization takes place whereby the principal is reduced by half and the amount owed in unpaid interest is also reduced by 50 per cent, in exchange of which the company issues common shares. The company resumes its operations. According to the bill, the shareholder would be taxable in respect of the value of the common shares received as a consideration for his right to the unpaid interest; but he has no money, how could he pay? How is he to pay a tax on interest paid to him in the form of shares, if he has no money?

Hon. Mr. HUGESSEN: That would depend on the value of the security he has received.

Hon. Mr. VAILLANCOURT: Let us take any value. In the first place it was reduced to \$25,000, then he received common shares. Under the bill he is taxable but he has no money to pay.

Hon. Mr. HUGESSEN: You will admit that he would not be taxed on the nominal value, but on the actual value of the shares.

Hon. Mr. HOWARD: That is right; on the actual value.

Hon. Mr. VAILLANCOURT: But he would be taxed nevertheless.

Hon. Mr. HUGESSEN: He is in the same position as any one who has no money to pay his taxes.

Hon. Mr. VIEN (Text): Honourable senators, I rise on a point of order. It is quite obvious that the discussion which has taken place is out of order.

Hon. Mr. HAIG: No, no.

Hon. Mr. VIEN: We are discussing a matter as though we were in Committee of the Whole, but the report of the standing committee has not been referred to the Committee of the Whole.

Hon. Mr. HAIG: Honourable members, I rise on a point of order. We certainly have a right to discuss this committee report and to deal with this section of the bill. True, I cannot speak a second time, nor can the honourable member from Toronto (Hon. Mr. Hayden), but my earlier remarks were strictly in order.

Hon. Mr. VIEN: I am not suggesting otherwise. Nor am I suggesting that the report of the committee that is now before the house cannot be discussed. I am stressing the point which the honourable leader opposite (Hon. Mr. Haig) raised yesterday, namely, that in many cases we should refer these matters to Committee of the whole, instead of carrying on discussion across the chamber in a manner which is irregular or which our rules forbid.

Furthermore, the report of the Standing Committee on Finance was presented at this sitting. It has become customary for the Senate to consider reports of our standing committees the very day they are brought in; but our rules provide that they should stand on the Order Paper for at least one day before being considered.

Hon. Mr. HAIG: On a point of order: the honourable gentleman was not in his place at the time, so may I inform him that the senator who moved the motion (Hon. Mr. Hugesen) asked permission of the house to do so, and the house gave him permission by unanimous consent.

Hon. Mr. VIEN: I understand that, but my point is that the discussion which has taken place merely establishes that members of the Senate desire to consider reports of committees with a little more freedom than ordinarily would be permissible when the house is in session.

Hon. Mr. ASELTINE: I think we had a very fine discussion.

Hon. Mr. VIEN: I suggest that the report be allowed to stand until next week. There is no particular rush; no damage would result from the delay; and we could ponder these amendments a little more than we have yet had the opportunity of doing.

The Hon. the SPEAKER: The motion before the Chair is that the amendments submitted by the Standing Committee on Finance be now concurred in. A debate has taken place, which, it is true has been some-

what irregular. I believe that the honourable leader of the opposition (Hon. Mr. Haig) addressed the house first, then the honourable senator from Toronto (Hon. Mr. Campbell), and later the other honourable senator from Toronto (Hon. Mr. Hayden). There have been questions back and forth; but I think that each speaker has refrained from speaking more than once, except when he was responding to questions. There is a motion before the house, and as a matter of form, as was observed by the honourable senator from De Lorimer (Hon. Mr. Vien), it might have been better if we had gone into Committee of the Whole, for then we might have had a more free and easy discussion. I am prepared now to put the motion, unless there is an amendment, and if there are no other speakers.

Some Hon. SENATORS: Question.

The Hon. the SPEAKER: It is moved by Senator Hugesen, seconded by Senator Howard, that the proposed amendments to Bill 269, an Act to amend the Income War Tax Act, be now concurred in. Is it your pleasure to concur in the amendments?

Hon. Mr. VIEN: I move that the debate be adjourned.

Hon. Mr. HOWARD: There is no debate to adjourn.

Hon. Mr. VIEN: The motion before the Chair is that the amendments be concurred in. A debate has developed on that motion, and I respectfully submit that I am in order in moving the adjournment of the debate.

Hon. Mr. HUGESSEN: To settle this matter, I will move that the third reading be taken tomorrow; so that if the honourable senator wishes to make any observations he will then have an opportunity to do so.

Hon. Mr. VIEN: If the acting leader of the government (Hon. Mr. Copp) urges that the matter be dealt with today I will not insist on my motion for adjournment; but I do not see that much damage will be done if we allow this matter to stand a little longer.

Hon. Mr. COPP: I have no great desire to rush the matter, but we are to have Royal Assent tomorrow; there are a number of bills to be dealt with, and I thought that we might get this one through. If the amendments were now concurred in, we could adjourn the third reading until tomorrow, when my honourable friend could make his remarks.

Hon. Mr. VIEN: But we shall have Royal Assent next week.

Hon. Mr. COPP: No, tomorrow.

Hon. Mr. VIEN: But next week there will be another Royal Assent.

Hon. Mr. COPP: It may not be next week.

Hon. Mr. VIEN: Or the week after. If there were any urgency about passing this bill I would not consider delaying it, but I do not see that much damage will be done if the Senate takes a little longer to ponder this very important bill.

Hon. Mr. BEAUBIEN (St. Jean Baptiste): I do not think the motion of the honourable senator from De Lorimier (Hon. Mr. Vien) is in order. When a motion that the report of a committee be concurred in is before the house, the only motion that can be moved is that the report be not concurred in but that it be referred back to the committee with certain instructions.

Hon. Mr. VIEN: On the point of order, honourable senators: I submit that when there is a motion before the house for concurrence in amendments made by a committee, and debate ensues, it is always in order to move the adjournment of the debate. That is what I am doing now.

Hon. Mr. BEAUBIEN (St. Jean Baptiste): I question that.

Hon. Mr. HAIG: Much as I dislike admitting it, I believe the honourable gentleman who has just taken his seat (Hon. Mr. Vien) is absolutely in order. I rise, however, as leader of the Opposition to join with the acting leader of the Government in requesting the honourable gentleman to permit the bill to go to third reading tomorrow.

Hon. Mr. VIEN: All right, I will do that. I withdraw the motion.

The Hon. the SPEAKER: Then, the motion is to concur in the amendments to the bill.

The motion was agreed to.

Hon. Mr. COPP: The third reading of the bill will be moved tomorrow.

PRAIRIE FARM ASSISTANCE BILL

REPORT OF COMMITTEE

Hon. J. J. DONNELLY presented the report of the Standing Committee on Natural Resources on Bill 261, an Act to amend the Prairie Farm Assistance Act, 1939.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 24, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. COPP: With leave, I move the third reading now.

Hon. Mr. EULER: Next sitting.

The Hon. the SPEAKER: It is moved by Senator Copp, seconded by Senator Euler, that with leave of the Senate the bill be now read the third time.

Hon. Mr. EULER: I did not second that motion.

The Hon. the SPEAKER: It is moved by Senator Copp, seconded by Senator Howard, that with leave of the Senate the bill be now read the third time. Carried.

The bill was read the third time.

Hon. Mr. EULER: Mr. Speaker, may I say just a word? The question was asked: "When shall this bill be read the third time?" and I distinctly heard one senator say "Next sitting". I think that that senator has the right to insist that the bill be not read the third time before the next sitting.

Hon. Mr. COPP: It has been read.

Hon. Mr. HAIG: It was not I who made that remark. I am willing to have the bill read a third time now. I did not say a word.

Hon. Mr. EULER: I did. I said it myself.

The Hon. the SPEAKER: I put the question: "When shall this bill be read the third time?" and there was no dissent to the motion for third reading.

Hon. Mr. EULER: On a matter of privilege, I still contend that third reading cannot be given to a bill on the same day as reported from a committee if any senator asks that it stand for further consideration. I distinctly registered my dissent.

The Hon. the SPEAKER: The honourable senator is quite right in saying that if an objection is taken, the bill stands over to a later date. But I distinctly said "With leave of the Senate", and no objection was registered.

Hon. Mr. EULER: I made my objection.

The Hon. the SPEAKER: The honourable senator objected after the third reading had been given. I do not want to be misunderstood. The honourable senator rose and objected after the third reading had been given.

Hon. Mr. EULER: I must decidedly object to that statement, because it is not in accordance with what I did.

The Hon. the SPEAKER: When did the honourable senator object?

Hon. Mr. EULER: Before.

The Hon. the SPEAKER: I saw no motion by the honourable senator.

Hon. Mr. COPP: The honourable senator did not rise.

Hon. Mr. CRERAR: Mr. Speaker, with all respect, I wish to state that when you called for the third reading of the bill the honourable senator from Waterloo (Hon. Mr. Euler) said, "Next sitting".

The Hon. the SPEAKER: We cannot go by signs. The honourable senator had the right to object to the third reading, and if he desired to object he should have risen in his place and said so.

Hon. Mr. EULER: I distinctly did that.

The Hon. the SPEAKER: I did not see the honourable gentleman rise, nor did I hear him say that he objected.

Hon. Mr. EULER: All right; go ahead.

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 this bill?

The bill was passed.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K. HUGESSEN presented the report of the Standing Committee on Miscellaneous Private Bills on Bill J12, an Act to incorporate the Limitholders' Mutual Insurance Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of the 24th of June, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. HUGESSEN: With leave, I move that the bill be now read the third time.

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

RAILWAY BILL

REPORT OF COMMITTEE

Hon. A. B. COPP presented and moved concurrence in the report of the Standing Committee on Transport and Communications on Bill 255, an Act to amend the Railway Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 18, 1947, examined the said bill, and now beg leave to report the same with a number of amendments. I may say that the amendments are very trivial; they merely change the word "such" to "the" in a number of places.

The motion was agreed to.

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. COPP: 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.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill P12, an Act for the relief of Thomas Wynn Hayes, Junior.

Bill Q12, an Act for the relief of Claire Black Wolfe.

Bill R12, an Act for the relief of Anna Lovannah Theoret Wilson.

Bill S12, an Act for the relief of Norma Lorraine Desrosiers.

Bill T12, an Act for the relief of Rose Jacobson Greenberg.

Bill U12, an Act for the relief of Guido Corbo.

Bill V12, an Act for the relief of Harold Ashton Hugh Roberts.

Bill W12, an Act for the relief of Mary Kalichman Pulver.

Bill X12, an Act for the relief of Gaston Dorval Lachance.

Bill Y12, an Act for the relief of Donat St. Jean.

Bill Z12, an Act for the relief of Sheila Sydney Doner Gordon.

Bill A13, an Act for the relief of Thomas Walter John Moon.

The bills were read the first time.

SECOND READINGS

Hon. Mr. ASELTINE: Honourable senators, as it is getting late in the session, and these bills represent undefended cases in which the evidence is very conclusive, with leave I move that they be now read the second time.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the SPEAKER: When shall the bills be read the third time?

Hon. Mr. ASELTINE: With leave of the Senate, now.

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

PRIVATE BILL

FIRST READING

Hon. Mr. BUCHANAN presented Bill B13, an Act to incorporate the Yellowknife Telephone Company.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. BUCHANAN: Next sitting.

TRUST COMPANIES BILL

FIRST READING

Hon. Mr. COPP presented Bill C13, an Act to amend the Trust Companies Act.

The bill was read the first time.

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

Hon. Mr. COPP: Next sitting.

BEAM TRAWLERS IN NORTH ATLANTIC

NOTICE OF INQUIRY

Hon. Mr. DUFF: Honourable senators, before the Orders of the Day are called I should like to address a question to the government through its leader in this chamber. I gave the honourable leader notice by sending him a copy of the inquiry. It reads as follows:

Reliable information has come to me from different sources in the Maritime provinces stating that United States fishing vessels, commonly called and known as beam trawlers, and which are operating on the Grand Banks of Newfoundland and other banks in the North Atlantic, are fishing their trawls and hauling it from the bottom to the ship some twenty times per day, and dumping the fish from these trawls on their decks, and culling out from these catches the haddock which are in the nets and throwing back into the Atlantic all the codfish which are taken from these catches. The result is that hundreds of tons of edible large and medium codfish, in addition to small codfish which are inedible on account of size, are thrown back into the waters dead, with the result that the grounds where these fish are taken from become putrid and the fish leave the grounds and go elsewhere.

Is the government also aware that certain foreign trawlers from France, Spain, etc., which are capable of carrying three million pounds of

split salted each, are on the banks fishing and are throwing into the water dead haddock, either full of spawn or male fish?

Is the government also aware that crews of Canadian beam trawlers are raking the Banks with their trawls, and within the last fortnight one of these boats, according to the story of the captain, hauled during that voyage some seven hundred thousand pounds of fish and threw back into the water some four hundred thousand pounds in a dazed or dead condition, bringing to the market only three hundred thousand pounds?

Is the government also aware that these beam trawlers operated from different countries, but vessels whose Canadian owners were encouraged to build them by an outright gift of the federal treasury of \$165 per ton, and/or from the provincial treasury of Nova Scotia by a loan amounting to seventy thousand each, operated on the fishing grounds of the North Atlantic and hauled in their trawls thousands of mother fish full of spawn; and as these fish are thin and unmarketable in the fresh market, are thrown back into the sea, dead, and tons of fish spawn are shovelled through the scuppers?

Has the government, through the Fisheries Department, heard about the destruction as stated above, and what action are they taking to remedy the situation? If something drastic is not done immediately the great North Atlantic fisheries will be a thing of the past.

INSURANCE COMPANIES BILL

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 337, an act to amend the Canadian and British Insurance Companies Act, 1932, and the Foreign Insurance Companies Act, 1932.

He said: The honourable senator from Ottawa (Hon. Mr. Lambert) has kindly consented to explain the bill.

Hon. NORMAN P. LAMBERT: Honourable senators, this bill comprises three identical clauses amending the Canadian and British Insurance Companies Act and the Foreign Insurance Companies Act by providing for an added class of investment on behalf of those companies of Canadian, British and foreign origin resident in Canada.

At the present time four classes of investment are authorized by these acts. By amendment to Section 1 of Schedule I of the Foreign Insurance Companies Act the bill authorizes for companies resident in Canada the following class of investment:

The bonds, debentures and other securities issued or guaranteed by the International Bank for Reconstruction and Development established by the agreement for an International Bank for Reconstruction and Development approved by subsection one of section two of The Bretton Woods Agreements Act, 1945.

In the bill there is nothing of a compulsory nature obligating any company resident in Canada to invest in this form of securities.

As a matter of fact, this field of investment will be confined almost exclusively to companies having financial balances in the United States. It is entirely up to those companies to decide upon a policy governing the extent to which they wish to invest in the proposed securities of the International Bank. Therefore, I think our responsibility is comparatively light in so far as this bill is concerned. Of course, indirectly and from a moral point of view, we are obligated to record our attitude as to the soundness or lack of soundness of the securities that will be offered from time to time by the International Bank.

I wish to point out that the Bretton Woods Agreement of 1945 was approved and passed by both houses of parliament and is now an accomplished fact, so far as Canada is concerned. Under that act two new institutions were set up: the International Bank for Reconstruction and Development, and what is known as the International Monetary Fund. This legislation does not deal in any way with the Fund but has to do entirely with the new bank, whose headquarters are established in Washington, and on the board of which the Governor of the Bank of Canada, Mr. Graham Towers, sits as the Canadian director. An alternate director to him Mr. J. T. Parkinson, Financial Counsellor in the Canadian Embassy at Washington.

The International Bank has accomplished its set-up from a financial standpoint, and I do not wish to take the time of the house in discussing it. If members of the Senate wish to go into the present activity of the International Bank I believe it would be advisable to have this bill referred to committee. Personally, I do not think that is necessary. It is quite evident from a casual reference to the bank's activities at present that the securities it proposes to issue, and in which our insurance companies would, under this legislation, be qualified to invest, are a perfectly sound and safe investment.

The International Bank has an authorized capital of ten billion dollars. At the present time some eight billion dollars have been subscribed, and twenty per cent of that amount is paid up. Included in the list of shareholders are some forty-four countries, distributed over all parts of the world. The largest shareholder, of course, is the United States, which has subscribed \$3,175,000,000 of the eight billions of paid-up capital. The United Kingdom has subscribed \$1,300,000,000, and Canada \$325 millions. The twenty per cent of these amounts now paid up represents the operating capital of the bank. It should be explained, however, that this paid-up capital was not intended to be part of the bank's loanable

funds. It was intended rather that the bank should borrow from private sources the major portion of the money it needs for lending operations. As occasion requires, therefore, the bank will sell debentures, first to the United States and later to some of the other member countries. The sale of these debentures will provide a principal source of loanable funds for the bank.

The operations of the bank to date are limited to a loan to France of 250 million dollars. That loan was financed out of the paid-up capital; and the first debenture issue that will be floated by the International Bank will be for the purpose of financing that loan. I think it is quite evident from the figures which I have quoted in relation to the subscribed and paid-up capital that the bank intends to protect to the very limit, and certainly sufficiently to give assurance to investors, the interests of the shareholders who have contributed to the capital structure of that institution. The twenty per cent that has been paid up leaves eighty per cent which will assume the form of a trust to protect the lending operations of the bank. So, in the case of any debenture or security which is floated today by the International Bank, there will be virtually a guarantee of the governments which are committed, to the extent of eighty per cent further in the capital of the bank, to protect the operations of the bank. In other words, a debenture issue of 250 million dollars would be protected by the eighty per cent of eight billion dollars as a commitment by governments like the United States, Canada and the United Kingdom. So that indirectly at any rate, so far as a government-guaranteed security is concerned, the International Bank of Reconstruction and Development affords a field of safe investment.

That, I think, is about all I need to say in regard to the present situation as it applies to the International Bank. As I stated in the beginning, all we are asked to do is to enable the insurance companies resident in Canada to have the privilege, if they so desire, of buying these securities.

Hon. Mr. LEGER: The honourable senator from Ottawa (Hon. Mr. Lambert) said that the transaction would be a virtual guarantee by the different governments. Will that guarantee be a *de facto* guarantee or just—

Hon. Mr. LAMBERT: I should not describe it as a *de facto* guarantee, but as an indirect virtual guarantee.

Hon. Mr. LEGER: It is a matter of the honour of the governments involved: that is all it will amount to.

Hon. Mr. LAMBERT: Possibly I did not make this clear; the capitalization of the bank is 10,000 million dollars—

Hon. Mr. LEGER: Oh, yes, I understand that very well. But after the International Bank has gone on loaning by the hundreds of millions, its total capitalization may soon be exhausted. I am not opposing the bill; I am seeking information. The money of the public will be invested in this organization, and they will be looking for some assurance. I do not recall whether this International Bank is subject to inspection, and I am not sure whether there is any provision in the bill before us that makes it subject to inspection. Then, supposing these debentures were issued and there was a failure to repay, what remedy would we have? It seems to me that the bill as it stands is incomplete.

Hon. Mr. LAMBERT: May I explain to my honourable friend that the bank is subject to the supervision of every government which has subscribed to it. Our own Governor of the Bank of Canada is a director of the International Bank, and annual reports are required. Conceivably the operations of the bank through its loans might eat up the amount of its paid-up capital, but I am quite certain that these interested shareholders of the bank are not going to permit loans of the class which the International Bank is supposed to make, as distinguished from the monetary fund, which is a current trading account, to mount to the point where they will absorb and offset the entire amount of the paid-up capital.

That again raises the question of the economic policy in relation to Europe that the United Nations may be successful in perfecting. I believe that it must be in the minds of most people that General Marshall's proposals for the economic recovery of Europe really represent the crux of this entire financial problem. If the proposals can be adopted and an all round measure of co-operation to achieve recovery in Europe is established, then the operation of these financial institutions will be certain to meet with the greatest of success. However, under the Bretton Woods Agreement, the institutions have been approved and this is now a matter of detail.

Hon. Mr. HAIG: Honourable senators, I do not intend to discuss either the merit or de-merits of this bill. I merely wish to register a slight protest. As a rule I am not in favour of permitting our insurance companies to make investments in any institution that may not be a success, and certainly not when the experiment is largely a governmental one. The honour-

able senator from L'Acadie (Hon. Mr. Léger) has just touched upon a point about which I wanted information. Supposing that you do not get your money or interest or principal, what do you do? Do you simply depend upon the honour of the nations putting up the money? There could be quite a collapse in that. Canada is not a wealthy country. We have unlimited natural resources and it requires an immense capital investment to develop these resources. I feel that in dealing with our insurance companies we should be very careful whether we allow them to make investments outside our own country, unless in another very stabilized country. I am not going to object to this bill, but I am of the opinion that it should go to a committee so that we may have a clear understanding of what we are doing.

I remember quite well the discussion that took place on the International Bank. We accepted membership and the government has paid over 60 millions. If I remember correctly, we voted the money in this chamber some time ago. That is all right. Speaking for myself, and not for the party of which I have the honour to be the leader, I do not like this type of investment for a life insurance company. I say quite candidly that I do not deem it advisable in a country which, as I have said before, has so much use for its own money. I should probably vote without hesitation that the government of this country lend the International Bank a certain amount of money, because in that case the people as a whole would stand the risk. However, in this case, the only people taking a risk would be the shareholders of the companies, if they are share companies, and the policyholders. The policyholders would take the bulk of the risk.

Hon. Mr. LAMBERT: May I interrupt my honourable friend? He should remember that these possible investments relate only to balances in the United States.

Hon. Mr. HAIG: Yes; there are two or three companies which have very large interests in the United States and who get a lot of American money.

In my judgment it is not in our interest to encourage companies to make investments of this kind. I have no objection if the parliament of Canada, in either its wisdom or its foolishness, decides to make advances or loans for the rehabilitation of Europe or any other place, if we do it with our eyes open, because the Canadian people as a whole make the loan and take the entire risk. I am not voting either for or against the bill; I am just laying down a principle which I think should guide us.

Hon. Mr. BUCHANAN: Would not the responsibility rest upon the investment departments of the insurance companies? They would decide whether or not a certain investment would be a good risk.

Hon. Mr. HAIG: Yes; but do not forget the human element. If the dominion government said that it was all right to make this type of investment, every man who sits around a directors' table would have that fact in the back of his mind. The government has an obligation to see that insurance companies are not authorized to make any investments which may affect the savings of an important part of our population. I say this because Canada, as well as the rest of the world, is given just now to thinking too little about savings and more about old age pensions and having somebody else pay the shot.

Hon. Mr. BUCHANAN: Despite what the honourable senator has said, I feel that an intelligent director of an insurance company would not endanger the investments of his company's policyholders just because parliament had given permission to make investments in the International Bank.

Hon. Mr. HAIG: May I answer the honourable senator? I am not suggesting for a moment that the International Bank would dishonestly take the investments. I have no fear of that. However, any organization that is allowed to do a certain thing may regard that as a suggested course of action to follow. In these times we should be careful to keep our insurance companies' investments on an absolutely sound basis. I think it can be said that not a single policyholder in Canada has lost any money by reason of an insurance company becoming bankrupt. That statement can be made now only because through the years the larger companies have been determined that the policyholder should not suffer from that kind of thing. However, it may not be possible to maintain this record forever, and it is with this thought in mind that I want to give just a word of warning that in these days, when it is difficult to get people to make savings, we should be careful in dealing with a bill like this.

Hon. Mr. PATERSON: Do I understand the honourable senator to say that the name of the government of the United States would be on the paper?

Hon. Mr. HAIG: No, the name of the United States government will be on the paper only to the amount of their subscription to the bank. I believe they have subscribed 3 billion dollars.

Hon. Mr. LAMBERT: \$3,175,000,000.

Hon. Mr. HAIG: To that extent the government will owe the money; but debentures will be issued for 20 billions or even 50 billions.

Hon. Mr. PATERSON: Is there any limit?

Hon. Mr. HAIG: I do not think there is any limit. We have subscribed 325 million dollars. To that extent I have no fear, but that is only a drop in the bucket.

May I digress for a moment and say that, while I am whole-heartedly behind the United Nations, there are in that organization many nations to which I would not want to loan any money.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CRERAR: Honourable senators, the explanation given by the honourable senator from Ottawa (Hon. Mr. Lambert) makes clear the purpose of this bill. It is to authorize Canadian insurance companies to invest, as they see fit, their surplus funds in the securities of the International Bank, when such securities are issued. That is a very simple matter. The point is as to the soundness of such investment. It is on that point that the leader opposite (Hon. Mr. Haig) has raised a question. In the first place, according to the information given by the honourable senator who explained the bill the International Bank has a subscribed capital of eight billion dollars. Of that amount 20 per cent is paid up, and the balance is callable when the authorities of the bank think it necessary to secure additional funds.

It may be argued that if those who have subscribed to stock in the International Bank are called upon to make good the unpaid portion of the subscribed capital, they may default in their payments. However, as the honourable senator from Ottawa pointed out, the United States is by a wide margin the largest shareholder in the International Bank, and Great Britain and Canada are also shareholders. I think we can dismiss any fears that these subscribers would not pay up the unpaid portions of their subscriptions if called upon to do so.

The bank is starting out with the substantial capital of eight billion dollars. The board responsible for the management of the bank is composed of men like Graham Towers, who is the Canadian director, and top-notch financial men of the United States, Great Britain, France and other countries; and if in the course of its operations the bank wishes to issue three billion, five billion or eight billion dollars in bonds or some other form of security, I should not think it likely that this board would entertain foolish investments.

I am as strongly in favour of maintaining security for Canadian life insurance policy holders as is the honourable leader opposite (Hon. Mr. Haig), but I am bound to say that I do not think that an investment of this kind involves any greater risk than any Canadian company takes in buying the preferred stock, or the common stock, of a corporation in Canada, if that stock has a dividend record. I say that there is less danger in investing in the securities of the International Bank. These securities are available to the life insurance companies in the United States and to many of the Canadian companies. As honourable senators know, the larger Canadian insurance companies have extensive business interests in the United States. They write a great deal of insurance in that country and under its laws are obliged to invest a proper proportion of their funds in United States securities. It will probably work out that the smaller life insurance companies, whose business is confined to Canada, will not participate in any issue of securities by the International Bank; but the larger companies, with substantial portions of their assets in the United States, will be in a position to invest, and it will be to their advantage to do so.

I do not recall the rate of interest that the International Bank is permitted to charge in the case of loans to European and other countries.

Hon. Mr. LAMBERT: It is substantial.

Hon. Mr. CRERAR: I am sure there is a substantial margin of safety in excess of what we would regard as current rates of interest. I see no danger in this form of investment. The government, I believe, is providing a perfectly proper measure to enable Canadian insurance companies to invest in this class of security. After all, the directors of insurance companies do not have to invest in these securities; there is nothing mandatory about the bill. They will judge an issue of the International Bank in precisely the same way as they scrutinize the bonds of any commercial corporation in Canada. I am bound to say, therefore, that I do not share the apprehension that is apparent in the mind of the honourable leader opposite (Hon. Mr. Haig).

Hon. Mr. KINLEY: May I ask if any foreign exchange factor is involved? I presume these bonds must be bought with American funds?

Hon. Mr. LAMBERT: That is true.

Hon. Mr. KINLEY: But will the provisions of this bill override the restrictions which Canada has put on the use of foreign exchange by the general public of this country?

Hon. Mr. LAMBERT: The Minister of Finance made it clear in the other house that the Foreign Exchange Control Board would be a deciding factor in controlling investments of funds.

Hon. Mr. KINLEY: It would stop investments if necessary?

Hon. Mr. LAMBERT: Quite.

Hon. Mr. KINLEY: Did I understand the honourable gentleman to say that only funds accumulated in another country could be invested in this way?

Hon. Mr. LAMBERT: In the United States.

Hon. Mr. ROEBUCK: Do I understand that there is no limitation in the amount of loans which may be made? The honourable senator from Churchill (Hon. Mr. Crerar) has told us about the large amount of money which is either actually paid or subscribed—some eight billion dollars. That amount means nothing unless one takes into consideration the loans which may be made. If there is no limitation as to the amount that may be handed out, the statement as to how much is coming in has very little significance.

My second question is: if the bank loans more than eight billion dollars and the loans are not repaid, who stands the loss?

Hon. Mr. HAIG: Who pays it?

Hon. Mr. LAMBERT: As a matter of information, nine countries have already applied for loans through the International Bank, but only one loan has been granted. France, which in this case, was the guarantor, asked for 500 million dollars; the International Bank granted a loan of 250 million dollars. Loans were sought by Czechoslovakia, Denmark, Iran, the Netherlands, Poland, Luxembourg, and on this side of the world by Chile and Mexico, but as yet none of these have been entertained.

Hon. Mr. ROEBUCK: The bank has not got going yet.

Hon. Mr. LAMBERT: The only loan that was entertained was made in half the amount asked.

Hon. Mr. ROEBUCK: But is there any limit to which money may be advanced?

Hon. Mr. LAMBERT: The only limit, I would say, is the paid-up capital of the bank.

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

REFERRED TO COMMITTEE

Hon. Mr. LAMBERT moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

DOMINION COAL BOARD

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 340, an Act to establish the Dominion Coal Board.

He said: Honourable senators, the honourable senator from Margaree Forks (Hon. Mr. MacLennan) has kindly consented to explain the bill.

Hon. DONALD MacLENNAN: Honourable senators, as you know, this bill proposes to set up a board to deal with coal problems in the Dominion of Canada, a matter which has vexed this country for many years. There have been numerous committees and commissions appointed throughout the years to deal with this problem, and the very fact that the coal situation in the Dominion of Canada calls for the appointment of committees and commissions indicates, I believe, that the coal situation in this country is a problem. One reason for this state of affairs is that the provinces in which coal is found are far removed from the provinces in which most of it is used. I believe, though I am not sure, that the provinces of Ontario and Quebec use as much coal as all the other provinces combined, and those two provinces are far removed from the ones in which coal is found.

Another phase of the problem of coal mining is the unsatisfactory condition of the coal industry, as evidenced in the continual bickering between employers and employees. I am referring in particular to employees of companies operating in Nova Scotia, with which I am very familiar. As was said in the other place by the Minister of Reconstruction and Supply a few days ago, and repeated by the honourable member for Royal, New Brunswick, the nature of the problem in one province is quite different from that in another. I had always thought that coal mining was coal mining, and that the locality in which it was carried on did not make very much difference, but it appears that conditions affecting the mining of coal in the several provinces are by no means the same.

In referring to the quarrelling and wrangling between employees and the employing companies, I wish to make it clear that in my opinion the companies have brought a good deal of their trouble upon themselves. Many years ago there were no unions in the Maritimes, and the men were at the mercy of the companies. I personally know that in those days, the miner who would "talk back" to a boss would be immediately dismissed. The companies acted arrogantly and in many cases cruelly towards their men. I knew of one little "Romanoff" who came from Europe and was manager of a coal mine, and when a miner

wanted to deliver a message to him pertaining to his employment he had to catch the stirrup of the manager's saddle and trot along-side his horse to make known his message. Subsequently unions were formed, which increased in strength, and today they are so strong that perhaps they are as arrogant as the companies ever were. They support the institution of the closed shop, and to my personal knowledge a man would not be allowed to get employment in a mine unless he belonged to a union, or if he were not *persona grata* with the union he would not be permitted to join, with the consequence that he and his family were deprived of support.

That these unions are overreaching themselves is evident from what one reads and hears of what is going on in the United States. There is no doubt in my mind that John L. Lewis has done more for the United States coal miner than any other man living, but the great trouble, it seems to me, is that he does not know where to stop, with the result that gains which the miners of the United States made in past years are being either threatened or lost. Down in Nova Scotia, if a particular horse were taken from a driver and another horse substituted which he did not like, the drivers would go on strike, and so tie up the mine, because their work is necessary to the operation of the mine. No matter how much the coal cutters do, unless the coal is removed they cannot continue. That is another reason why the situation in so far as the Maritime Provinces are concerned presents a rather serious problem.

Another complication, which applies peculiarly to Nova Scotia, is that 80 per cent of our coal is submarine. Coal companies in years gone by—I am not so sure what they do now—in their anxiety to get coal and realize money on it, extracted the coal located near the surface, with the result that many tons of water leak down to the bottom of the mines and have to be pumped up again, at a very heavy expense.

I understand that in the Old Country they went very deep into the mine before they started extracting the coal. Instead of mining the coal at the surface first they began at the bottom and moved towards the surface. This enabled them to mine the coal more cheaply. The mining of coal in the maritime provinces is very costly. During the first World War I saw a cost list from the United States, and the figure was \$1.10, but the cost to the biggest coal company in the Maritimes was \$3 f.o.b. The high cost of production is another reason why companies cannot possibly pay the wages that the men would like to receive.

This bill proposes to ameliorate conditions in the coal mining industry, particularly with the aim of having improved co-operation between the miners and the companies. If the board succeeds in improving Canada's mining industry by following the recommendations submitted by the Carrol Commission, I would say that the appointment of that commission and its attendant costs were not in vain. I understand that in the other place—in the old days at home when "the other place" was mentioned, I always took it to mean the infernal regions—

Hon. Mr. HAIG: It still does.

Hon. Mr. MacLENNAN:—but that is not so here. I understand that the criticism offered in the other place was that there is no necessity for this board, because the Dominion Fuel Board has been in existence since 1922 and functioning very well. In looking over the order in council establishing the Fuel Board I did not find any of the provisions that are contained in the bill under discussion, except the one that provides that the Fuel Board is authorized to secure all available data, to consult and co-operate with individuals or bodies that they may deem specifically qualified to advise upon any particular phase or phases of this work, and with the approval of the Minister to employ such technical assistance as may be found necessary.

The new board that this bill proposes to set up has far wider scope than that. For instance, section 6 provides:

The board shall study, review and recommend to the minister from time to time such policies and measures as it considers necessary respecting the production, importation, distribution and use of coal in Canada.

The old Fuel Board had no such power as that. Section 7 reads:

The board may undertake or cause to be undertaken researches and investigations with respect to:

- (a) the systems and methods of mining coal;
- (b) the problems and techniques of marketing and distributing coal;
- (c) the physical and chemical characteristics of coal produced in Canada with a view to developing new uses therefor;
- (d) the position of coal in relation to other forms of fuel or energy available for use in Canada;
- (e) the costs of production and distribution of coal and the accounting methods adopted or used by persons dealing in coal;

I particularly call attention of honourable senators to this section because of the fact that now and again the coal companies apply for subventions from the government, and it is a difficult matter to ascertain whether or not a subvention is needed. Section 7 paragraph (e) empowers this board to look over

the companies' funds and to examine their auditing and bookkeeping, and to inquire into the cost of production and transportation and then—and only then—if they see the necessity for it they may grant a subvention. If the functions of the new board are carried out there is no doubt that the government will be fully aware of the existing conditions and, in its wisdom, it may either refuse or grant subventions.

This board comprised of seven members will be able to do all these things under normal conditions. However, under section 11 of the bill there is set out a provision whereby the Governor in Council can pass any order necessary to meet an emergency. I am of the opinion that is a fairly wide provision which will give satisfaction in normal times, but if an emergency of any kind arises I think the Governor in Council should broaden the functions of this board.

I must impress upon honourable senators the importance of having proper personnel on this board. It is very important that its members be conscious of the problems concerning the operators and are aware of the hazardous conditions under which the miners work. It must be remembered that coal mining is and has always been a hazardous occupation. In conversation with a clergyman not long ago I ventured to remark that coal mining nowadays was no more hazardous than driving a car on the highway, and he replied: "If you assisted at the burial of as many miners as I do, you would never say that". There is no doubt that coal mining is a hazardous occupation. This board should always bear that fact in mind and deal most humanely with the miners, but at the same time it should not oppress the companies.

The bill is very clear. I am sure all honourable senators understand it as well as I do, and some perhaps a good deal better. But in conclusion I may say that it would appear that heretofore the government has always dealt with the larger coal companies and ignored the small ones. I do hope that this board will see to it that the small operators are given a chance commensurate at least with that which the larger operators get.

Hon. JOHN T. HAIG: Honourable members, I first wish to congratulate the honourable senator from Margaree Forks (Hon. Mr. MacLennan). I always enjoy listening to him, and I appreciate the fairness with which he has dealt with this subject.

As a rule I am opposed to boards because I think they tend to build up a great bureaucracy and give the government a chance to shirk responsibilities that it should bear. While I am generally opposed to any legislation

creating a board, I must say candidly that the coal question presents one of the most important problems of this country. The provinces of Ontario and Quebec have practically no reserve fuel of any kind; in the Maritime provinces, especially Nova Scotia, there is a large production of coal; and 14 per cent of the visible coal supply of the world is in the province of Alberta, and it is a fine coal. The whole subject must be dealt with in a way to make the coal resources of the dominion available to all parts of the country. I do not know what arrangement in this respect is economically possible, but the whole question has to be investigated. A commission is a temporary thing; it sits for four months or perhaps a year, makes its report, and then is through. But if a board such as this bill provides for is appointed, it could survey the whole field and be a permanent and continuing body.

May I illustrate the thought I have in mind? I am sorry that the honourable senator from Wellington (Hon. Mr. Howard) is not in the chamber at the moment. He has accused me of talking frequently about my home city, Winnipeg. About thirty years ago the young lawyers there invited a central heating engineer in Detroit to come and investigate the possibilities of central heating in our city. He said that Winnipeg offered the most ideal conditions that he had ever known, that even the text-books did not describe such a perfect set-up. What has happened as a result of that meeting? My home, like many others, has central heating, provided by coal from the province of Saskatchewan which sells in Winnipeg for approximately \$4 or \$5 a ton delivered. That coal is not touched by the hand of man from the time it is put into the cars. It is delivered into the bins mechanically, and from there it goes through the stokers to the furnaces and is transmitted underground in the form of steam or hot air to the homes. Previous to central heating in Winnipeg we used the high-priced Alberta and Pennsylvania hard coal, but now we heat with Saskatchewan coal which comes from a point 200 miles west of Winnipeg. No one thought of the possibilities for this type of heating before the young engineer came to Winnipeg. The scheme has been so successful that the newer houses built in the districts where the heat is available have no furnaces at all.

It is my opinion that a coal board could investigate possibilities for advancement such as the system I have outlined; it could develop things that we do not even think about.

The party which I have the honour to represent has always believed in certain fundamental tariff protection for industry. I want

to say to the senators from Ontario and Quebec that irrespective of the party in power this has been the policy of this country since 1878. I do not propose to get into any political argument as to whether the Liberal party stands for free trade and the Progressive Conservative party for protection, but generally speaking, and irrespective of the administration in office, very few fundamental changes in the tariff policy are made. I am not ignoring the tariff question, but I say that if we give protection to the industries of Quebec and Ontario there is no defence for failure to give similar protection to the industries of the Maritimes and the Prairie provinces. If we can mine coal in the Prairie provinces, especially Alberta, as good in quality as that sold in any place in the world, and if the Maritime provinces are capable of doing the same, the situation ought to be investigated fully in the interest of Canada.

It was mentioned this afternoon that our system of mining is wrong. In a recent article I read that the United States produces a larger quantity of coal per man per day than Great Britain does. That is something that would bear investigation. In the coal mining areas of Alberta, with which my honourable friend from Lethbridge (Hon. Mr. Buchanan) is familiar, it is too easy to open a mine. Mines start up, go broke and lose a lot of money. The situation should be investigated by able men who could prescribe a continuing policy for the benefit of the people of Canada. Ontario and Quebec have had to buy their supply of coal from the United States, and a problem has now come up because of the exchange on American funds that we require to buy goods.

I have read the bill carefully and I believe it is wide enough to cover any of the proposals I have suggested. I believe that the solution of the coal problem could be effected by a board such as the bill proposes. This is particularly desirable after such a disastrous strike as there was in the Maritimes—a strike which lasted for more than a hundred days, and in which both sides lost. I agree with the honourable senator from Margaree Forks (Hon. Mr. MacLennan) that we have to get down to this problem and do our part.

I was down in the United States when their elections were ending, and it did not take much intelligence to know what was going to happen. Mr. Lewis had brought on a strike a week or ten days before. One would think he was hired by the Republicans to make sure they got in. He was all the time threatening what he was going to do. That was just what the men opposed to unionism wanted.

No one in Canada should take sides on this question; we should try to work it out impartially for the good of all. The great body of public opinion belongs neither to the capitalist class nor to the labour class, but is in between, and we must see that it has a fair deal. It is not organized. I am not taking the side of either capital or labour. Several times in this house I have stated my views on this question, and I do not need to repeat them. The labourer is worthy of his hire, and we must recognize his fundamental right to a wage on which he can live in decency in a country like ours.

I am hopeful that, if this board is appointed, it will not be merely for the purpose of giving bonuses to the Maritime provinces for coal, or subventions to labour, but that it will investigate the whole fuel problem and see whether it is possible to suggest a fuel policy for Canada which will be economically sound and at the same time effective to protect us against any shortage of fuel. Though I am not speaking as representing Alberta, I believe that Alberta can supply all the coal which Canada would need if it had a population of 100 million people; if not for ever, certainly for as long as our present pattern of life continues. The study of atomic energy may produce new forms of heat and new methods of heating; but irrespective of such developments, we may be assured that one province alone can provide all our fuel requirements for the next century. Yet our present position is such that even now we are urging the people of Ontario and Quebec, "Get your coal in".

I did not intend to speak so long on this matter. I am in favour of sending the bill to committee. I suggest that some member of the government, preferably the Minister of Reconstruction, should appear there and tell us what is in his mind in connection with this bill, what purpose he wants the bill to serve and what he expects the commission to do. We do not need details, but it would be well to know from him why the board is being appointed. We can read the speeches on the bill, but that is not what we want; and I should like to have an opportunity of asking him questions about it. Personally, I intend to vote for the bill.

Hon. ARTHUR W. ROEBUCK: Honourable senators, I have no extended remarks to make in connection with this bill. One might talk on the coal question for hours. But I would not like it to pass without calling attention to some serious features which I find in the bill. I wonder where we are drifting. At the early stages of the war we appointed a prices board and gave it authority to boss vari-

ous industries and individuals. The war is past, we thought we were getting rid of the prices board and its private domination over the nation; but, with the war gone by, we still have our financial and various other controls, and now comes this control.

I suppose it is necessary. Undoubtedly the matter of heating our homes is important, but I rather object to the note of fear which is so frequently sounded to drive us into legislation of this kind. Of course I have no objection whatever to a board investigating, if its investigations are worth the cost. I have no objection to a government agency that wishes to bring about greater co-operation between capital and labour in the production of coal, or any other production; but I do hope that the inference which one might have drawn from the excellent remarks of the honourable member from Margaree Forks (Hon. Mr. MacLennan) that the measure in some way is designed to curb what he termed the arrogance of the unions, is altogether unjustified.

I have no objection to a considerable portion of this bill. But I should like honourable senators to understand thoroughly a feature of it which the honourable gentleman from Margaree Forks passed over with not more than two sentences. In section 11 it says this:

Where the Governor in Council is of opinion that by reason of conditions or events within or outside of Canada there is or is likely to be a shortage of fuel in Canada of such dimensions or nature as to imperil the welfare or national life of Canada as a whole or so as to concern Canada as a whole, he may do and authorize such acts and things and make such orders and regulations as he may deem necessary or advisable to conserve the available supply of fuel and to regulate and control its production, distribution and use.

The issue of a proclamation by the Governor in Council declaring that a national fuel emergency exists in Canada shall be conclusive evidence that it does exist and these extraordinary powers then reside in the executive. The executive may proceed to make regulations, and:

All orders and regulations made under or pursuant to this section shall have the force of law and shall be enforced in such manner and by such courts, officers and authorities as the Governor in Council may prescribe and shall for the purposes of the Interpretation Act be deemed to be regulations.

And the Governor in Council may prescribe for offences under the statute a fine not exceeding \$5,000 or a term of imprisonment not exceeding five years. The regulations must be laid before parliament while it sits, and they shall relate to all manner of fuel, not only coal but also light and heavy fuel oil, kerosene, range oil, gas oil, diesel oil and other hydrocarbon fuels.

Now this—I think we should realize it—is a piece of exceedingly drastic legislation, because we place in the hands of the executive the power to take over the complete administration of the fuel business of this dominion; not only the mining of coal, but also the production of oil; not only the production of oil and coal, but the business connected with it; and, finally, the use of the fuel. So that the whole matter of regulation, if it is so desired by the minister in charge and the ministry, will be put in the hands of an appointed board acting under the authority of the executive and having most drastic and extensive powers. Well, if other members of this house are sufficiently fearful that some disaster may come upon us unless we appoint these potential czars—why, all right, go ahead. But do not close your eyes to the direction in which you are travelling.

Hon. Mr. BEAUBIEN (St. Jean Baptiste): What other course would my honourable friend suggest, if a national emergency arose? Must we not be in a position to deal with it?

Hon. Mr. ROEBUCK: What about the national emergency in food? The general food situation on a world-wide scale is a very serious one. What about the possibility of a crisis in the matter of clothing? Clothing is in short supply everywhere. What about a national crisis in the matter of homes, or building, and so on? What about every national crisis which you can imagine in addition to that of fuel? First it is fuel; then it is something else; then it is something further than that. I am only saying this: do not overlook the direction in which we are travelling.

The direction in which we are travelling is a regulated society in which the rights of the individual are set aside, purportedly for the good of the public, but the final result is next door to a controlled society or a police state in which the private individual and the business of the country are bossed by a few civil servants. I say to honourable senators that if you are afraid that a fuel crisis might come on your hands when parliament is not in session or might be so drastic that a session of parliament could not be called in time to deal with it—if you are so scared that you will accept this kind of legislation—go ahead. Personally, I am not.

Let me mention an incident which occurred recently. A farmer was grouching about the weather, as farmers so frequently do, and he said that because of the rains he was not going to plant this spring. He was admonished by somebody who had had experience on the farm but perhaps was not so closely connected with the industry at that time as the farmer

himself. That man asked the farmer if he did not have some reliance upon the natural forces that had seen mankind through many centuries, and if he did not think he had better plough, plant and seed and have faith that in due time he would reap his harvest.

I say to honourable senators that we should have such faith. Why should we always be frightened into giving up the freedom and liberty we possess and appointing officials to govern us in our economic and social life? I am not strongly opposed to the bill, but I myself would not draw up that kind of measure even if I did anticipate the crisis to be much more serious and imminent than I feel it is. I would not draw the bill in that way; I would still leave some power in the hands of parliament. I know that we are drifting towards the abolition of government by legislation and the substitution therefor of government by order in council. I do not like the trend, nor do I like the drift. I would rather have the Canada of the past than go into the Canada of Karl Marx and of those who would substitute intelligent direction—and do not misunderstand my use of the word “intelligent”—for a belief in the natural forces and a reliance on things working out as they always have done in the past.

This bill will go to a committee, where it will be explained, but I simply want to ask my fellow members to realize that when we are passing this type of legislation we should realize where we are going.

Some Hon. SENATORS: Hear, hear.

Hon. W. A. BUCHANAN: Honourable senators, I do not intend to deal with the criticism that has been directed towards the bill by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I presume that the bill will eventually go to a committee, where the point he has raised can be considered. I am more concerned about the coal problem as having a national scope and requiring a body of a national character to keep in touch with the problems that affect it. I agree with what the honourable leader opposite (Hon. Mr. Haig) has said in respect to the coal situation in Western Canada, because I am fairly familiar with the industry in that part of the country. I should not want the Senate to think for a moment that at the present time it is as serious a problem in the West as it is in the Maritime provinces, for most of our western mines are active and free from any labour difficulties. While there is perhaps not a sufficient market for Alberta mines, a considerable market is available for our domestic and steam coal. This is so in not only Alberta, but in British Columbia

and Saskatchewan. The leader opposite made reference to the fact that there were huge deposits of coal in Alberta. That is correct. I would not attempt to quote any figures, because honourable senators might feel that I was stretching my imagination. However, I do remember—and I believe I mentioned this to the Senate a few years ago—that Griffith Taylor, Professor of Geography at the University of Toronto, in a recently published booklet stated that if the coal resources of Alberta were fully utilized, not only as fuel but for power and other purposes, that area would probably become one of the most densely populated sections of Canada. When he spoke of the use of coal for other purposes than fuel he was referring to the uses it has been put to in Germany, particularly during war time. Coal has been used for such purposes as making certain types of clothing, and in the manufacture of some chemicals and drugs. However, in this country coal has not yet been utilized for any other purpose than as fuel.

The honourable senator who explained the bill (Hon. Mr. MacLennan) referred to section 7, paragraph 3, which reads:

7. The Board may undertake or cause to be undertaken researches and investigations with respect to:

(c) The physical and chemical characteristics of coal produced in Canada with a view to developing new uses therefor.

That would be one of the assignments of this board. To my mind it is a highly important matter, as I foresee the possibility of the Alberta coal market diminishing. Unless there is a complete change in the railway rates to enable coal to go beyond Winnipeg, we shall be limited to the Prairie provinces for our market. Another factor is that we have direct competition in the province of Alberta itself. When I went to Lethbridge in 1905 it was largely a mining camp and depended almost wholly on the coal mining industry. Every home and building there was heated by coal. I would say that in Lethbridge today not 10 per cent of the buildings or homes use coal. Natural gas obtained from Turner Valley and other fields in Alberta is being used. This has limited the home market for coal, and that development has not been confined entirely to southern Alberta. Natural gas has been used in Edmonton, and only recently a franchise was granted which will mean that such places as Red Deer, Lacombe and other parts of Alberta, which have been using coal, will use gas. The discovery of new oil fields brings in a fresh supply of gas, and in the new Leduc field gas has been discovered. It will no doubt be used for fuel and will be piped to both eastern and central Alberta.

I mention this fact in order that honourable senators may realize that sooner or later there is bound to be a problem in Alberta in relation to coal, through competition within the province from natural gas. The same situation may also develop very rapidly in the northern part of Saskatchewan. That would leave us practically with only the province of Manitoba to supply.

This board, with the powers that are to be given it, could very well study other means of utilizing coal. We know something of what has been done by the Duponts, in the way of new inventions involving the use of coal in the United States, and I have mentioned what has been done in Germany. And if through this board we could ascertain what new and profitable industries could be obtained, and proceed to utilize our coal for the purpose of new industries, it would be very well worthwhile. The day will come when matters such as I have referred to will have to be studied and some solution found; failing that, the coal industry in the provinces where it exists might be crippled and destroyed.

Apart from the production of the domestic fields of Alberta, steam coal also is produced and is now being utilized by the railways. They provide a good market today, but locomotives are rapidly being converted to the use of fuel other than domestic coal.

It might be interesting to the members of the Senate to know that the coal fields of Alberta are not confined to one area, but are spread all over the province. There are very large fields in the vicinity of Edmonton; there is a supply of coal in the Peace River country; and coal is to be found all through central Alberta and right down to the American border. When we speak of the coal industry of Alberta we think of the large mines, but it is well to remember that the farmer, for instance, gets his coal from the small mines in the banks of some of the rivers where it is readily available only a few miles from his farm. There is really only a limited market in the agricultural areas of Alberta for the product of the large mines.

I am emphasizing these important aspects of the coal industry because of the possibilities for the future and the likelihood that a board of this character, with the powers that would be given to it, could study the problem before it develops seriously, and bring forward some solution or alternative for the use of coal in the large coal area of Canada, the province of Alberta.

I presume the bill will go to committee where, as the leader opposite (Hon. Mr. Haig) suggested, we could hear the broader views the minister has in mind for the creation of this

board, and also consider the points raised by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck).

Hon. VINCENT DUPUIS: Honourable senators, may I make a few remarks on the very important subject of fuel production in Canada? As the distinguished leader opposite (Hon. Mr. Haig) has said, this question is so important that the matter of tariffs, as far as the parties are concerned, becomes incidental. I am indeed impressed with the debate on this phase of our natural resources. Canadians who know their country well can perhaps learn even more about it from books; and may I say, without flattery, that from this point of view the record of the speeches in the Senate of Canada is one of the best books a man can read. I listened with interest to the remarks of the honourable senator from Lethbridge (Hon. Mr. Buchanan) on the great wealth contained in the soil of Alberta. My honourable friend to my left (Hon. Mr. Stevenson) has just said that the city of Edmonton is built on a coal mine. Not only do we possess coal in this country, but we have oil in immeasurable quantities. In the Turner Valley and elsewhere in the West there are riches of oil and gas capable of generating heat and energy for the whole world for centuries to come.

While listening to the debate on coal the thought occurred to me, being a Quebecer as well as a Canadian, that it would be proper for the honourable members of this Upper House to appoint a special committee on Natural Resources, for the purpose of studying fuel production in Canada and of how we could produce refined oil and sell it at not less than the United States price.

It makes a man unhappy to know that although his country possesses such riches, great quantities of raw materials are sent elsewhere to be refined and manufactured, and are sold back to this country at perhaps ten times the price at which the products could be processed here.

The phraseology of section 7 (d) of the bill, which says that the board may undertake investigations with respect to the position of coal in relation to other forms of fuel or energy available for use in Canada should be broader, so as to include fuel oil.

I do agree, however, with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that we should not always delegate to boards the powers which the people of this country have granted to parliament.

I submit, honourable senators, that it is our duty to study and investigate the fuel wealth of our country and to discover ways

and means of processing those natural resources. If such a committee as I have suggested is practicable, I would be very much interested in its deliberations.

Hon. W. RUPERT DAVIES: Honourable senators, I shall be very brief, for the hour is late. I want to draw attention to one feature of this bill with which I do not agree. The same provision appeared in the Canadian Maritime Commission Bill, which we discussed yesterday. But in the first place I should like to associate myself with the honourable member from Toronto-Trinity (Hon. Mr. Roebuck). We are drifting farther and farther away from government by the elected representatives of the people, and more and more into government by appointed boards. That is a danger to which we should pay a great deal of serious attention. But I do not want to take up any more time on that point. The feature of this bill—and of the Maritime Commission Bill which is at present in committee—to which I object is that, while the chairman is to be paid a salary set by the Governor in Council, and the commissioners are also to be paid, when it comes to the advisory committees which are to be appointed by the commission we find this provision:

No person appointed by the Board to serve on any committee shall be entitled to or receive any fee or reward for any service rendered in connection with the duties of the committee, but each such person shall be entitled to his reasonable living and travelling expenses while engaged on any such service in any place other than his ordinary place of residence.

The Board shall prescribe the duties and functions of each such committee and may make rules for the regulation of its proceedings.

Now it occurs to me that if this board appoints an advisory committee it will probably select technical officers, for the most part men from the geological departments of our universities, who are not receiving large salaries; and if we are to pay salaries to the chairman and to the commissioners, as is proposed in this bill and in the Maritime Commission Bill, we should also pay a reasonable wage to technical officers who are called in by these commissions to advise and help them in the technical phases of their proceedings. I do not think we are dealing fairly when we undertake by this bill to pay a salary to the chairman and remuneration to the commissioners, and refuse to pay anything beyond travelling costs and living expenses to their committees. What sort of men do we suppose can afford to do the kind of work we want, merely for their living and travelling expenses? I would say, none but a poor class of adviser. We shall not get high class men unless we make it worth their while; and I

should like to see the bill changed so that those who are appointed to these committees will receive some reward beyond their travelling and living expenses.

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

REFERRED TO COMMITTEE

Hon. Mr. COPP: I assent to the suggestion of the honourable senator opposite that the bill be sent to a committee. I assume that the appropriate committee would be the Natural Resources Committee. I therefore move that the bill be referred for consideration to the Standing Committee on Natural Resources.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Mr. DESSUREAULT moved the second reading of Bill O12, an Act to incorporate the Catholic Episcopal Corporation of Labrador.

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

REFERRED TO COMMITTEE

Hon. Mr. DESSUREAULT moved that the bill be referred to the Miscellaneous Private Bills Committee.

The motion was agreed to.

SUSPENSION OF RULE

Hon. Mr. DESSUREAULT: Honourable senators, with leave of the Senate, I move:

That Rule 119 be suspended in so far as it relates to Bill O12, an Act to incorporate the Catholic Episcopal Corporation of Labrador.

He said: The purpose of this motion is to dispense with the one week's delay imposed under Rule 119.

The motion was agreed to.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. COPP: Honourable senators, I was somewhat optimistic when I suggested that we might be able to have a meeting of the Finance Committee after the Senate rose today. But we have had such an enjoyable and interesting discussion that I think we have been well repaid for remaining here, and the meeting of the committee can stand over.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, June 27, 1947.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. HAIG presented the following bills:

Bill D13, an Act for the relief of Edward Charles Barron.

Bill E13, an Act for the relief of Violet Eileen Lepine Tickner.

Bill F13, an Act for the relief of Jean Lawrence Ritchie.

Bill G13, an Act for the relief of Livio Quintino Fantacci.

Bill H13, an Act for the relief of Bertha Bercovici Hamer.

Bill I13, an Act for the relief of Ann Bogdanof Millichamp.

Bill J13, an Act for the relief of Beatrice Elman Perlman.

Bill K13, an Act for the relief of Grace Emily Dawes Matheson.

Bill L13, an Act for the relief of Gabriel Burszan.

Bill M13, an Act for the relief of Doris Phoebe Potter Potts.

Bill N13, an Act for the relief of Richard Andrew Frame.

Bill O13, an Act for the relief of William Page.

Bill P13, an Act for the relief of Louis Gertsman.

The bills were read the first time.

SECOND READINGS

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. HAIG: With leave of the Senate, I move that they be read the second time now.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the SPEAKER: When shall the bills be read the third time?

Hon. Mr. HAIG: As the time for getting these bills through the other place is becoming short, with leave of the Senate I would move that they be given third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. J. J. DONNELLY presented the report of the Standing Committee on Banking and Commerce on Bill 112, an Act respecting The Canada Permanent Trust Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 24, 1947, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. COPP: With leave, I move the third reading now.

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

INSURANCE COMPANIES BILL

REPORT OF COMMITTEE

Hon. J. J. DONNELLY presented the report of the Standing Committee on Banking and Commerce on Bill 337, an Act to amend the Canadian and British Insurance Companies Act, 1932, and the Foreign Insurance Companies Act, 1932.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 26, 1947, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. COPP: 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.

TOURIST TRAFFIC

REPORT OF COMMITTEE

Hon. W. A. BUCHANAN presented the third report of the Standing Committee on Tourist Traffic.

He said: Honourable members, your committee recommend that it be authorized to print 600 copies in English and 200 copies in French of its proceedings, and that Rule 100 be suspended in relation to the said printing.

The Hon. the SPEAKER: Honourable senators, when shall this report be considered?

Hon. Mr. BUCHANAN: Tuesday next.

INCOME WAR TAX BILL

MOTION FOR THIRD READING

Hon. A. B. COPP moved the third reading of Bill 269, an Act to amend the Income War Tax Act.

Hon. Mr. HAIG: Honourable senators, one of the members on this side of the house has asked that the order stand.

Hon. Mr. COPP: Is there any particular reason why it should stand? Personally, I should like the bill to be given third reading today, so that we may clean up the Order Paper in preparation for any work that may be thrust upon us in the early part of next week.

Hon. Mr. MARCOTTE: Honourable senators, I am one of those who asked the leader on this side (Hon. Mr. Haig) if it would not be possible to allow the third reading of this bill to stand over. I desire to take part in the debate, but unfortunately I have to leave within a few minutes and so am unable to speak today. It has been said that there is no urgency about passing this measure; that a delay of two or three days, or even two or three weeks, would not inconvenience the income tax department in any way. I would ask the leaders on both sides to accommodate me in this respect.

Hon. Mr. COPP: I hesitate to oppose the request of my honourable friend, but certain matters have been left in my hands to be disposed of this week, and I should like to have the Order Paper cleared. This bill has been before the house for some time, and I see no particular reason why the third reading should be postponed until next week.

Hon. Mr. MARCOTTE: As it is not convenient for me to speak today, I move that the debate be adjourned until next Tuesday.

The motion was agreed to, and the debate was adjourned.

APPROPRIATION BILL No. 4.

SECOND READING

Hon. Mr. COPP moved the second reading of Bill 363, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1948.

He said: Honourable senators, it is unnecessary for me to explain this bill. Similar bills have come to us so frequently during the past number of years that we all understand what it is; and I could do nothing more by way of explanation than to read what the Minister of Finance said in the House of Commons when he introduced the bill on Wednesday last.

Hon. Mr. HAIG: I want to serve notice on the honourable members of that house that they had better not come back at the end of July for another vote; they had better get through in July.

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

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. COPP: 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.

PRIVATE BILL

SECOND READING

Hon. W. A. BUCHANAN moved the second reading of Bill B13, an Act to incorporate the Yellowknife Telephone Company.

He said: Honourable senators, this motion would enable me, if I wanted to do so, to tell something about the remarkable development which has been going on in the Northwest Territories. Yellowknife is a mining area which has been growing rapidly in the last dozen years or so, and which now has a population of some 3,500. It has a water system, an electric light system and a sewerage system; it is modern in every respect except that it has not a telephone system, and that is what is to be furnished by the company whose incorporation is provided for in the bill. I am advised that it will be the first commercial telephone system to be established anywhere in the Northwest Territories.

Yellowknife has a considerable business community. The area is administered by a commission of seven members, four being named by the Department of Mines and Resources or by the Governor in Council, and three elected by the residents of Yellowknife. This administrative body has approved of the present project; the materials necessary for the construction of the system have been acquired; and once this bill is passed it will be possible to begin the work of construction.

The proposed act of incorporation endows the company with the usual powers required in this type of enterprise, namely, power to acquire land, buildings, equipment, apparatus and the like necessary for the carrying out of the undertaking, and including the right to enter into agreements with other telephone and transmission companies for connecting the company's system with other systems, which is a common provision with all communication companies. The proposed act

authorizes a capitalization of \$250,000 divided into shares of \$50 each. Section 6 of the bill provides that after ninety per cent of the capital stock has been issued and fifty per cent paid thereon, the capital stock of the company may be increased from time to time by such amounts as the shareholders deem necessary for the proper extension of the undertaking of the company; with the added provision that the total capital of the company, including the present authorized stock, shall not exceed the sum of \$750,000.

The directors of the company are business and professional men at Yellowknife. The intention is to provide a telephone service for the community of Yellowknife and some of the mining properties nearby.

Hon. Mr. MacLENNAN: What about the tariffs?

Hon. Mr. BUCHANAN: I believe they will be under the control of the commission that usually deals with tariffs. I am not sure as to that.

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

REFERRED TO COMMITTEE

Hon. Mr. BUCHANAN: I move that the bill be referred to the Standing Committee on Transport and Communications.

Hon. Mr. HAIG: The honourable senator from Margaree Forks (Hon. Mr. MacLennan) has asked a question that I was going to ask. After the bill has been considered in committee will you be able to report back to the house what control there will be over the rates charged by the company?

Hon. Mr. BUCHANAN: There is no mention of that in the material that has been given to me.

Hon. Mr. HAIG: I appreciate that, and I am quite willing that the bill be referred to a committee; but when the report of the committee is presented will that information be provided?

Hon. Mr. BUCHANAN: I believe that the solicitors of the company will appear before the committee and be prepared to give that information. I might add that this proposition has the approval of the government authorities in the district.

The motion was agreed to.

SUSPENSION OF RULE

Hon. Mr. BUCHANAN: Honourable senators, with leave of the Senate, I move:

That Rule 119 be suspended in so far as it relates to Bill B13, an Act to incorporate the Yellowknife Telephone Company.

He said: The purpose of this motion is to dispense with the one week's delay imposed under Rule 119.

The motion was agreed to.

TRUST COMPANIES BILL

SECOND READING

Hon. A. B. COPP moved the second reading of Bill C13, an Act to amend the Trust Companies Act.

He said: Honourable senators, those who have had an opportunity to look over this bill since it was introduced into the house yesterday will know that it contains a number of proposed amendments to the Trust Companies Act. The original act was passed in 1914, and from time to time amendments have been made as occasion required.

In recent years the trust companies throughout Canada have expanded their business considerably. Owing to the fact that a great deal of money is left in the hands of the companies for investment and other purposes, it is now necessary, in the interests of the companies themselves as well as of the public, that there be a little stricter control. The act is administered by the Superintendent of Insurance, from whom I have quite a long letter of explanation; but I do not think it is necessary to place this upon Hansard, as I intend to move, after second reading, that the bill be referred to a committee for careful study.

Hon. Mr. HAIG: Honourable senators, an official of one of the leading trust companies interviewed me some time ago about this measure. Two principles are involved, the character of the companies' investments, and the control by the Superintendent of Insurance. While I do not always agree with the decisions of the Superintendent, I think this proposed control is all to the good. My information is that all the trust companies welcome the control. I am in favour of the bill.

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

REFERRED TO COMMITTEE

Hon. Mr. COPP moved that the bill be referred to the Standing Committee on Finance.

Hon. Mr. LEGER: Should this bill not go to the Standing Committee on Banking and Finance?

Hon. Mr. COPP: A meeting of the Finance Committee is arranged for next Wednesday morning, and it was thought that we could deal with this bill at that time.

Hon. Mr. LEGER: It makes no difference.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. COPP: Honourable senators, we have completed the business on today's Order Paper. Before asking the house to take recess while awaiting the arrival of the representative of His Excellency the Governor General to give Royal Assent to certain bills, I move that when this house adjourns today it stand adjourned until Tuesday next, at 8 o'clock in the evening.

The motion was agreed to.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as 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 amend the Publication of the Statutes Act.

An Act to incorporate Canadian Nurses' Association.

An Act to incorporate Workmen's Circle of Canada.

An Act to amend the Act incorporating The Canadian Council of The Girl Guides Association.

An Act to amend the National Housing Act, 1944.

An Act to amend the War Charities Act, 1939.

An Act to make provision with respect to Forces of the United States of America when visiting Canada and with respect to the exercise of discipline and to the internal administration of such Forces.

An Act respecting the Canadian National Railways and to provide for the refunding of matured, maturing and callable financial obligations.

An Act to amend the Excess Profits Tax Act, 1940.

An Act respecting the Beauharnois Light, Heat and Power Company.

An Act to incorporate the Port Alberni Harbour Commissioners.

An Act to amend the Merchant Seamen Compensation Act.

An Act to amend the Penitentiary Act, 1939.

An Act to amend the Municipal Improvements Assistance Act, 1938.

An Act to amend the Farm Improvement Loans Act, 1944.

An Act to amend the Canadian National-Canadian Pacific Act, 1933.

An Act to amend the Criminal Code. (Race meetings.)

An Act to vary the Saskatchewan Natural Resources Agreement.

An Act to amend the Juvenile Delinquents Act, 1929.

An Act respecting article forty-one of the Charter of the United Nations.

An Act to authorize the provision of moneys to meet certain capital expenditures made and capital indebtedness incurred by the Canadian National Railways System during the calendar year 1947, and to authorize the guarantee by His Majesty of certain securities to be issued by the Canadian National Railway Company.

An Act to amend the Identification of Criminals Act.

An Act to amend the Judges Act, 1946.

An Act to amend the Exchequer Court Act.

An Act to amend the Prairie Farm Assistance Act, 1939.

An Act to amend the Canadian and British Insurance Companies Act, 1932, and the Foreign Insurance Companies Act, 1932.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1948.

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, July 1, at 8 p.m.

THE SENATE

Tuesday, July 1, 1947.

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

Prayers and routine proceedings.

EXCISE TAX BILL

CONCURRENCE BY COMMONS IN SENATE AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 271, an act to amend the Special War Revenue Act, and to change its title to the Excise Tax Act, and to acquaint the Senate that they have agreed to the amendments made by the Senate to this bill, without any amendment.

FISHERIES RESEARCH BOARD BILL

FIRST READING

A message was received from the House of Commons with Bill 264, an act to amend the Fisheries Research Board Act.

The bill was read the first time.

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

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

THE LATE VISCOUNT BENNETT

TRIBUTES TO HIS MEMORY

Hon. WISHART McL. ROBERTSON: Honourable senators, I very much regret that it is my duty to inform this house of the recent death of Viscount Bennett of Mickleham, Calgary and Hopewell, former Prime Minister of Canada.

The late Viscount Bennett was born July 3, 1870, at Hopewell Hill, New Brunswick. After graduation from the provincial normal school in Fredericton at the age of 17, he put himself through law school with money he made from teaching. At the age of 23 he graduated from law school, and four years later went west to practise law in Calgary. From 1898 to 1905 he was a member of the Legislative Assembly of the Northwest Territories, and from 1909 to 1911 a member of the Legislative Assembly of Alberta.

In 1911 he was elected to the House of Commons, and served until the election of 1917, in which he did not run. In 1925 he returned to the House of Commons. In 1927 he was chosen national leader of the Conservative party, a position which he held for nearly eleven years. During his years in the House of Commons Lord Bennett held at different times the offices of Minister of Justice and Attorney General, Minister of Finance, and Secretary of State for External Affairs. In August 1930 he became Prime Minister, an office which he held through the difficult days of the depression until October 1935. During his term as Prime Minister the late Lord Bennett played a foremost part in conferences in London and in Canada on various imperial, political, and economic questions. In 1934 he represented Canada at the Assembly of the League of Nations.

In 1939 he took up residence in England, and in 1941 was created a Viscount. From then until his death Lord Bennett served in the House of Lords, and during the critical war years carried heavy responsibilities at the Ministry of Aircraft Production, performing a task for which he was warmly thanked by the then Prime Minister of the United Kingdom. Lord Bennett passed away at his country home in Surrey on June 26, 1947, at the age of almost 77 years.

I cannot say that I ever enjoyed the honour and privilege of personally knowing this great Canadian. I was not a political supporter of his, but I recognized in him a great personality, endowed with great abilities and energies, and possessed of a passionate desire to dedicate those abilities and energies, together with his wealth, to the service of Canada. His later years were spent in Britain;

his mortal remains will rest in the churchyard of Mickleham; but I am sure that his heart was ever in Canada, and that henceforth his great spirit will ever hover over this, his native land.

Hon. JOHN T. HAIG: Honourable senators, I do not propose to refer to the various incidents in the life of the late Viscount Bennett which have been mentioned by the leader of the government. I knew the late Viscount Bennett best as "R. B." He was really a westerner. True, he was born in the province of New Brunswick, but at an early age he moved to the West, and in time became part of the tradition of the West, particularly of Calgary. Calgary had a great influence on his life, and he had a great influence on Calgary's life.

I think history will record R. B. Bennett as one of our great Canadians, especially from the point of view of ability of mind. He was a very able lawyer, in every sense of the term. That this was generally recognized throughout the legal profession is shown by the fact that he was made Honorary Life President of the Canadian Bar Association, the only man who has ever been so honoured.

He not only served in the Assembly of the Northwest Territories, but, as the record shows, for a short period he was a member of the Legislature of Alberta. In 1911 he was elected to the House of Commons, of which he continued to be a member for some six years. Then he retired, but came back in 1925.

I knew R. B. Bennett best as a lawyer and as a politician. He was one of the great lawyers of our country. He was, I think, the only man I ever met who possessed a dual personality. As a lawyer and as a business man he was a "top notch"; but temperamentally he might rather be likened to a prima donna—one whom, to understand, it was necessary to know—for if he was not feeling right it was just too bad for you.

His record as a public man speaks for itself. I believe it will be the judgment of history that no man could have handled the affairs of Canada better than he did from 1930 to 1935. Though his administration may have been disastrous to the party he led, it was good for Canada. He conducted us through a period the like of which, I hope neither this country nor any other will experience again, for the conditions from which Canada was then suffering were shared by the whole world.

He had an intense love of Canada. His affection for this country was such, if I may say so without flattery, as peculiarly characterizes the people of the Maritime Provinces.

Along with his sentiments of Canadianism he cherished an intense imperialism. He it was who drove through to completion the agreements between the various members of the British Empire—agreements which today underlie the business dealings between the various parts of the commonwealth, and which our great neighbour to the south is pressing to have repealed, because it recognizes the great advantage possessed by the different parts of the commonwealth in trading with one another upon a basis of preferential tariffs.

The late Mr. Bennett's achievement, starting out for himself and making his way in the world, is an inspiring example to Canadian youth. True it is that Dame Fortune smiled upon him; but also he had qualities which make men great in the business world. Perhaps I may illustrate this by a personal reference. One day in the spring of 1928, when he was travelling east from Calgary, he got off the train at Winnipeg and asked me to drive him around the city. On the way he said, "I am selling all my stocks, Jack." I said, "Why?" "Well," he said, "You sell yours too, and in a few years from now I will tell you why." That was one instance of the business intuition which he so markedly displayed while in western Canada. As a lawyer he has left to the profession an inspiring example of what can be done by a man of ability, energy and industry. I am happy that such men are born in Canada. To speak candidly, I was sorry that he went to the Old Land. Although he gave great service over there during the war, I have always felt that his heart was in this country. His generous bequests to educational institutions in the Maritime Provinces and in western Canada are a proof of his keen interest in the life of this dominion.

I join with you, Mr. Leader of the government, in conveying to his surviving relatives our appreciation of the greatness of his character and ability, and the contribution he has made to our country.

Hon. A. MARCOTTE: Honourable senators, I am sure you will not be surprised at my desire to add a few words to what already has been said. If honourable senators will peruse the Parliamentary Guide they will see that I was the first man called to the Senate by our ex-Prime Minister. I am grateful to him because he gave me the opportunity to come into this group of men, of which I know no better in this country—men with whom I have lived for the last sixteen years, and for whose knowledge of affairs, honesty of purpose and fine work for the welfare of Canada, I have a great admiration.

I have another reason for which to be thankful to the ex-Prime Minister. He received for one section of the people of the province of Saskatchewan a right which they once had enjoyed, but of which they had been deprived for a number of years—the right of representation. I am grateful for this, as have been those persons whom I have represented.

A great deal has been said about Lord Bennett's ability as a lawyer and politician. All over the country, in the press as well as in the other place, his ability as a lawyer, statesman and politician has been praised. However, I want to say that very few persons really knew Lord Bennett. It has been said that he was a man of strong will. Surely no man would have attained the position he did if he were not of strong will. It has also been said that he was domineering in his manner. That is likely, because he had a great ability to do things and he did them when he liked. On the other hand, if you thought you were right in a certain matter, and stood up to him, and later on you turned out to be right, he was man enough to say—as he did to me on several occasions—"You were right".

Lord Bennett was a very fine man and I know many instances of his kindness to common people. He gave, and he gave much. I am going to relate one instance to show what kind of a man he was. In 1928 I happened to be in his office in Calgary. We were discussing business when his secretary came in and said that a certain reverend gentleman would like to see him. An old gentleman whose face I shall always remember came into the room. I wanted to leave, but Mr. Bennett said, "No, the interview will be short". The old man entered the room and started to talk. Mr. Bennett, with that ability which some lawyers have, listened to what was said and at the same time busied himself with the opening of letters and filing this and that on his desk. The old man said, "Mr. Bennett, you know that we are in unfortunate circumstances; you know that our church is needing this and that." Mr. Bennett who as I say, was opening letters, suddenly opened one in which I could see a couple of cheques. He said to the old gentleman, "Go on and tell me your story. I am listening to you." In the meanwhile he was endorsing one of the cheques. Then turned to the old man and handed him the cheque. When the gentleman saw the figures on the cheque he exclaimed, "Oh, Mr. Bennett!". That was all he said. Mr. Bennett replied, "You just go home and be happy; forget all about this, and do not mention it." That is an illustration of one of the great virtues of the ex-Prime Minister; he

would give and give gladly, and he would say: "Do not mention this. This is between you and me—you who have received, and I who am fortunate enough to be able to give."

I have on my desk a letter which he wrote in answer to a telegram sent to him thanking him for what he had done for the soldiers during the war. It is to this effect: "Do not over-rate what I have been doing. It was a pleasure for me to help our soldiers. I did it with all my heart."

These incidents are characteristic of this man who meant so much to Canada and to the Empire.

Speaking as one called to this chamber by the late Mr. Bennett I am, as are other honourable senators called by him, forever grateful.

Hon. A. B. COPP: Honourable senators, I regret that I was not in the chamber to hear all of the tributes paid to the late Viscount Bennett. I do not hope to be able to add anything to what has been said about him, and only rise on this occasion because he was born in my own province of New Brunswick, not far from the locality where I was born. I did not have the pleasure of meeting him until we were eighteen years of age and were both attending the provincial Normal School at Fredericton. In that school we formed a mock parliament, in which he was the leader of one party and I the leader of the other. There we worked out our difficulties in a very pleasant manner. Following normal school both Viscount Bennett and I taught school for two or three years, and I did not meet him again until I was attending Dalhousie Law School, where we spent two years together. In that institution also we organized a mock parliament, he as leader of one side and I as leader opposite.

After graduation he opened an office and carried on business for a short time in Chat-ham, not far from where I resided in the town of Sackville. During that period I had the opportunity of meeting him only once in court. The late Viscount Bennett then went to the West, and we all know of what strides he made there, politically and in other fields. I had in mind at that time to go west; but after some consideration decided to remain in my home town of Sackville.

In 1911 the late Viscount Bennett came to Ottawa as the representative of the city of Calgary in the House of Commons; I came here in 1915, and we spent a number of years together in parliament.

I do not cite these early incidents to show that I in any way kept pace with the honourable gentleman, but simply that our endeav-

ours were along the same lines. During the fifty-nine years I knew him, though we were diametrically opposed politically, we remained warm personal friends.

It was always my regret that the late Viscount Bennett suffered so seriously in the loss of a number of members of his family. A sister died in the city of Vancouver at a very early age; another sister, Mrs. Herridge, a charming lady who was his hostess in Ottawa, passed away in her early years. She was a student at Mount Allison, in my home town, and I knew her there as well as here. But "the most unkindest cut of all" was when two of his nephews were killed in battle within three or four weeks of one another. These two fine young men were from Sackville, and I knew them well. If I remember correctly, the remaining member of his family is a brother who now resides in Sackville, and who also is a friend of mine. To him I extend my sympathy publicly, as I have already done personally, in the loss of a very distinguished brother who made a great mark in the world and whose name will be remembered for many years to come.

I join with other honourable senators in expressing my sorrow at the loss of Viscount Bennett. Though he was not a citizen of Canada when the "silver cord" was loosed, we shall always look upon him as a Canadian.

Hon. L. M. GOUIN: Honourable senators, before the grave of Lord Bennett we forget our political differences. I wish to pay tribute to his memory as a great lawyer.

The first time I had the honour to meet "R. B.", as he was popularly known by all members of the legal profession, he was chairman of a committee on the administration of justice at an annual meeting of the Canadian Bar Association. A member of that committee made some remark concerning the treatment of criminals. He appeared to have more sympathy for the criminals than for their victims. The chairman sprang to his feet and said that while it was quite proper that punishment be administered in a humane way, it was most unwise to be sentimental in dealing with criminals. His remarks were impromptu, but his eloquence, literary taste and wit impressed me greatly. The late Lord Bennett had great respect for the law and a keen interest in anything relating to the administration of justice. The manner in which he spoke impressed me with his sincerity and broad knowledge of the subject from a legal and practical point of view. I congratulated him after that first meeting, and whenever I happened to be travelling on the same train with him, though I am by nature shy, I always took it upon myself to shake hands

with him. I recall that he would always recognize me at once, and would talk for a few minutes in a most charming way. He was sympathetic and friendly at all times.

In conclusion I wish to say that Viscount Bennett was truly a good citizen and a good Canadian. He was an ornament to the legal brotherhood, and as a jurist his name will live for ever.

Hon. W. A. BUCHANAN: Honourable senators, it was not my intention to add to the tributes to the late Viscount Bennett, but since Alberta has been mentioned in connection with his career I think that as a senator from that province I should say a few words. My acquaintance with him started when we both entered the Legislature of Alberta after the provincial general election of 1909. We resigned from the legislature at the same time, and we both were elected to the House of Commons in the dominion election of 1911. During our early days in Alberta we became close friends, and we so remained until he left Canada.

In Alberta while he was active in provincial affairs, even his strongest opponents and most bitter critics—and they were many—greatly admired his ability. I regard him as the most dynamic political personality we ever had in that province. He brought fame upon the whole province, in his early days as well as afterwards.

The late Viscount Bennett had one characteristic of which I think most people in the country were unaware. They thought he was an ardent and narrow partisan, but I know of occasions when he displayed a marked streak of independence. He did not hesitate to differ with his own party, if he felt that it was in the wrong and he was right.

Those of us who live in Alberta have pride in the fact that R. B. Bennett started his political career in that province and that he went to a very high place in the councils of this country, of the Mother Country and of the Empire. There is mourning today in Alberta, not only among those who were his intimate personal friends, but also among the larger number who knew him as a great citizen of the province.

Hon. FELIX P. QUINN: Honourable members, I do not intend to repeat what has already been said about the greatness of our former Prime Minister and leader of the Conservative party, the late Viscount Bennett. When the honourable gentleman from Ponteix (Hon. Mr. Marcotte) was telling of an occasion on which the then Mr. Bennett interviewed a clergyman while at the same time attending to correspondence, I was reminded

of an incident that occurred in the House of Commons which illustrates the great powers of concentration possessed by Mr. Bennett. The honourable gentleman from Waterloo (Hon. Mr. Euler) may recall this incident. One night when an honourable member was speaking in the far left-hand corner of the chamber, Mr. Bennett, then Prime Minister, was writing a letter and at the same time carrying on a conversation with the Minister of Justice, the Honourable Hugh Guthrie. The member who had the floor was directing many of his remarks at the Prime Minister, who he thought was not listening, and he said, "Mr. Speaker, I wish the Prime Minister would pay some attention." Mr. Bennett looked up from the letter that he was writing and said, "I am listening to every word you are saying." After the member had finished his speech, Mr. Bennett rose and replied in detail, thereby showing that he had in fact been following the debate closely while writing a letter and from time to time carrying on a conversation with his desk-mate.

I join with those who have already paid respect to the late Viscount Bennett. I can say this: no more loyal imperialist ever breathed; and there never lived a man who had a greater love for his native land, Canada. That is one of the finest tributes that I or anybody else could pay him.

PRIVILEGES AND IMMUNITIES (UNITED NATIONS) BILL

FIRST READING

A message was received from the House of Commons with Bill 272, an Act to provide for privileges and immunities in respect of the United Nations and related international organizations.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

OLD AGE PENSIONS BILL

FIRST READING

A message was received from the House of Commons with Bill 339, an Act to amend the Old Age Pensions Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

VETERANS BUSINESS AND PROFESSIONAL LOANS BILL

FIRST READING

A message was received from the House of Commons with Bill 396, an Act to amend the Veterans Business and Professional Loans Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

DOMINION DAY

EIGHTIETH ANNIVERSARY OF CONFEDERATION

On the Orders of the Day:

Hon. WISHART McL. ROBERTSON: Honourable senators, I wish to remind the house that today is Canada's birthday. Eighty years ago the representatives of what are now the provinces of Nova Scotia, New Brunswick, Quebec and Ontario agreed to the act of union that brought into being the Dominion of Canada. From time to time other areas joined the federation, until today the incorporated area of Canada embraces half a continent. The intervening period has witnessed many changes. Slowly but surely, both in the years before and after confederation, the people in the areas designated as Canada have not only achieved the status and dignity of nationhood, but have given ample evidence of their willingness to assume corresponding responsibilities.

Today, on her eightieth birthday, Canada stands on the threshold of great world events. The people within her borders represent an infinitesimal proportion of the world's peoples, but occupy an area which embraces a very large proportion of the earth's surface and natural resources. Canada's achievements during the battles for freedom and her willingness to aid in rebuilding the war-shattered economies of less fortunate parts of the world have gained for her a position of prominence and good will far out of proportion to her population.

This position of prominence carries not only great responsibilities, but great opportunities. Two of those are uppermost in my mind at the moment. Never before has there been such a desire on the part of millions of people to bring here their skills and their energies to aid us in building an ever greater Canada. Never were so many people in Canada anxious to have people of good will come to this country. Who is there among us who

can honestly say he believes that twelve millions of people should continue indefinitely to occupy half a continent to the exclusion of others of good will, considering the resources that need to be developed, and, perhaps, defended?

There is another great opportunity. The economic prosperity of Canada, both in the past and in the future, depends to a greater extent than that of any other country in the world on the revival and continued development of international trade. There is a greater appreciation on the part of world opinion of the desirability of removing the barriers to the free-flowing of international trade than there has ever been before. Our great neighbour to the south, long isolationist in matters of trade, is now taking the lead in the building of shattered world economies.

Sheer self-preservation will demand that at least the peoples of those areas of the world who think and act as we do should unite for their economic welfare. All who unite will benefit, but none more than Canada. Today on our eightieth birthday, with so much to be proud of and thankful for, a Canadian would be callous and indifferent indeed if he did not thrill at the prospect of the future.

Hon. JOHN T. HAIG: Honourable members, I shall not delay you at any length.

Eighty years ago the Fathers of Confederation were faced with great problems. The two old provinces of Upper and Lower Canada were at variance within themselves and with each other. The provinces by the sea were not keen to come into confederation and, after they were brought in, remained for years very restless and uneasy. The passing of time brought us to the year 1914, when Canada took part for the first time in a world war. In earlier years she had been affected by other disturbances, but none of them of great importance. Following the first Great War Canada's place among the nations was acknowledged: her contributions to victory entitled her to recognition as a world power. The general expectation following that war was that we should settle down to enjoy a lasting period of peace and prosperity. We little knew that within twenty-five years we would be engaged in a war of far greater scope and potentiality than the former one. Yet again Canada rose to great heights, not only on the field of battle, but through her factories and warehouses, her farms and her homes.

Today it can be said without boasting that Canada stands higher in the councils of the nations than ever before. Only the other day an ambassador of one of the five great

powers called to pay respects to the leader of our government, and I was invited to be present. He said, "I do not want to flatter Canada, but the importance of your place in the world's councils is greater than you people have any idea of." In the light of my experience last year at the meeting of United Nations, I was the more impressed with that statement. We live alongside one of the great nations; and also we are part of a commonwealth, a great organization of free peoples which has demonstrated its capacity for co-operation in the cause of peace and international good will. Upon each occasion of crisis the Prime Minister of Canada, no matter whom he may have been, has risen to the occasion, made Canada's position clear, and accepted her responsibilities. I have no doubt that when we celebrate the hundredth anniversary of Canada's nationhood the Prime Minister of the day will be no less ready than were his predecessors to demonstrate Canada's devotion to the principles of freedom and religious liberty. We have in this country two great national streams, whose relation to each other is a proof to the world that people of varying languages and creeds can live side by side in unity; and the greatest contribution we can make to the settlement of world problems is to continue so to live side by side in harmony. Let us emphasize not the differences which exist, but the facts upon which we are at one. Inspired by that spirit, Canada can make a contribution greater than she made even on the field of battle or in the sphere of industry, great though those achievements have been.

I have much pleasure in joining with the leader of the government in formally remembering this anniversary. Personally, I did not want the Senate to sit on the first of July, but in view of what is happening in another place I did not protest against sitting today. I am sure the government leader feels as I do, that we should have been through all our business before the first of July, and able to celebrate this day at home.

In conclusion, may I express to the boys and girls of our land the hope that they will make Canada greater than she has ever been. We are faced with a world situation the like of which was never known. Our responsibility—far greater than our numbers might suggest, far more important than our trading capacity, our industrial output, or the productivity of our farms, our mines and our forests—is to keep things internationally on an even keel so that the three or four great nations of the world, governing all their relations by a recog-

dition of the supreme value of freedom, may live in peace with the rest of us and with each other.

Hon. WILLIAM DUFF: I should like to join with the leader of the government and the leader of the opposition in what they have said, not only about this anniversary, but about our great country. I am sure, honourable senators that those of you who were born in Canada not only appreciate the addresses to which we have listened but feel proud of your citizenship in this great dominion. But perhaps those of us who were not born here, but who came to Canada to make homes and take advantage of her great resources, are in an even better position to realize the extent of those resources and what they mean to us.

It is fine for us to come into this chamber and eulogize our country, but there are practical ways to show our loyalty to Canada and the fact that we are part of the British Commonwealth of Nations. I was grievously disappointed this morning when I came up to Parliament Hill from my hotel room to find that not one flag was flying inside of the east and west gates except the one on the Peace Tower.

Honourable senators, I have been coming to this parliament for some thirty years and I think I have been in Ottawa on practically every Dominion Day during that period, but this is the first time I have noticed what to my mind is a very grave omission. We who live here and know Canada realize that perhaps it is not necessary to have flags flying to tell us that it is Dominion Day. However, if a stranger from our great neighbour to the south or from elsewhere were to come through our gates today and see the Union Jack flying from every flagstaff on Parliament Hill he would realize that we in this country are proud of being Canadians and part of the British Commonwealth of Nations. I say this because I was once a stranger within the gates of Canada myself.

My honourable friend referred to the early trials and tribulations of this country when the different provinces could not agree and when confederation was being formed. In this respect I say to honourable senators that we who were not born here but who came after the troubles were over, realize that we are living in the greatest country in the world, and we are indeed proud of it.

Some Hon. SENATORS: Hear, hear.

Hon. L. M. GOUIN (Translation): Honourable senators, it had not been my intention to add my own sentiments to those that have already been expressed; yet, I cannot but feel

that on this, our National Day, it is only just and proper that a French voice should be heard in the Senate.

It must be remembered that if we are able today to commemorate the anniversary of Confederation, that if a nation was born in 1867, we owe it to Cartier, amongst others, and to my fellow compatriots of French origin.

It can be truthfully said that the participation of French Canadians was both essential and indispensable to achieve the unity of the four contracting parties at the time the pact of Confederation was signed. Undoubtedly, others than ourselves have had a share in the birth and growth of our nation, but we played nevertheless a part that cannot be ignored. Such a role we have been playing since the earliest beginnings of this country. Indeed, our contribution to the development of Canada has been such that we feel justified in claiming that it should be more adequately recognized than heretofore. I firmly believe that the future of our country depends, above all, upon mutual understanding and goodwill amongst its various racial groups. It has always been my most earnest desire to see harmony reign between French-speaking and English-speaking Canadians. I am also firm in my conviction that the measure in which we shall be granted full equality of treatment will be a dominant factor in achieving and strengthening national unity in Canada.

Within the framework of Confederation we, Canadians of French origin, wish to preserve our language, our institutions and our rights. We have but one native land: Canada, *A mari usque ad mare*, as embodied in our national motto. Nowhere do we feel that we are strangers; everywhere we are aware not only of our rights but also of our duties which we are glad to acknowledge and fulfil. *A mari usque ad mare* is a fine motto since our country occupies half of the northern part of the New World. Ours is an immense country, a country that should have a larger population, as the leader of the government (Hon. Mr. Robertson) said a moment ago. It is a country where we are anxious to see established the true meaning of the ideal of liberty, equality and fraternity.

It is on this note of fraternity that I wish to close my remarks.

(Text):

Honourable senators, I felt that it was not only my right but my duty tonight, on the birthday anniversary of our country, to say a few words in my mother tongue.

Some hon. SENATORS: Hear, hear.

Hon. Mr. GOUIN: And thus to offer evidence here in the Senate of the presence of the race to which I have the honour to belong.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. GOUIN: I thought that was perhaps the best way to assert my faith in the future of my country, because it is essentially upon national unity that the destiny of our beloved country depends. Canadians of all origins and of different religious denominations must realize that we live indeed in a blessed country, a land of brotherhood and equality. We are all Canadians and although we who are of French origin are in a certain sense different, we insist upon the fact that our country is not only Quebec but Canada as a whole.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. GOUIN: We contend that nowhere in the dominion are we strangers or foreigners. We contend that everywhere we have rights, and that we also have duties, which we are glad to acknowledge and fulfil.

I wish to conclude these imperfect remarks with a word of faith respecting the future of our country. I very sincerely believe that our past is the guarantee of our future. Canada is open to all men of good will, and with the increase of our population we shall be able to play in the world a part which will be satisfactory not only to ourselves, but which, I am absolutely convinced, will contribute greatly to international peace. As has been said by the honourable leader opposite (Hon. Mr. Haig), it has been proven that here in Canada we are able to live at peace in spite of our racial and religious differences. So it is that we look to the future, confident that under the eye of God we shall carry out the mission which we received from our ancestors; and we hope that when our life is ended we shall have been worthy of those who preceded us.

Hon. ATHANASE DAVID: Honourable senators will admit, I am sure, that I seldom abuse the privilege that is mine of addressing this house. Men of experience can learn little from their juniors; but there are occasions when, in all modesty and humility, one must put aside his shyness to speak before so learned a body. This is such an occasion.

It has often been said, perhaps too often, that Canada as a nation was born in 1867. I believe in all historical faithfulness that it was born even when France dominated the country which is now Canada. One has only to recall that when Wolfe made his attack on Canada the Canadian militia did not

co-operate with the French troops. The result was that Montcalm waited in vain on the Plains of Abraham for the coming of General Vaudreuil. This shows that although less than 10,000 people had come from Old France, and Canada was still under the French regime, a pure Canadian mentality was born. This mentality asserted itself when the small land-owners, pioneers, and humble priests—the poorest of the then colonists—knelt on the soil and thanked God that they had come to Canada. From that day forward Canada developed. Canadians of French descent grew in number from 65,000 in 1753 to more than six millions.

Honourable senators, would you be surprised if I were to tell you that sometimes, due to faulty teaching of history, prejudices are born, and that such prejudices—not only against one province—have lived? I do not wish to return to the seed that I sowed in my remarks of some two years ago. But one must return to it some day. History cannot be taught from one text book in one province and from a different and contradictory text book in another province.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. DAVID: Honourable senators, you in your provinces and we in ours often talk, with all sincerity, of unity. I am frank to say that I do not believe unity is possible. Religions and languages may separate us, but one thing is possible—union. What Switzerland has accomplished in the union of Germans, French and Italians, can be accomplished in Canada. It is possible to have union of good will in the sincere Canadianism born of a Canadian mentality.

Honourable senators, did you not deplore, as I did, the incident reported in our newspapers some weeks ago respecting certain immigrants who had come to Canada? Those people came here because of poor conditions in their own country, and we gave them the best we had; we accorded them all the privileges of citizenship and democracy. We hoped that they would become Canadians, and brothers with us. The war was over two years, yet an appeal was made for their return. Was it made by their own country, or by another country dominating their country? A thousand of these people in whom we had placed our confidence had not become Canadians in heart, spirit and soul.

Does that not prove that something is missing in this country of ours? Does it not show that we fail to make our immigrants members of our community? If I were not fearful of offending, I would say that it is all

very nice to speak of nationhood and very splendid to talk of unity. But how can we attain that goal if we cannot show to immigrants a flag that will be theirs, or teach them a national anthem, so that they may become part of the history that such symbols represent.

I crave your indulgence, honourable senators, to say a few more words. We often speak of immigration. I am in favour of it, provided that in 1947 and the years that follow an even more strict selection will be made than in the past. One need not be an eminent economist or a highly skilled diplomat to observe what is going on in the world today. Two systems are opposing each other. Will this situation go on forever? I suppose only God knows. But the danger being visible to us, should we throw open our doors to people whose records and ideas we have not investigated? We all know what is going on at Washington today: in certain departments there is being carried out what in other countries would be called a purge.

Although I am in favour of well-selected immigration, and should like to see our country's population increased by that method, I am better pleased by the increase that occurs naturally within our own borders. I prefer the person who is born with the love of Canada in his heart to the person who has had to be taught to love Canada.

Hon. Mr. VAILLANCOURT: In conclusion, let us say with one voice: "O Canada, my country, my love!—O Canada, mon pays, mes amours!"

INCOME WAR TAX BILL

THIRD READING

On the Order:

Resuming the adjourned debate on the third reading of Bill 269, an Act to amend the Income War Tax Act.

Hon. Mr. MARCOTTE: Stand.

Hon. Mr. ROBERTSON: I am willing to accommodate my honourable friend, but I would point out that there will be a lot of business on our order paper tomorrow. The debate was adjourned over the week-end to accommodate my honourable friend, and I should like him to proceed now, if possible.

Hon. Mr. MARCOTTE: That would be perfectly satisfactory to me, were it not for the fact that an honourable member who is not present told me he might wish to speak when the debate was resumed. I also notice that two senators who took quite a prominent part in the discussion the other day are not in the house. What I have to say will concern them,

so unless there is some objection I would ask that the debate be not resumed until tomorrow, when no doubt the honourable senators whom I have in mind will be present.

Hon. Mr. ROBERTSON: I always desire to accommodate an honourable senator, but I must say frankly that I am not much impressed with the argument that somebody who is not here just now might want to speak on the measure tomorrow. The debate on the motion for the third reading was adjourned until this evening, and a considerable number of members have come here for the sitting, some perhaps at considerable inconvenience to themselves. Aside from what has been said by the honourable gentleman from Ponteix (Hon. Mr. Marcotte) I have had no intimation, nor, I believe, has the government whip, that anyone not present would like the debate adjourned until tomorrow. In the circumstances, I would ask my honourable friend to go ahead now, if at all possible; and at the conclusion of his remarks if someone wishes to move adjournment of the debate, the Senate will deal with the motion as it sees fit.

Hon. ARTHUR MARCOTTE: Honourable senators, I was prepared on Friday, as I am tonight, to raise some objection to this bill, especially to section 2, but for two reasons it would have suited me better if the debate had not been resumed until tomorrow. In the first place, as I have already said, an honourable member now absent is interested in the debate; and in the second place, I am expecting to receive tomorrow a certain report which I need.

Honourable senators will have noticed that the debate on Thursday last related mostly to companies trying to adjust themselves to new circumstances. But let us see what section 2 does. It amends section 3 of the act by adding thereto the following as subsection 11:

Where a person has, on or after the first day of January, nineteen hundred and forty-seven, received a security or other right wholly or partially as or in lieu of payment of or otherwise in satisfaction of an interest, dividend or other debt the amount of which would be included in computing his income if paid,

That is the first part of the new subsection. It applies where an interest dividend or other debt has accrued and security in lieu thereof has been received by a taxpayer. The subsection goes on to say that in those circumstances:

the value of the security or other right or the applicable portion thereof shall, notwithstanding the form or legal effect of the transaction, be included in computing his income for the taxation year in which it was received . . .

What does that mean? I have looked over the Income War Tax Act carefully and I cannot find a specific definition of "security"; so we have to take the general meaning of the word. That the general meaning is intended to be taken is indicated by the words "or other right" after the word "security". So what the subsection says is, that if you receive a security wholly or partially in lieu of payment of a debt which is not paid, but which if paid would be included in computing your income, you must include the value of that security when computing your income for the taxation year in which the security was received. That security may be in the form of a first mortgage, a chattel mortgage, shares in a corporation, or in some other form; but in whatever form it is, you have to compute the value, not of the debt, but of that security. If you converted the security into cash it would be easy to state the value, but you do not have to convert it; and of course in some circumstances it would be impossible to find anyone willing to pay cash for some securities.

And I say, you have to include the value of the security in computing your income for the taxation year in which the security was received. That section applies to securities received on or after the first of January this year. Let us suppose that in February a man received some security, some shares, in lieu of payment of a debt of \$250. Let us further suppose that the shares are not quoted on the market and that he has no certain knowledge of their value. In October they may be worth \$500. If the section said that the value of the security to be shown as income should not exceed the amount of the debt, I would have no objection. But it does not say that, and I do not think it is fair that the income tax department should get the benefit of taxation on the difference between \$250 and \$500.

The last part of the subsection says,

and a payment in redemption of the security or in satisfaction of the right shall not be deemed to be income of the recipient in the year of payment.

What does that mean? If you accept security at a certain period of the year, its value is to be included as income; but if the security is subsequently redeemed at an amount greater than the debt, you cannot compute it as income because the section states that it "shall not be deemed to be income of the recipient in the year of payment." I understand, of course, that in the framing of the clause the Department of National Revenue had this in mind, that if you do not receive your income—your dividend or whatever it is—it is because it is

impossible to get it. But suppose you do get security in lieu of it, in that year, according to the first part of this section, you are to include the value as income, but under the latter part of the same section you cannot class it as income. There is something here which I cannot understand, and I do not see why it should not be cleared up in order that the taxpayer will know where he stands.

I sought some information on this matter, and it is evident that the clause has application to the case of companies which are practically bankrupt and desire to reorganize and turn over their assets to a new company to be formed. It seems to me that the section would be greatly clarified if "security" were defined. That is why I wanted a further explanation from the two honourable senators from Toronto, (Hon. Mr. Hayden and Hon. Mr. Campbell) who opened the discussion the other day. From their remarks I gathered that, as the section is framed, you do not know where you stand; and if a lawyer does not know, how can the average taxpayer hope to understand it? It was, I believe, the idea of honourable senator from De Lorimier (Hon. Mr. Vien) to have the discussion adjourned and the bill returned to committee to enable us to know where we stand. My point, if I may reiterate it, is that if you accept something in payment of past due interest which should have been classed as income, you have to value and include as income the security which is so accepted; but if in the same year it is redeemed, the payment in redemption is not to be considered as income. Is it a payment as principal? Where do we stand on that question?

Hon. Mr. PATERSON: I would ask the honourable senator if the explanatory note in paragraph 2 does not clarify the matter, at least to a certain extent. Supposing that a company is in arrears of dividends and the only way it can pay them is by an issue of new stock, that new stock, it is quite clearly stated, will be regarded as income and subject to taxation. The note reads:

To give effect to the first part of paragraph 9 of the resolution, which, as amended, provided "that funding securities received on or after January 1, 1947, in respect of an accrued right to interest, dividends or other payments of an income nature . . . be taxable as income."

Hon. Mr. MARCOTTE: I know that the honourable senator is reading the note opposite the first page of the bill, but I do not know whether it is to be regarded as an explanation of my difficulty. Here is the question: interest is past due; if it were paid it would be classified as income; if it is not paid, and something is accepted in lieu

of payment during that year it is to be classified as income. But its value may be far greater than the amount it is intended to satisfy; then who is getting the benefit? But if, later in the same period, you sell that security, it is not deemed to be income any more. You see the contradiction? Here it is income; there it is principal. Which conclusion is to be applicable to this section?

Hon. Mr. MURDOCK: Is not the intention clearly expressed in the last paragraph on the page opposite page 1 of the bill? It reads:

To remove uncertainty and to ensure that tax is not imposed at the time of redemption of the certificates, stock or shares mentioned but is payable at the time of issue.

Hon. Mr. MARCOTTE: No: If my honourable friend would read carefully section 2 he would see that as it is drafted its meaning is not clear. I understand very well what the department has in view, but it is not phrased to give effect to what is intended. That is my objection to the clause as it stands. I could understand it if it were so worded as to state, upon the sale of a security which is accepted in payment, the amount over and above the interest would accrue to the taxpayer as principal.

Hon. Mr. MURDOCK: Do you think the bill should be revised upon third reading?

Hon. Mr. MARCOTTE: In my opinion, it should be, because its meaning is not clear. I think the clause should be revised or rewritten so that one can understand it.

Hon. Mr. ROBERTSON: The thought which occurs to me is that the proper time to have brought out and dealt with these points was when the departmental officials were in attendance before the committee. However, there are two aspects of the question of further consideration. First, I understand that there is to be prepared and presented for the consideration of the House a complete new revision of the Income Tax Act.

Hon. Mr. MARCOTTE: When?

Hon. Mr. ROBERTSON: During this session. It will not now be proceeded with, but the minister announced that it would be presented and that consideration could be given to it. That is the first point. The second point is that, should my honourable friend wish to avail himself of information from officials of the department, or to question them as to the meaning of this particular measure, that is what our Finance Committee is for. We refer to it all matters rising out of legislation of this kind, and he would not be precluded from asking officials who come

before it any questions which bear upon this or indeed any other bill. But I would suggest that no good purpose would be served at this stage, when the committee has reported on the bill, to refer it back to the committee and reopen the whole matter. I would ask my honourable friend to consider these points; and perhaps the house would agree now to give the bill third reading.

The motion was agreed to, and the bill as amended was read the third time, and passed.

TOURIST TRAFFIC

REPORT OF COMMITTEE

Hon. W. A. BUCHANAN moved concurrence in the third report of the Standing Committee on Tourist Traffic.

He said: Honourable senators, this report contains only a recommendation that the Tourist Traffic Committee be authorized to print some of the evidence adduced before it, and when I submitted the report last Friday I asked that consideration be held over until the next sitting. I did so because some members of the committee felt that I, as chairman, should review the tourist situation in Canada and particularly tie it up with some of the recommendations made by the committee a year ago.

Last session I made a statement which I feel is worthy of repeating now: This is the only legislative body that I know of in the English-speaking world that has a Tourist Traffic committee. The establishment of the committee was due to the inspiration of our colleague from Halifax (Hon. Mr. Dennis). The committee made its investigations last year and offered certain recommendations based upon evidence from different sources, particularly from the Director of Parks, and other officials of the Parks Branch of the Department of Mines and Resources, and the Director of the Canadian Travel Bureau.

In reviewing those recommendations and applying them to the present tourist situation, I may say that some of the most important ones—those having to do with the development of the tourist industry—have not been dealt with in the way that the committee had hoped they would be. The committee learned from the evidence that came before it this year that the most striking and persisting criticism from tourists visiting Canada is in relation to our highways.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. BUCHANAN: It is said that unless there is improvement in our highways, tourist traffic will be discouraged. I agree with that viewpoint and I want to illustrate

just what it means. Canada has spent some 48 million dollars on her national parks. Until modern highways came into existence there was really only one park in Canada that attracted many tourists. That was Banff National Park in the Rocky mountains, to which tourists travelled by railway. Jasper Park and some others which have been developed in recent years are also accessible by railway, but there is no direct railway connection with other new parks such as the one in Prince Edward Island, the Cape Breton Highlands Park, the Prince Albert National Park in Northern Saskatchewan, The Waterton Lakes National Park in Southern Alberta, and the Riding Mountain Park in Manitoba, upon which the government has expended a great deal of money during recent years. Tourists may travel to a railway station close to these parks, but they have to use roads to get into them. As the government has spent 48 millions on our national parks it seems to me only sensible that there should be established a systematic, well-defined highway policy in which the Dominion Government should co-operate with the provinces. Unless such a policy is devised, the movement of visitors from the United States—our greatest source of tourists—will be discouraged, because they are accustomed to travelling over the very best roads in the world.

If a tourist coming into western Canada—the part of the country with which I am most familiar—enters the province of Saskatchewan from the United States, he will not strike a hard-surfaced road at all, certainly not in the vicinity of the Prince Albert National Park. I would say that this is also true with respect to tourists entering the province of Manitoba from the United States.

Hon. Mr. HAIG: No.

Hon. Mr. BUCHANAN: So tourists going to these parks upon which the government has spent so much money are immediately discouraged. I think that if the Tourist Traffic Committee continues its inquiry in future years, it should concentrate upon a study of Canadian highways and their relation to the development of tourist business throughout the country.

There is constant agitation for a trans-Canada highway, and although there is a sort of linking of the East and West it is not a satisfactory one. A friend, correspondent for my newspaper, started out the other day from Fort William to go to Winnipeg over the highway that runs from northwestern Ontario into Manitoba. The experiences he encountered on that highway certainly would not encourage many people to travel over it. He would have

had similar experiences in many parts of Canada. I am not advocating permanent, all-weather highways spread all over every province, but there has to be a main-artery highway running east and west, and some roads running north and south, to link up with the main highways and to reach our national parks.

Last week the committee asked the officials of the Parks Branch and the head of the Canadian Travel Bureau about the criticisms that tourists were making and, as I have said, the main ones related to our highways. Some criticism was made of accommodation, not in major hotels, but in the type of tourist facilities known as cabin accommodation. It is not up to the standard to which many American tourists are accustomed. Across the line tourists travel to camps where they get all the facilities of an apartment or a suite of rooms in a hotel; running water, bathing facilities and other modern conveniences. We have few cabins of that kind in Canada, and our tourist accommodation should be developed along that line. Naturally the excuse is offered that, due to the shortage of materials and the demand for houses, it is unlikely that this additional and much-required accommodation can be provided at present. However, I think it is something upon which emphasis should be placed so that when materials are available that type of accommodation will be provided.

I am not certain whether honourable members of the Senate are aware of what the tourist business meant to Canada last year. According to estimates provided by the Bureau of Statistics, which I understand were prepared in consultation with the Bank of Canada, the amount spent by tourists here was \$221,000,000. That is big business, and can be increased. It should be encouraged and developed. However, in the judgment of the officials who were heard in committee, if Canada is to continue to attract tourists in larger numbers each year, it has to eliminate the grounds for some of the criticisms being made. As I said, these criticisms have been directed towards the nature of our highway system.

It might be interesting to report that the total number of tourists entering Canada last year, according to these estimates, was 20,855,715, and that the number of automobiles entering at the various boundary points was 5,216,206. The visitors to our national parks last year totalled 992,745, a figure which was not up to the highest in pre-war times when the number was over a million. National parks are now spread all over the dominion. There are only two or three provinces without them; and from some of the views expressed in committee, I would

imagine that these provinces are going to agitate until they also have at least one national park each. They have an attraction for tourists that scarcely exists in any other part of those provinces. My friend to my right (Hon. Mr. MacLennan) will admit that there is no greater attraction in the province of Nova Scotia than the park on Cape Breton.

Hon. Mr. MacLENNAN: The park is the most attractive spot in the Dominion of Canada.

Hon. Mr. BUCHANAN: I am quite sure that the honourable senators from Prince Edward Island would say that the national park in that province is the most attractive spot on the island. In the prairie provinces, especially in Alberta, we have a number of parks, but the mountain parks have always been most appealing.

My main purpose in speaking to the Senate tonight in support of this report is to refer to the particular criticisms that came to the attention of the committee this year. We asked about the courtesy of the personnel in restaurants, garages and service stations, and were told that there was very little criticism in that direction. Complimentary reference was made to the Customs and Immigration officials at the border points. The most pronounced and continuing criticism was of the condition of our highways.

I can quite appreciate that criticism, though Canada cannot be expected to compete in that respect with the United States with its great wealth and ability to provide highways. We must recognize, however, that tourists from the United States are accustomed to good highways, and we should try to provide at least one highway directly across the dominion, and to improve some of the roads leading to it, on which so much money has already been spent.

I should mention the Canadian Travel Bureau, as it is a federal government institution operated under the Department of Trade and Commerce. The bureau is asking this year for \$650,000, the same amount it asked for last year. The bulk of that sum is spent on publicity in magazines and the press of the United States, and in pamphlets supplied to inquirers who have followed the advertising. The director of the bureau gave us some idea of the tourist movement for this year. He said that in the first six months something like 160,000 inquiries were received, as compared with a smaller number for the twelve months of last year. That was taken to indicate a greater interest in Canada by

people planning holidays and motor trips, and that we could look for an expansion in tourist business during this year.

The committee is asking the Senate to concur in a request for the printing of a number of copies of the evidence given by an official of the Parks department and the head of the Canadian Travel Bureau. These gentlemen reviewed the tourist traffic situation of last year and made observations in respect of the complaints which I have brought to the attention of the Senate. The committee felt that the evidence should be published and distributed amongst those interested in the promotion of tourist traffic.

The committee last year recommended co-operation between the dominion, the provinces and the transportation companies. Last fall a conference attended by representatives of the dominion, the provinces, the transportation interests, and the Parks department was held in Ottawa. The various representatives conferred on the development of tourist traffic in an attempt to co-ordinate their efforts and to prevent over-lapping in publicity and matters of that sort. That conference is to be a yearly event. From the evidence given your committee was of the opinion that it was a step in the right direction.

Honourable senators, that is all I wish to say on the subject of tourist traffic. May I emphasize that the committee is asking particularly for the approval of the publication of the evidence given before it?

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 2, 1947.

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

Prayers and routine proceedings.

RAILWAY BILL

CONCURRENCE BY COMMONS IN SENATE
AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 255, an Act to amend the Railway Act, and to acquaint the Senate that they have agreed to the amendments made by the Senate to this bill, without any amendment.

PRIVATE BILL
REPORT OF COMMITTEE

Hon. A. B. COPP presented and moved concurrence in the report of the Standing Committee on Transport and Communications on Bill B13, an Act to incorporate the Yellowknife Telephone Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 27, 1947, examined the said bill and now beg leave to report the same with a number of amendments. These have been suggested by our Parliamentary Counsel with a view to preventing infringement of the rights of anyone in the vicinity of Yellowknife with respect to rates and so on.

The amendments were read by the Clerk, as follows:

1. Page 2, after line 21. Add the following as subclauses (2) and (3) to clause 5 of the Bill:

"(2) Holders of preference shares shall not have any right of voting at meetings of the company except the right to attend and vote at the general meetings on any question directly affecting any of the rights or privileges attached to such shares, and then there shall be one vote per share, but no change in the rights or privileges shall be made unless the holders of seventy-five per centum of the preference shares agree to same, and ownership of ordinary or preference or preferred shares shall qualify any person to be a director of the company.

"(3) Subject to the provisions of this Act, the company may issue preference or preferred shares which are at the option of the company liable to be redeemed, and in respect to such shares the following provisions shall apply:

(a) to the extent that any redemption of preference or preferred shares shall be made otherwise than out of the profits of the company ordinarily available for dividend, the provisions of the Companies Act, 1934, Part I, relating to the reduction of the share capital of a company, shall apply, and such redemption shall be carried out only after compliance with such provisions, and the Secretary of State may issue a certificate confirming the reduction on such terms and conditions as he thinks fit in lieu of supplementary letters patent provided for under said provisions;

(b) no preference or preferred shares shall be redeemed unless they are fully paid and no premium shall be payable on the redemption of such shares except out of profits which would otherwise have been available for dividend;

(c) where in pursuance of this section the company has redeemed any preference or preferred shares or is about to redeem any such shares out of the proceeds of an issue of shares to be made for the purpose of such redemption, it shall have power to issue shares up to the par amount of the shares redeemed or to be redeemed as aforesaid, as if the same had never been issued."

2. Page 2, line 32. After "capital" insert "stock".

3. Page 2, after line 34. Add the following as subclause (2) to clause 6 of the bill:

"(2) 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."

4. Page 3, line 26. After "proxy" add the following proviso:

"and provided, further, that no such sale or disposal shall take effect until it has been submitted to and approved of by the Board of Transport Commissioners for Canada".

5. Page 4, line 8. For "ten" substitute "twenty-one".

The motion was agreed to.

THIRD READING

Hon. Mr. BUCHANAN: With leave of the Senate, I move that the bill be now read the third time.

The motion was agreed to, and the bill as amended was read the third time, and passed.

CANADIAN MARITIME COMMISSION
BILL

REPORT OF COMMITTEE

Hon. Mr. COPP presented the report of the Standing Committee on Finance on Bill 336, and Act to establish the Canadian Maritime Commission.

He said: Honourable senators, the Committee have in obedience to the order of reference of June 25, 1947, examined this bill, and now beg leave to report the same without any amendment.

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: With leave of the Senate, now.

Hon. Mr. HAIG: I suggest, the next sitting.

Hon. Mr. ROBERTSON: Next sitting.

INTERPRETATION BILL

REPORT OF COMMITTEE

Hon. Mr. COPP presented the report of the Standing Committee on Finance, on Bill 260, an Act to amend the Interpretation Act.

He said: The committee have, in obedience to the order of reference of June 25, 1947, examined the said bill, and beg leave to report the same without any amendment.

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: 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.

TRUST COMPANIES BILL REPORT OF COMMITTEE

Hon. Mr. COPP: presented the report of the Standing Committee on Finance on Bill C13, an Act to amend the Trust Companies Act.

He said: Honourable senators, the Committee have, in obedience to the order of reference of June 27, 1947, examined the said bill, and now beg to report the same with certain amendments. For the most part the amendments merely change a word here and there, to improve the phraseology; and a new clause 15 is inserted with the consent of the various trust companies represented to provide protection in connection with the carrying on of their business.

The amendments were read by the Clerk, as follows:

1. Page 6, line 10: Delete "of Canada".
2. Page 6, line 17: Delete "municipality" and substitute "municipal".
3. Page 6, line 23: Delete "situate" and substitute "situated".
4. Page 6, line 46: Delete "paragraph" and substitute "subparagraph".
5. Page 7, line 36: Delete "requirements" and substitute "requirement".
6. Page 8, line 26: Delete "of Canada".
7. Page 8, line 37: Delete "of Canada".
8. Page 8, line 38: Delete "situate" and substitute "situated".
9. Page 13: Add the following as new clause 15:

15. Subsection three of section sixty-nine of the said Act, as enacted by section one of chapter fifty-seven of the statutes of 1931, is repealed and the following substituted therefor:

Limitation of amount

"3. The aggregate of the sums of money borrowed and of money entrusted to the company for investment, the repayment of which is guaranteed by the company, shall not exceed ten times the amount of the company's unimpaired paid-up capital and reserve."

10. Page 13, line 16: Renumber clause 15 as clause 16.

The Hon. the SPEAKER: When shall the amendments be taken into consideration?

Hon. Mr. COPP: Now. I move concurrence in the amendments.

The motion was agreed to.

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of the bill.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. J. A. McDONALD (King's) presented and moved concurrence in the report of the Standing Committee on Miscellaneous Private Bills on Bill O12, an Act to incorporate the Catholic Episcopal Corporation of Labrador.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 26, 1947, examined this bill, and now beg leave to report the same with certain amendments.

The amendments were read by the Clerk as follows:

1. Page 3, line 31: Add the following as paragraphs (d) and (e) to clause 10:—

"(d) issue bonds, debentures, or other securities of the Corporation;

(e) pledge or sell such bonds, debentures or other securities for such sums and at such prices as may be deemed expedient;

2. Page 3, line 31. Reletter paragraphs (d) and (f).

3. Page 3: Insert the following as new clause 11, and renumber subsequent clauses:—

"11. Whenever it is deemed expedient to establish as a body corporate any board, committee or other body for any of the purposes of the Apostolic Vicariate the Vicar Apostolic may establish such board, committee or other body and may declare such board, committee or other body to be a body corporate, and upon the filing of the certificate hereinafter mentioned, the same shall be and become a body corporate with such organization, powers, rights and duties, not contrary to law or inconsistent with this Act, as may be defined from time to time by the Vicar Apostolic, including the right to acquire, hold administer and dispose of all property, real or personal, which may be devised, bequeathed, granted or conveyed to any such board, committee or body, for the purpose of the Apostolic Vicariate, and the right to borrow any money necessary in the opinion of such board, committee or body for the purposes thereof, and to mortgage, hypothecate, or pledge so much of the real or personal property held by any such board, committee or body as may be necessary to secure any amount so borrowed. In each case the Vicar Apostolic shall file with the Secretary of State for Canada a copy of the instrument of authorization or establishment, certified under his hand and seal of office. A certificate under the official seal of the Vicar Apostolic shall be sufficient evidence in all courts of the establishment of such board, committee or body and of its constitution and powers."

The motion was agreed to.

THIRD READING

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

Hon. Mr. DESSUREAULT: With leave of the Senate, now.

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

BEAM TRAWLERS IN NORTH ATLANTIC

INQUIRY POSTPONED

On the inquiry of Hon. Mr. Duff:

Reliable information has come to me from different sources in the Maritime provinces stating that United States fishing vessels, commonly called and known as beam trawlers, and which are operating on the Grand Banks of Newfoundland and other banks in the North Atlantic, are fishing their trawls and hauling it from the bottom to the ship some twenty times per day, and dumping the fish from these trawls on their decks, and culling out from these catches the haddock which are in the nets and throwing back into the Atlantic all the codfish which are taken from these catches. The result is that hundreds of tons of edible large and medium codfish, in addition to small codfish which are inedible on account of size, are thrown back into the waters dead, with the result that the grounds where these fish are taken from become putrid and the fish leave the grounds and go elsewhere.

Is the government also aware that certain foreign trawlers from France, Spain, etc., which are capable of carrying three million pounds of split salted each, are on the banks fishing and are throwing into the water dead haddock, either full of spawn or male fish?

Is the government also aware that crews of Canadian beam trawlers are raking the Banks with their trawls, and within the last fortnight one of these boats, according to the story of the captain, hauled during that voyage some seven hundred thousand pounds of fish and threw back into the water some four hundred thousand pounds in a dazed or dead condition, bringing to the market only three hundred thousand pounds?

Is the government also aware that these beam trawlers operated from different countries, but vessels whose Canadian owners were encouraged to build them by an outright gift of the federal treasury of \$165 per ton and/or from the provincial treasury of Nova Scotia by a loan amounting to seventy thousand each, operated on the fishing grounds of the North Atlantic and hauled in their trawls thousands of mother fish full of spawn; and as these fish are thin and unmarketable in the fresh market, are thrown back into the sea, dead, and tons of fish spawn are shovelled through the scuppers?

Has the government, through the Fisheries Department, heard about the destruction as stated above, and what action are they taking to remedy the situation? If something drastic is not done immediately the great North Atlantic fisheries will be a thing of the past.

Hon. Mr. ROBERTSON: I would ask that this inquiry stand. In doing so I may say to the honourable senator from Lunenburg (Hon. Mr. Duff) that I have not neglected the matter, and I hope to have a reply tomorrow.

The inquiry stands.

TREATIES OF PEACE WITH ITALY, ROUMANIA, HUNGARY AND FINLAND

MOTION OF APPROVAL

Hon. WISHART McL. ROBERTSON moved:

That it is expedient that the houses of parliament do approve the treaties of peace with Italy, Roumania, Hungary, and Finland, signed at Paris on February 10, 1947, and that this house do approve the same.

He said: Honourable senators, the main purpose of these treaties is to formally bring to an end the state of war existing between Italy, Hungary, Roumania and Finland on the one hand and the Allied Powers on the other. This step is necessary in the re-establishment of a peaceful world. In addition, the treaties dispose of a number of political, economic and military questions arising out of the war.

It will be recalled that these treaties in draft form were first agreed upon by the Council of Foreign Ministers, and were submitted to a peace conference in Paris lasting from July 29 to October 15 of 1946. Canada was one of the twenty-one nations invited to take part in this conference, and the Canadian delegation was headed at first by the Prime Minister, the Right Honourable W. L. Mackenzie King, and later by the Minister of National Defence, the Honourable Brooke Claxton.

Although Canada's part in the drafting of these treaties was confined to examination and comment on their terms at the Paris Conference, and although an earlier and more effective association with the great powers in the task of drawing up the treaties would have enabled Canada to present the views of this country more strongly, it is probably fair to say that under the circumstances the treaties represent the best possible method of resolving conflicting interests among the major allies.

The early coming into force of these treaties is essential to any long-range planning for the reconstruction of the economic life of Europe. Once the treaties have become effective the armies of occupation will be withdrawn from these states—except for a few Russian troops which will be left in Roumania and Hungary to maintain communication lines with the Austrian occupation zone—and the states will become eligible for membership in the United Nations.

Following approval of the treaties by both houses of parliament, a submission must be made to the King asking for the execution by His Majesty of instruments of ratification, and before the treaties come into force these instruments must be deposited as provided for in the treaties. In any event, the treaties will not come into force until certain of the great powers have deposited their instruments of ratification. This they have not yet done, although the United Kingdom, the United States, and France have secured legislative approval of the treaties.

Although the Canadian government is at this time seeking parliamentary approval of the treaties of peace, it is not anticipated that its instrument of ratification will be deposited until the great powers have deposited theirs.

The texts of the various treaties and the report of the Canadian delegation to the Paris conference were tabled in the Senate some time ago.

There is not much more that I can say. I do not know that it is within our power to change or in any way modify the terms of these treaties; in fact, I think there is nothing we can do but ratify them. However, some honourable senators may wish to ask questions of persons who are better informed on the matter than I am, and while perhaps there would be no particular object in referring the treaties themselves to a committee, I see no reason why their subject-matter should not be referred to our Committee on External Relations. I may say it is contemplated that if at all possible the External Relations Committees of both houses will hold a private meeting which at least the members of these committees will be invited to attend, the idea being that at such a meeting it might be possible to give information which could not be disclosed under other circumstances. I can assure members of our Committee on External Relations that if the meeting is called they will receive an invitation to be present.

Hon. Mr. HAIG: I understand that the Prime Minister announced in another place yesterday that all senators would be invited to attend a meeting to be held next Tuesday for the purpose of dealing with European affairs.

Hon. Mr. DAVID: At 10.30.

Hon. Mr. DAVIES: Can the leader of the government tell us approximately what number of Russian troops would be left in Roumania and Hungary?

Hon. Mr. ROBERTSON: I am not in a position to give much information along that line, and that is why I suggested a moment ago that perhaps honourable senators would like to have the subject-matter of the treaties referred to the Committee on External Relations, where the information might be forthcoming.

I read in the newspapers the statement referred to by the honourable leader of the opposition (Hon. Mr. Haig), that all senators would be invited to a secret meeting, but I have had no official confirmation of this. However, I have already spoken to the Minister of External Affairs and expressed to him the

hope that whatever privileges are extended to members of the House of Commons will be extended also to members of the Senate.

Hon. JOHN T. HAIG: Honourable senators, there is very little that need be said about these treaties. They have been made by the great powers and I see no object in a reference to committee. As a Canadian, I regret that the smaller powers were not allowed to take part in the making of the treaties.

Hon. Mr. DAVID: Hear, hear.

Hon. Mr. HAIG: True, if the smaller powers had been present the treaties might not have been different from what they now are; but the participation of our representatives in the making of the peace treaties after the First Great War stimulated our national pride and created in this country a feeling that we were one of the nations of the world, and should assume responsibilities as such. While I am not a supporter of the government of the day, I am deeply disappointed that neither our Prime Minister nor anyone representing him was allowed to be present at the conference when the treaties were drafted. We have a responsibility to the world and we have done our very best to discharge it. It may be that we made mistakes, that in some instances we should have acted differently, but for a country of the size and population of ours we made a really great effort in the last World War and in the first one.

On behalf of the party which I have the honour to represent in this house I wish to express deep regret that Canada was not allowed to be represented when the treaties were being drafted. I can blame only one power for this. I will not name it, for if I did the press would criticize me; but everyone knows what power I have in mind. Our exclusion because of being a small nation was the result of a continued policy aimed at causing discord. I am sure that Canadian delegates would have given a good account of themselves at the peace conference, as other representatives of Canada did on the field of battle.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: I agree that the treaties should be confirmed. I am quite willing that there should be a reference to committee, if that is desired, but I can see no object in it. The sooner we get peace, the better for all of us.

Hon. Mr. ROBERTSON: I cannot detect any difference in principle between my honourable friend and myself. It will be remembered that the Prime Minister and other

representatives of Canada attended the conference; but the delegation was presented with what were practically completed drafts of treaties.

Hon. Mr. HAIG: They were not allowed to attend the first conference.

Hon. Mr. ROBERTSON: The Prime Minister was present, but the contents of the treaties were more or less determined without consultation of Canada and the other small powers. It will be recalled that the government of Canada took strong exception to this.

If honourable senators are willing, I would suggest that the resolution be concurred in and disposed of. But I still feel that there are a number of questions which honourable senators may wish to have answered, and I for my part would be glad to do anything I can to facilitate a meeting of the Committee on External Relations, if that is desired.

Hon. NORMAN P. LAMBERT: Honourable senators, may I say a word or two as to the suggestion that these treaties or the subject-matter of them be referred to the Standing Committee on External Relations? As the treaties have been adopted by the powers and virtually approved by the United Nations, the only object in having a reference to committee would be to secure information on the conditions that now obtain in the countries affected by the treaties. As we know, some of the subsidiary powers concerned are today living under conditions different from those that existed when the treaties were agreed to in Paris in 1946. However, if since 1946 a change has been indicated in the political status of Bulgaria, Roumania and Poland, we must recognize that fact and, regardless of the political ideologies that have been adopted, content ourselves with the United Nations' great objective of working out peaceful and harmonious relationships between all countries. From that point of view it might be desirable to refer the treaties to the Committee on External Relations, and have the benefit of all the information on the subject that we can get from the department.

The motion was agreed to.

PROPOSED REFERENCE TO COMMITTEE ON EXTERNAL RELATIONS

Hon. Mr. ROBERTSON: I should, however, like to add, in response to the question of my honourable friend from Kingston that when we know a little more about the meeting which has been referred to, the information for which he asks may be forthcoming. As far as I am concerned, although the resolution has been passed, I am quite willing to

facilitate the provision of an opportunity for honourable senators to ask such questions as they see fit.

Hon. Mr. DAVIES: I have no desire to press the matter.

Hon. Mr. ROBERTSON: I do not suggest a formal reference to the Committee on External Relations but that if the contemplated meeting should not afford honourable senators an adequate opportunity to ask questions, the chairman of the committee should arrange a meeting at which such questions could be put and answered.

Hon. Mr. LAMBERT: May I add a word to what the leader has said? If it is agreed to refer these treaties to the Standing Committee on External Relations, notice could be given later. We would have a prospect, at least, of a meeting of our own committee to elucidate the points I have mentioned; and in the light of the possibility of a general meeting of both houses, which has been proposed in the press, we would know that at some time in our own committee we were going to deal specifically with this problem. A general meeting of a private nature may deal with matters which cover a wholly different field. I do not know what is in the minds of those who propose that meeting, except to give us up-to-date information about the whole international situation.

Hon. Mr. ROBERTSON: To clarify the matter, I move:

That the draft treaties be referred to the Standing Committee on External Relations.

Hon. Mr. HAIG: The leader takes his own course, and I am not objecting to it; but I do not like to go through motions which have no meaning. We have already adopted a resolution on this matter, and I believe the present motion is out of order. I shall have no objection to a meeting of the Committee on External Relations; those who wish to do so can attend and ask questions of the minister or anybody else. I am not in favour of referring a bill to a committee when we have absolutely no power to strike out one line or change one syllable; and I do not approve of such a proceeding in the present case. As I have said, I do not press the objection; I simply do not think it is worth while. But if by next Tuesday the position is not satisfactory, we should call a meeting of the Committee on External Relations and invite the Secretary of State for External Affairs and his advisers to present a statement as to their policies. This course would serve the purpose some honourable senators have in mind, and it would not go out to the public

that we have referred a treaty to the committee although we are unable to change anything in it.

Hon. Mr. ROBERTSON: I always get into difficulty with lawyers. The purpose of my motion is to satisfy honourable senators whose questions appear to be quite pertinent and in order, but I am quite willing to have it withdrawn. My honourable friend from Ottawa (Hon. Mr. Lambert) has kindly taken charge of the bill to provide for Privileges and Immunities in respect of the United Nations, which could very well be referred to the Committee on External Relations, and I am sure that during the discussion of that bill in committee, officials of the department will be willing to answer any questions covering the general subject matter of these peace treaties. I am therefore prepared to withdraw my motion.

The motion to refer was withdrawn.

INTERNATIONAL LABOUR ORGANIZATION

MOTION TO APPROVE AMENDMENT OF CONSTITUTION

Hon. Mr. ROBERTSON: I have asked the honourable senator from Parkdale (Hon. Mr. Murdock) to move the third motion appearing in my name.

Hon. JAMES MURDOCK moved:

That it is expedient that the Houses of Parliament do approve the instrument adopted at Montreal on October 9, 1946, for the amendment of the constitution of the International Labour Organization, and that this House do approve the same.

He said: This motion is necessary largely because of the transfer of authority over the International Labour Organization from the League of Nations to the United Nations. Speaking in another place, a distinguished gentleman, who more than any other is closely in touch with this particular question, placed the matter before the members there, and a similar motion was adopted. He said:

Consequent on the dissolution of the League of Nations and the entry of the International Labour Organization into official relationship with the United Nations, it became urgently necessary to amend the articles of its constitution relating to membership, financing and procedure for future amendments. Therefore an instrument for the amendment of the constitution was adopted at the 1945 (Paris) session of the International Labour Conference and was subsequently accepted by the necessary majority of the member states, becoming effective on September 26, 1946. Canada's ratification was authorized by order in council P.C. 2914 of July 12, 1946.

At the Montreal session of the international labour conference last fall, the new instrument of amendment now before us was unanimously

adopted and will come into force when ratified by two-thirds of the member countries including five of the eight members of chief industrial importance represented on the governing body of the I.L.O. of which Canada is one.

This instrument is designed to remodel the organization in the light of the experience gained in over a quarter of a century and to re-equip it to discharge its responsibilities with greater efficiency.

The most important of the proposed amendments are designed to encourage wider implementing of the minimum labour standards embodied in conventions or suggested in recommendations adopted at the various sessions of the general conference of the member states of the organization. Canada, like other federal states, has been faced up to the present with constitutional difficulties in giving effect to the provisions of many of these proposals, which come within provincial jurisdiction. One of these amendments, article 19(7), is therefore of particular interest to Canada. It requires the federal government to arrange for periodic consultations between the federal and provincial authorities with a view to promoting co-ordinated action to give effect to the provisions of such proposals. Another obligation is that fuller reports will be made to the International Labour Office as to the action taken or proposed to be taken by both the federal and the provincial governments on all these proposals.

Prior to the Montreal conference, the views of the provinces had been sought by the government on the proposed constitutional changes applying to federal states, and several of the provinces were represented at the conference by their ministers of labour or by their deputies.

I therefore move the adoption of this resolution.

Hon. Mr. HAIG: Honourable senators, I do not intend to speak on this resolution, but I wish to say that at the meeting of the United Nations Organization last October and November this question came up in conjunction with the question of finance.

I may explain to honourable senators that when the League of Nations was in existence no control was maintained over its finances or money acquired from the world in order to carry on. The same condition existed in the United Nations Organization, and Mr. Trygve Lie, the Secretary-General, started an investigation into the entire cost of the International Labour Organization as well as of UNESCO and other world organizations. When the inquiry was half completed the Russian delegation and their satellites objected, and after a bitter debate lasting two days it was agreed by a vote of thirty-seven to four that Mr. Lie should continue his investigation and make a report this year to the United Nations Organization as to the over-all expenditure of these various organizations. As a result, the International Labour Organization and other organizations are

going to be brought more directly under the control of the United Nations. I support this resolution.

The motion was agreed to.

DIVORCE BILLS

REPORTS OF COMMITTEE

Hon. Mr. ASELTINE moved the adoption of reports Nos. 336 to 362 inclusive of the Standing Committee on Divorce.

Hon. Mr. FOSTER: Will the honourable senator inform the house as to the approximate number of petitions yet to be heard?

Hon. Mr. ASELTINE: There are about five or six to be heard.

Hon. Mr. MORAUD: How many divorce petitions will have been heard this year?

Hon. Mr. ASELTINE: This will bring the total pretty close to 380. Thirty-five cases are not ready, and will probably be heard next year. I shall make my report next week.

The motion was agreed to, on division.

FIRST READINGS

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill Q13, an Act for the relief of Maud Mary Rose Denton.

Bill R13, an Act for the relief of Judith Bychowsky Sanders.

Bill S13, an Act for the relief of Marie Irene Joly Martineau.

Bill T13, an Act for the relief of Sam Pronman.

Bill U13, an Act for the relief of Eva Greenblatt Thow.

Bill V13, an Act for the relief of Edith Norma Isaac Davidson.

Bill W13, an Act for the relief of Ida Lottie Stubina Pollack.

Bill X13, an Act for the relief of Minnie Black Herman.

Bill Y13, an Act for the relief of Clifford Gilbert Adams.

Bill Z13, an Act for the relief of Dallas Sara Barnes Millington.

Bill A14, an Act for the relief of Madeleine Agnes Joly de Lotbiniere Doucet.

Bill B14, an Act for the relief of Adeline Charlotte Simone Desjardins Teakle.

Bill C14, an Act for the relief of Margaret Blane Bowen Adair.

Bill D14, an Act for the relief of Mary Hrab Navrotzki.

The bills were read the first time.

SECOND READINGS

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. ASELTINE: With leave of the Senate, now.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. ASELTINE: With leave of the Senate, I move that the bills be now read the third time.

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

FISHERIES RESEARCH BOARD BILL

SECOND READING

Hon. C. J. VENIOT (for Hon. Mr. Robertson) moved the second reading of Bill 264, an Act to amend the Fisheries Research Board Act.

He said: Honourable senators, before proceeding with the short explanation of this bill, it might be appropriate to recall briefly to your minds the set-up and functions of the Fisheries Research Board.

Honourable senators will remember that the Board was established by an act of parliament in 1937 and was composed of two representatives from the Department of Fisheries, two representatives from the Fisheries of the Atlantic coast, two representatives from the fishing industry of the Pacific coast, and nine scientists. According to the report of the acting chairman on December 31, 1946, the staff consisted of 78 scientists and 80 non-scientists—that is, technicians, office and maintenance personnel, and so forth.

The Board has several research stations located across Canada as follows: the Biological Station at Nanaimo, B.C.; the Fisheries Experimental Station at Vancouver, B.C.; the Central Fisheries Research Station at Winnipeg, Manitoba; the Gaspé Fisheries Experimental Station at Grande Rivière, Que.; the Atlantic Biological Station at St. Andrews, N.B.; the Atlantic Fisheries Experimental Station at Halifax, N.S.; the Biological Sub-station at Allerslie, P.E.I., and the Biological Sub-station at Chatham, N.B.

Section 6 of the present Act defines the duties of the board as follows:

The board shall have charge of all Dominion Fisheries Research stations in Canada, and shall have the conduct and control of the investigations of practical and economic problems connected with marine and fresh water fisheries, flora and fauna, and such other work as may be assigned to it by the minister.

The purpose of this bill is to amend the Fisheries Research Board Act so as to strengthen the administration and increase the efficiency of the board. The group of officials to whom I have referred as composing the board, meet once a year in Ottawa to elect a chairman and a vice-chairman, and to map out the programme for the several research stations throughout the dominion during the ensuing year.

In recent years the estimates for research have been as high as \$600,000. In view of this scale of expenditure, it is felt that the work of the board should be put under the continuous supervision of a permanent executive director. The bill provides that the Governor in Council shall designate one of the members appointed from the department to the board as executive director, and that he shall also act as secretary of the board and perform such administrative duties as the board with the approval of the minister prescribes.

Heretofore only a chairman was elected but last year the chairman was unable to function, and was replaced by an acting chairman. The bill therefore makes provision for the election of a vice-chairman as well as a chairman. It also clarifies the authority of the board to engage scientific and technical personnel, and enables civil servants employed by the board to retain their various rights under the Civil Service Superannuation Act.

Hon. Mr. HAIG: May I ask the honourable gentleman a question? What was the value last year of the commercial fish products of each province across Canada?

Hon. Mr. VENIOT: Honourable senators, I regret that I am not in a position to give the information requested by the honourable leader opposite.

Hon. Mr. BEAUBIEN (St. Jean Baptiste): May I ask the honourable gentleman if the stations he has mentioned, such as those in New Brunswick, in Manitoba and in British Columbia, are owned by the Department of Fisheries or by the provinces?

Hon. Mr. VENIOT: They are the property of the Department of Fisheries with the exception of the one at Grande Riviere, in Gaspé County, Quebec. As honourable senators know, the province of Quebec has its own Department of Fisheries. I understand that this station is run in co-operation by the federal Department of Fisheries and the provincial Department of Fisheries.

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

REFERRED TO COMMITTEE

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

Hon. Mr. HAIG: May I suggest that the bill be referred to the appropriate committee. For educational purposes we ought to know the value of fish products produced by the various provinces.

Hon. Mr. COPP: I move that the bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

PRIVILEGES AND IMMUNITIES (UNITED NATIONS) BILL

SECOND READING

Hon. NORMAN P. LAMBERT (for Hon. Mr. Robertson) moved second reading of Bill 272, an Act to provide for Privileges and Immunities in respect of the United Nations and related international organizations.

He said: Honourable senators, this bill represents another set of implied obligations incurred by this country when it became a member of the United Nations organization and when both houses of parliament approved the United Nations charter. The title of the bill defines its purposes.

The bill relates to articles 104 and 105 of the United Nations Charter. Article 104 provides:

The organization shall enjoy in the territory of each of its members such legal capacity as may be necessary for the exercise of its functions and the fulfilment of its purposes.

The first clause of article 105 provides:

The organization shall enjoy in the territory of each of its members such privileges and immunities as are necessary for the fulfilment of its purposes.

The third clause of article 105 reads:

The General Assembly may make recommendations with a view to determining the details of the application of paragraphs 1 and 2 of this article or may propose conventions to the members of the United Nations for this purpose.

In compliance with the third clause of article 105, the General Assembly of the United Nations in February of last year adopted a convention on privileges and immunities. We are now asked to give the Governor in Council authority to declare the accession of Canada to this convention.

The act will be known as the "Privileges and Immunities (United Nations) Act". Honourable senators are familiar with the diplomatic immunity which is enjoyed by

representatives of other countries housed in the various legations and embassies in Canada. Similarly, our representatives in other countries enjoy equal privileges.

I do not think it necessary to enumerate or to embark on a discussion of the items contained in the convention. They are clearly set forth in eight articles in the bill.

My friends who have already attended meetings of the Assembly of the United Nations Organization realize full well what these provisions amount to. For instance, my friend the honourable leader opposite (Hon. Mr. Haig) attended the meeting in New York. Under this convention, should he attend the assembly at a future date, he would have immunity from personal arrest and detention and from the seizure of his personal baggage,—

Hon. Mr. HAIG: I would need the former.

Hon. Mr. LAMBERT: —and in respect of words spoken or written, and all acts done in his capacity as a representative of this country. He would have immunity from legal process of every kind, and inviolability of all papers and documents.

Hon. Mr. COPP: The honourable gentleman can “cut loose” the next time he attends a United Nations meeting.

Hon. Mr. LAMBERT: The United Nations Charter, which we have adopted, provides for privileges and immunities as set out in the schedule to the bill, from which I have been reading.

I think that after second reading it would be useful to have the bill referred to the Committee on External Relations, where officials would be present to enlighten us further.

Hon. Mr. MORAUD: The bill is entitled, “An Act to provide for privileges and immunities in respect of the United Nations and related international organizations.” Are these international organizations enumerated in the convention?

Hon. Mr. LAMBERT: There is no list of the organizations. Affiliated organizations, such as UNESCO, would be included.

Hon. Mr. MORAUD: Does my honourable friend know how many nations are signatories to the convention?

Hon. Mr. LAMBERT: All those taking part in the United Nations Assembly meetings must have certificates of accession. The convention explains just what is required. Section 32, in the final article, says:

Accession shall be effected by deposit of an instrument with the Secretary-General of the United Nations and the convention shall come into force as regards each member on the date of deposit of each instrument of accession.

Hon. Mr. MORAUD: My point is that as we are authorizing the Governor in Council to extend privileges and immunities to international organizations, it might be well for us to know just what organizations are included.

Hon. Mr. LAMBERT: I might venture this statement, that delegates appointed by the government to participate in various meetings of the United Nations would be protected by the convention appended to this bill.

Hon. Mr. MORAUD: But we are also authorizing the Governor in Council to extend these privileges to representatives of other countries.

Hon. Mr. LAMBERT: The convention is being submitted to every member of the United Nations, but we have nothing to do with its approval by any other country.

Hon. A. L. BEAUBIEN: Are privileges and immunities being granted to representatives of every country that adopts the convention?

Hon. Mr. LAMBERT: By adopting the charter of the United Nations we undertook to do that.

Hon. A. L. BEAUBIEN: If a country to which we extend these privileges and immunities does not adopt the convention, will that country extend the privileges and immunities to our representatives?

Hon. Mr. LAMBERT: I think so. Suppose Brazil, for example, did not adopt the convention: I do not think that the privileges and immunities of our representatives at any United Nations meetings would be affected in the slightest degree by that fact.

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

REFERRED TO COMMITTEE

Hon. Mr. LAMBERT (for Hon. Mr. Robertson) moved that the bill be referred to the Standing Committee on External Relations.

The motion was agreed to.

VETERANS BUSINESS AND PROFESSIONAL LOANS BILL

SECOND READING

Hon. BREWER ROBINSON (for Hon. Mr. Robertson) moved the second reading of Bill 396, an Act to amend the Veterans Business and Professional Loans Act.

He said: Honourable senators, the amendments contained in this bill are designed to enable the act to be administered more efficiently. I might point out that all veterans who have received or are entitled to war service gratuities are eligible for loans under this act. A loan may be made by any chartered bank, on a sound business-like basis. Application for a loan is made directly to a bank, which submits it to the district officer of the Department of Veterans Affairs for approval. When approval is given, the administration of the loan comes under the Department of Finance.

The purpose of the amendments is to extend some provisions of the act and to correct certain clerical errors. The act as at present worded restricts business loans to veterans in their own business, and the Department of Justice felt that this prevented the making of a loan to any veteran in a partnership. The amendment in section 2 provides the same right to a veteran in partnership as is enjoyed by one who is the sole owner of a business.

Another amendment has to do with collateral security, and would permit a veteran to use personal as well as movable assets for this purpose. Likewise, the bill gives the veteran the privilege of using investments already made as his one-third part of the loan. Hitherto he has had to provide this in cash. For instance, this expenditure can be met by the use of his war service gratuity, his re-establishment credit, or his bonds. Further, the banks are empowered to take security on personal property in respect of which all or part of the loan is to be expended.

I am informed that 2,200 loans of this nature, totalling between three and a half and four million dollars, have been already made. It will be seen that the usefulness of the bill in providing assistance on these lines is very great. Persons desiring to enter business will receive this additional assistance, although of course the banks are expected to use the same discretion as they would exercise in the matter of loans to any other class of citizen.

Briefly, the principle of the bill is embodied in the amendments for the two purposes I have explained, although there are certain corrections of a clerical nature. If honourable senators desire any further information, it would be advisable to send the bill to the appropriate committee. I believe that it will make the existing act more workable, and put its purpose into effect more fully and without unnecessary delays.

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

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: With permission, at the next sitting.

Hon. Mr. HORNER: There is some information I should like to get. Should not the bill be referred to a committee?

Hon. Mr. COPP: The honourable senator opposite (Hon. Mr. Haig), to whom I spoke about it, does not think so.

Hon. Mr. HAIG: If it is the wish of the honourable senator from Blaine Lake (Hon. Mr. Horner), I am willing to let it go to a committee.

Hon. Mr. COPP: If that is his desire, I will certainly so move.

Hon. Mr. HORNER: Perhaps I can ask some questions on the third reading.

Hon. Mr. COPP: The honourable senator may do so.

CHEMICAL FERTILIZERS

MOTION

The Senate resumed from Thursday, June 19, the adjourned debate on the motion of the Honourable Senator McDonald (Kings):

That, in view of the recent discoveries of high-grade phosphate rock in the Saguenay area in the province of Quebec, and of good quality potash in the province of Saskatchewan, the Dominion and Provincial governments confer with a view to taking prompt action to have mines developed in order to make available to our farmers, at fair prices, these high-grade chemicals, which are necessary in building up soils, and in the production of maximum crops, so that Canada may be self-sufficient so far as requirements of chemical fertilizers are concerned.

Hon. CYRILLE VALLANCOURT: Honourable senators, I do not propose to set forth, as our friend from Nova Scotia (Hon. Mr. McDonald, King's) has done, all the advantages accruing from the use of phosphates and potash in increasing soil fertility. I will, however, emphasize the importance of these two elements in agriculture. If we wish some of our lands, which are being rapidly depleted, to continue producing, we must see to it that the soil recovers its fertility.

Fertilizers, such as potash and phosphates, are extremely valuable as far as soil improvement is concerned. They enable the raising of crops which are two or three times as large as those raised when ordinary fertilizers are used. Farmers are aware of the value of chemical fertilizers but are prevented from using them by prohibitive prices.

The sale of potash, nitrogen and phosphates is controlled by a single powerful world cartel. I would advise each and every honourable senator to read the report prepared by Mr. McGregor, entitled "Canada and International Cartels". If they read pages 3, 4, 5, 6 and 7, they will be properly enlightened as to what some international organizations can do or prevent from being done. You can get this report at the Distribution Office. On page 2 we read:

International cartel arrangements affect a number of Canada's leading imports, as well as other products which, while not ranking as high in value, are of importance from the viewpoint of health or industrial efficiency. . . . The cartel agreement may allot the Canadian market to certain groups, as was done in the case of fertilizer nitrogen and plate glass, by private arrangement among the parties with no opportunity of decision by Canada as to the desirability of such allocation. Limitations may also be put on the types of goods which are permitted to be shipped to Canada and on the use to which they may subsequently be put. Not only may the direct cost of imports be affected by the cartel but the export of manufactured goods for which the imports may constitute necessary materials may also be influenced.

We have taken some examples of cartels in this class to illustrate the effects of such arrangements on our foreign trade and domestic economy. . . .

The first group of cartel arrangements to be examined are those relating to fertilizers. Fertilizers rank among Canada's important imports because they constitute essential supplies for many types of agricultural production. The three elements which are usually added to the soil to stimulate effective plant growth—nitrogen, phosphorus and potassium—may be combined in commercial fertilizers in varying proportions to suit the needs of the particular crop to which they are to be applied.

Then, on page 7:

Inquiries made by the Price Spreads Commission in 1934 revealed that the principal fertilizer manufacturers in central Canada at that time were also organized in a close association which established uniform delivered prices for each grade of fertilizer, regardless of the actual freight cost from the mixing plant to the farm. The Commission reported that "this monopolistic control of the market was further bolstered by a policy, on the part of chemical manufacturers and importers, of hindering the sale at market prices for home mixing of the separate fertilizer constituents." The growth of fertilizer business by co-operative organizations has forced some modifications in the policies of the fertilizer manufacturers, but the control over basic materials established by the international cartel arrangements appears to have continued until the outbreak of war.

Hon. Mr. MORAUD: Who are the members of that cartel? Are they mentioned in the report?

Hon. Mr. VAILLANCOURT: Yes.

Hon. Mr. MORAUD: Who are they? Are there many.

Hon. Mr. VAILLANCOURT: There is DuPont de Nemours.

Hon. Mr. MORAUD: And International Fertilizer?

Hon. Mr. VAILLANCOURT: I do not remember exactly.

Hon. Mr. PATERSON: The Consolidated Smelters of Trail?

Hon. Mr. VAILLANCOURT: Yes.

Hon. Mr. MORAUD: Are the members of the cartel enumerated in that report?

Hon. Mr. VAILLANCOURT: Yes, and it is a very interesting report. It is not at all surprising that some people should rebel against certain monopolies. Corporations behaving in such a manner are solely responsible for their own downfall. If capital is to remain what it always should have been—healthy, fair and reasonable—let it rid itself of all such organizations, vicious and rotten to the core as they are, with their multiple tentacles; soulless combines capitalizing on the hunger of mankind.

In order to put a stop to abuses, governments must do all that is within their power to develop their own natural resources so that every country, if not completely, may become self-sufficient, or at least endowed with enough means of production and defence to enable it to put an end to these dangerous abuses.

There has been, for instance, some talk of phosphate deposits in the Saguenay district. I do not know what is the value of this recent discovery, since research is not yet sufficiently advanced. However, a short distance from Ottawa, on the Lievre and Gatineau rivers, there is an area approximately twenty-eight miles long and twelve miles wide which contains fairly large deposits of apatite.

Early discoveries date back to 1829, quite a long time ago, as honourable senators will see. Early development goes as far back as 1875. Intensive mining operations were carried out between 1878 and 1892. During those years more than 260,000 tons of apatite, valued at about 4 million dollars, were mined. In those days 4 million dollars was a tidy little sum.

In the absence of a mill, the ore was exported to Europe and the United States, where it was used in the production of chemical fertilizers. A very small percentage was manufactured into superphosphate in Canada.

In 1890, following the discovery and development of large deposits in Florida and in the State of Tennessee, Canadian mines were forced to close down. Since that time, however, the Canadian production has averaged

around 800 tons a year. Quite a large amount is obtained as a by-product of mining. The complete current output is now processed at the Electric Reduction Company chemical plant in Buckingham, where it is used in the production of phosphate and phosphate compounds.

To make this industry more profitable would require a more adequate programme of development. Any incentive to expand the industry is paralyzed by the fear of a reaction, or even of strangulation by the cartels. The dominion and provincial governments would have to undertake field investigations to assess the value of the mines or their development. Core samples show the mines to consist of high grade ore and, in the opinion of geologists with whom we discussed this matter, it is most probable that a more extensive development would justify the building of a concentration mill.

If the governments were to come to an agreement designed to facilitate the development of the phosphorous deposits of Buckingham and Lake St. John and the potash deposits of Saskatchewan, we could, with the water power resources available, build a large industry. We would then have an adequate domestic supply of chemical fertilizers, thus freeing ourselves from dependency upon foreign sources, while at the same time we would be in a position to increase very considerably the yield and fertility of our soils.

For these reasons, I am pleased to second the motion of the honourable senator for King's (Hon. Mr. McDonald).

Hon. Mr. MORAUD: May I ask the honourable senator a question? What is the date of that report made by Mr. McGregor? Is it a recent investigation?

Hon. Mr. VAILLANCOURT: It is dated 1945.

Hon. Mr. MORAUD: Was there any action taken on that report? I suppose it recommends that prosecution should be taken.

Hon. Mr. VAILLANCOURT: It does not recommend that prosecution be taken but it recommends that something be done.

Hon. Mr. MORAUD: And have any changes been made by the government since that report was made?

Hon. Mr. VAILLANCOURT: I am afraid not.

Hon. R. B. HORNER: Honourable senators, I should like to add a word in support of anything that can be done to encourage the government to look into this matter and effect further chemical research.

Considering the vast cultivated land area in this country, Canada lags far behind the other countries of the world in the proper study of fertilizers. It is now known that our older soils, though they are capable of growing grain, lack certain qualities that are necessary for the health of human beings and of animals. The land has deteriorated with age. In the West I tried Consolidated Smelter fertilizer on several hundred acres of land, but I did not have any definite information as to the proper amount and type of fertilizer to use or the soil upon which to use it. I am now of the opinion that had I put the fertilizer on irrigated land it would have been of far greater benefit; certainly it would have produced an additional growth of straw. It was found that the use of fertilizer in dry weather sometimes resulted in less grain. I understand that a few years ago the University of Saskatchewan, when using a smaller quantity, or possibly a different type of fertilizer than I used, obtained increased grain production under certain conditions.

I do believe, honourable senators, that Canada lags far behind many other countries of the world in chemical fertilizer research. If cartels have been carrying on to the extent mentioned, surely it is strange that the government has taken no action on a report of such a nature as the one referred to. I believe that the deposit in Saskatchewan will be of immense value, and I am of the opinion that with proper information and research the Consolidated Smelters project will be a valuable one. It is a project that was forced upon the company. As honourable senators will recall, the state of Washington took action against the Consolidated Smelters because smoke and fumes from the smelter were destroying the fruit trees in that state. Recently I was speaking to an employee of Consolidated Smelters, and he told me that since the manufacture of this fertilizer commenced growth is taking place again and that now there are no damage claims to be paid. That is an illustration of what a splendid thing this fertilizer is to the country.

I would urge the government to act in this matter. I cannot think of a more valuable field for research and investigation. It is my honest belief that the use of fertilizer would bring many of the abandoned farms, particularly in the provinces of Ontario and Quebec to the same high standard that they maintained when the land was first cleared.

Hon. Mr. PATERSON: May I ask the honourable senator if he cannot send samples of his soil to the Experimental Farm at Indian Head and get the information he requires?

Hon. Mr. HORNER: No doubt the pamphlets sent out by the farm are available; but facilities at Indian Head are not as favourable as they would be, for instance, at Saskatoon.

Hon. NORMAN P. LAMBERT: Honourable senators, I am not as well qualified to speak on this subject as the honourable senator from King's (Hon. Mr. McDonald) and the honourable senator from Kennebec (Hon. Mr. Vaillancourt), who have preceded me. I should like, however, to associate myself with what has been said, and to suggest that we adopt the proposal of the senator from King's (Hon. Mr. McDonald) that this subject be referred to the Committee on Natural Resources.

The whole question of the supply of fertilizer for the improvement of agricultural resources in Canada is important. It is also necessary to consider the position of the fertilizer industry in relation to the so-called international cartel. The recent war had a disrupting effect upon the cartel, and I should think it would be possible, through certain government officials resident here, to inform ourselves as to the production of potash and sulphate, and more particularly as to prices.

During the early years of the war I had the privilege of being a member of the sub-committee on Agricultural Reconstruction, one of several committees working on the subject of reconstruction during 1942 and 1943. As a member of that sub-committee I travelled across this country and interviewed representatives of departments of agriculture of all the provinces. When the senator for King's (Hon. Mr. McDonald) was Minister of Agriculture in Nova Scotia I spent two interesting days with various officials of his department discussing some of the things that might be done to make agriculture a more productive industry in the future than it has been in the past.

The honourable senator from King's in his speech referred to the so-called marsh land area bordering the Bay of Fundy in Nova Scotia and New Brunswick. This area comprises some 60,000 acres of fertile hay land which has been somewhat deteriorated by the inundation of salt water, with a consequent necessity for diking. The sub-committee considered this problem, and later reported that an expenditure of one million dollars would

greatly improve the productivity of that area. I was told at the time that such a project as was suggested depended upon co-operation between the authorities of those two provinces and those of the dominion. So far nothing has been done. I think that project might be undertaken by way of an example for the benefit of the whole agricultural population of Canada.

It is important for the Senate to consider this phase of the relationship between fertilizer and the development of agricultural wealth; and full opportunity should be given for discussion before the Standing Committee on Natural Resources.

Hon. A. L. BEAUBIEN (St. Jean Baptiste): Honourable senators, I agree with a great deal of what has been said by the honourable senator from Ottawa (Hon. Mr. Lambert). I regret, however, that this subject was not brought to the attention of the Senate until a late stage in the session.

From the information given by the member who moved the resolution (Hon. Mr. McDonald) and the honourable gentleman from Kennebec (Hon. Mr. Vaillancourt) there is no doubt that the production and sale of fertilizer have been controlled by a very vicious cartel. In other words, the supply of fertilizer needed to re-establish the areas in this country which have been depleted by heavy cropping has been controlled.

In western Canada because of big operations we have "mined" our land more than have the people in other parts of Canada; our holdings are large and probably our agricultural activities are not as intense as in the East. We are beginning, however, to realize that unless we put something back into the soil for what we have taken out by continued cropping it will not be long before our land will not produce what it should. I have tried the fertilizer from Trail, British Columbia, on my farm and have had better results and earlier maturing crops as a result. We are not as familiar as we should be with the benefits of fertilizer in the growing of crops and on the productivity of our lands.

Certain essential raw materials for fertilizers are available in this country; and if we cannot escape the clutches of the cartels, the state should assume the responsibility of producing this commodity which is so essential to our agricultural lands.

The session is coming to a close, and any investigation the Natural Resources Committee can make of this question will surely be limited. If we cannot get the required information at this session, I think we should

go into the matter thoroughly at the earliest opportunity next year, and advise the government, the farmers, and the people generally, of the benefits of using fertilizer. I have no objection to the subject-matter of this resolution being referred to committee, and will do all I can to support it.

The Hon. the SPEAKER: Is the honourable gentleman making a motion?

SUBJECT-MATTER—REFERRED TO
COMMITTEE

Hon. A. L. BEAUBIEN: Honourable senators, if I am in order, I will move that the subject-matter of this inquiry be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, July 3, 1947.

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

Prayers and routine proceedings.

CANADIAN COMMERCIAL CORPORATION BILL

HOUSE OF COMMONS AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill C2, an Act to amend The Canadian Commercial Corporation Act, and to acquaint the Senate that they have passed the said bill with amendments, to which they desire the concurrence of the Senate.

When shall these amendments be taken into consideration?

Hon. Mr. ROBERTSON: Next sitting.

FISHERIES RESEARCH BOARD BILL

REPORT OF COMMITTEE

Hon. J. J. DONNELLY presented the report of the Standing Committee on Natural Resources on Bill 264, an Act to amend the Fisheries Research Board Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of July 2, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. ROBERTSON: With leave, I move the third reading now.

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

DOMINION COAL BOARD BILL

REPORT OF COMMITTEE

Hon. J. J. DONNELLY presented and moved concurrence in the report of the Standing Committee on Natural Resources on Bill 340, an Act to establish the Dominion Coal Board.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 26, 1947, examined the said bill, and beg leave to report it with one amendment of a very minor character as follows:

Page 5, line 38. Delete "or" and substitute "and".

The motion was agreed to.

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. ROBERTSON: With leave of the Senate, now.

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

DIVORCE BILLS

FIRST READINGS

Hon. A. B. COPP, on behalf of the Chairman of the Standing Committee on Divorce, presented the following bills:

Bill E14, an Act for the relief of Pierre-Ben-Danais Warren.

Bill F14, an Act for the relief of Ethel Florence Rhodes Pompetti, otherwise known as Ethel Florence Crowdy Pompetti.

Bill G14, an Act for the relief of Elisa Jamoul Hull.

Bill H14, an Act for the relief of Ernest Stanley Rundell.

Bill I14, an Act for the relief of Thelma Lillian Dalton Hilger, otherwise known as Thelma Lillian Dalton Goernert.

Bill J14, an Act for the relief of Mary Alice Berrigan Hamelin.

Bill K14, an Act for the relief of Dorothy Mary Boyce Jackson.

Bill L14, an Act for the relief of Edith Oberfeld Mintz.

Bill M14, an Act for the relief of Roger Lebeau.

Bill N14, an Act for the relief of Sheila Marcus Issenman.

Bill O14, an Act for the relief of Zenobia Perrow Broadbent Emond.

The bills were read the first time.

SECOND READINGS

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. COPP: With leave of the Senate, now.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

The Hon. the SPEAKER: When shall these bills be read the third time?

Hon. Mr. COPP: Honourable senators, as the leader of this side (Hon. Mr. Robertson) has informed me that he expects to adjourn the house tonight, I would ask, with leave of the Senate, that the bills be read a third time now.

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

BUSINESS OF THE SENATE

Hon. Mr. ROBERTSON: Honourable senators, I anticipate by the time this sitting is concluded we shall have pretty well disposed of the order paper with the exception of the third order, the second reading of the Old Age Pensions Bill. I have asked the honourable senator for Toronto-Trinity (Hon. Mr. Roebuck) to explain this bill, and he has kindly consented to do so. Unfortunately I was unable to communicate with him in time to enable him to proceed with the explanation today. Therefore it is my intention to have him proceed at the next sitting.

Under these circumstances I see no reason why we should sit tomorrow. Consequently, when the house rises today I am going to move that it do stand adjourned until Monday night at eight o'clock.

As honourable members will recall reference has been made to a special meeting of the standing committee of both houses on external affairs. Details of this meeting have now been arranged, and an invitation has been sent to every senator as follows:

You are cordially invited to attend a joint meeting of the standing committee on external affairs of the Senate and House of Commons, to be held on the morning of Tuesday, July 8

next, at 10.30 o'clock, in room 277. Mr. Lester B. Pearson, Under Secretary of State for External Affairs, will be in attendance.

I of course have no definite information as to when the session will end. I am suggesting that we resume on Monday evening solely because of my desire that there should be as large an attendance as possible at the special joint meeting of the committees on Tuesday morning, and that we should do all we can to facilitate the handling of legislation that may come before us.

BEAM TRAWLERS IN NORTH ATLANTIC INQUIRY

Hon. WILLIAM DUFF inquired of the government:

Reliable information has come to me from different sources in the Maritime provinces stating that United States fishing vessels, commonly called and known as beam trawlers, and which are operating on the Grand Banks of Newfoundland, and other banks in the north Atlantic, are fishing their trawls and hauling it from the bottom to the ship some twenty times per day, and dumping the fish from these trawls on their decks and culling out from these catches the haddock which are in the nets and throwing back into the Atlantic all the codfish which are taken from these catches. The result is that hundreds of tons of edible large and medium codfish in addition to small codfish which are inedible on account of size, are thrown back into the waters dead, with the result that the grounds where these fish are taken from become putrid and the fish leave the grounds and go elsewhere.

Is the government also aware that certain foreign trawlers from France, Spain, etc., which are capable of carrying three million pounds of split salted each, are on the banks fishing and are throwing into the water dead haddock, either full of spawn or male fish?

Is the government also aware that crews of Canadian beam trawlers are raking the Banks with their trawls, and within the last fortnight one of these boats, according to the story of the captain, hauled during that voyage some seven hundred thousand pounds of fish and threw back into the water some four hundred thousand pounds in a dazed or dead condition, bringing to the market only three hundred thousand pounds?

Is the government also aware that these beam trawlers operating from different countries, but vessels whose Canadian owners were encouraged to build them by an outright gift of the federal treasury of \$165 per ton, and/or from the provincial treasury of Nova Scotia by a loan amounting to seventy thousand each, operating on the fishing grounds on the North Atlantic and hauled in their trawls thousands of mother fish full of spawn; and as these fish are thin and unmarketable in the fresh market, are thrown back into the sea, dead, and tons of fish spawn are shovelled through the scuppers?

Has the government, through the Fisheries Department, heard about the destruction as stated above, and what action are they taking to remedy the situation? If something drastic is not done immediately the great north Atlantic fisheries will be a thing of the past.

Hon. Mr. ROBERTSON: The answer to the honourable gentleman's inquiry is as follows:

The government is aware that in recent months, because of the decline in cod markets, the nationals of some countries fishing in the northwestern Atlantic banks have been limiting their cod landings. The government, however, has no evidence of the destruction of fish or its alleged effects.

The grounds of the northwestern Atlantic, having been fished by nationals of other countries for generations, are of an international character. At present there is no international convention regulating the fishery of these off-shore grounds.

I have handed a copy of this reply to the honourable senator from Lunenburg (Hon. Mr. Duff).

Hon. Mr. DUFF: Honourable senators, I know I am out of order in rising to comment on the reply made by the honourable leader of the government to my inquiry in regard to the very serious situation that exists in the north Atlantic, but with the permission of the house I should like to thank him cordially for giving me this answer. My only regret is that it is entirely inadequate; it does not deal with the question that I raised. It is about time there was a house-cleaning in the Department of Fisheries. This reply must have come from that department, and if this is the best they can do, if they are not more interested in the maintenance of the great cod fishing industry in the North Atlantic than this indicates, they had better get out of business and let the whole thing go to blazes.

INTERNATIONAL REFUGEE ORGANIZATION

MOTION

On the notice of motion by Hon. Mr. Robertson:

Resolved, that it is expedient that the Houses of Parliament do approve the Constitution of the International Refugee Organization, signed at Flushing Meadows, New York, on December 16, 1946, and that this house do approve the same.

Hon. WISHART McL. ROBERTSON: Honourable senators, I have asked the honourable senator from Cariboo (Hon. Mr. Turgeon) to move the motion which stands in my name. Apart from my willingness to share the work of the session among the excellent talent that is available in this house, my principal reason for asking the honourable gentleman from Cariboo to make this motion is that he was Canadian delegate to the special committee on refugees and displaced

persons which met at London in April and May of 1946. In June of that year the committee reported to the Economic and Social Council of the United Nations, and that body set up a Committee on Finances of the International Refugee Organization. The honourable gentleman from Cariboo was chairman of this committee, which sat in London in 1946. In addition, he was Canadian delegate to the Committee on Reconstruction of Devastated Areas, which met in the same year.

Hon. GRAY TURGEON: Honourable senators, I wish first of all to express my appreciation to the leader of the government (Hon. Mr. Robertson) for entrusting to me the moving of the resolution for approval of the constitution of the International Refugee Organization, and on his behalf I now formally make the motion.

As I understand it to be the desire of the honourable leader to give the house an opportunity to debate the resolution, if it sees fit, I intend to take a little time and go into some detail on the whole question of refugees.

The General Assembly of the United Nations, meeting in London in February, 1946, passed a resolution that was the commencement of all the international work with respect to refugees and displaced persons. I shall not read the whole resolution, but I shall place some of its contents on the record. It declared, among other things, that:

1. The problem of refugees and displaced persons is international in scope and nature.

2. No refugees or displaced persons shall be compelled to return to their countries of origin if, in complete freedom, they have finally and definitely expressed valid objections to repatriation after they have received full knowledge of the facts, including adequate information from the governments of their countries of origin.

3. The main task concerning displaced persons is to encourage and assist in every way possible their early return to their countries of origin.

4. No action taken as a result of this resolution shall be of such a character as to interfere in any way with the surrender and punishment of war criminals, quislings and traitors in conformity with present or future international arrangements or agreements.

5. Germans being transferred to Germany from other states or who fled to other states from allied troops do not fall under the action of this declaration.

Following that declaration of the General Assembly, the Economic and Social Council set up the committee of twenty nations which was referred to a moment ago by the honourable leader, and that committee sat at London. At the beginning of the discussion the delegates were divided into two groups, one of which took the ground that there was no difficulty in solving the problem concerning refugees and displaced persons, because the

only thing necessary to do was to return them to their countries of origin. Speaking officially for Canada, as well as personally, I stated to the committee that on no consideration whatever would Canada be a party to the compulsory return of any of these refugees and displaced persons, except they were criminals, quislings, or traitors, to their countries of origin. That was the general foundation of the report from that committee to the Economic and Social Council at New York. In the meantime, on the motion of the Canadian delegate, two sub-committees were established. One of these sub-committees, consisting of fourteen nations, dealt with the organization and finance of the proposed International Refugee Organization.

Permit me here to say a word of deep appreciation of the help provided by the Prime Minister, then head of the Department of External Affairs, in the assistance of the advisers made available to me as chief Canadian delegate during the work of the Conferences on Refugees and Displaced Persons. Mr. Riddell, of the Department of External Affairs, and Mr. Gordon Blair, of Saskatchewan, a Rhodes scholar temporarily attached to the department, did excellent work in this advisory capacity.

I feel that I should also go out of my way to say some things today with which all honourable senators may not agree, but which in my opinion are important because of the circumstances of the times. We have had many reports of terrific disagreements at international conferences. But I would recall that when I was acting as chairman of the sub-committee of fourteen nations, including the five big powers, dealing with organization and finance, I had occasion to announce that I wished my assistant to present a motion to the committee as a matter of urgency, because he was leaving to catch a train to take a plane the next morning, and the meeting not only passed the motion immediately and almost without discussion, but accorded him a cordial farewell and a send-off. Further, I will say at this point, what might be more appropriately mentioned later in the discussion—and this has been eloquently expressed by both the leader of the government (Hon. Mr. Robertson) and the leader of the opposition (Hon. Mr. Haig)—that today Canada has a magnificent standing in the world, based largely on the vigorous manner in which this country carried on its war effort, and pre-eminently upon the sacrificing courage of the members of our armed forces. I can remember my feeling of emotional pride at some of these conferences, which I attended on behalf of Canada, upon hearing representa-

tives of European countries inscribing on the record of the proceedings endearing references to the behaviour of Canadian armed forces overseas, during and after the war. It is because of the high standing which our nation enjoys that those who from time to time have represented us at international conferences have been able to make some headway.

We have made some headway with respect to this International Refugee Organization. The first conference occupied two months. Although its course was marked by some grave disagreements. When Canada made its declaration of policy the delegate of Poland, one of the countries of origin, rose and said that Poland would not ask for the compulsory return of any of its refugees or displaced persons, unless of course they were war criminals, quislings or traitors. It was because of this compromise which was arrived at during the original conference in London, that the General Assembly, which met not long ago in New York, was able to adopt what is now the constitution of the proposed International Refugee Organization. That constitution provides that it shall come into effect when fifteen nations have ratified it and when the contributions of the ratifying states amount to at least seventy-five per cent of the total estimated cost of operational expenses, exclusive of large-scale resettlement operations, as to which I shall say a word later on. I am very glad to be able to tell you that twenty nations, including Canada, have now signed or are prepared to ratify this document, and that the total of the contributions of these nations now stands at between seventy-eight and seventy-nine per cent.

On the last day of June, UNRRA and the Intergovernmental Committee on Refugees, which in the meantime were handling this whole problem of refugees and displaced persons, passed out of existence. When the General Assembly at New York adopted the constitution, they also approved an agreement between a number of states to set up a preparatory commission to deal with the matter of refugees from the end of June until the International Refugee Organization is brought into being—as I hope it will be within the next few days.

Canada's contribution, set by the Committee on Finances, will be 3.2 per cent of the cost of administration, an estimated amount of \$4,800,000, and 3.5 per cent of ordinary operational expenses, which it is estimated will be \$151,060,500. The total cost to Canada per year, therefore, will be approximately \$5,300,000. The Committee on Finances of the International Refugee Organization, to

which, as was pointed out by the leader of the government, Canada had the honour to provide the chairman, decided that the scale would be based on national income and per capita income; and we were instructed to pay special consideration to the financial position of countries which had suffered under enemy occupation. If I may digress again for a moment, I want to say that this principle did not permit the Committee on Finances to give any consideration to the United Kingdom, notwithstanding the heavy damage and financial loss which that country sustained as a result of air raids during the war, because the terms of reference stipulated that special consideration must be based on the financial position of the countries which suffered under enemy occupation.

Honourable senators, I have before me the Charter of the United Nations, a document with which you are all familiar. A few minutes ago I spoke about the difference of opinion concerning the attitude of nations towards refugees and displaced persons. By a majority vote Canada with other nations decided that there would be no compulsory return of bona fide refugees or displaced persons who are not in any way war criminals, traitors or quislings. That placed a supreme responsibility upon all nations taking this attitude including Canada, the United States, and the United Kingdom. I should like to say that in assuming such an attitude Canada and these other countries adopted what is the basis and foundation of the Charter of the United Nations. The preamble of the Charter of the United Nations says that the peoples of the United Nations have determined to re-affirm faith in fundamental human rights and in the dignity and worth of the human person. That is the very foundation of the United Nations Organization, and Canada is largely responsible for having that principle applied to the problem of refugees and displaced persons.

But our responsibility does not end simply by the putting into effect of this constitution, nor with meeting our obligations by financial contributions. We have a definite responsibility in dealing with reconstruction, and making certain that everything is done to see that the fundamental human rights, the dignity and worth of human beings—which concept we have applied to the refugees and displaced persons—is given to them in as full a measure as is humanly possible.

The honourable leader of the government has said that in addition to working on the committee dealing with refugees, I also had the honour of representing Canada at the twenty-nation International Committee on the Reconstruction of Devastated Areas. It is not

necessary to draw the attention of honourable senators to the fact that there is a close relationship between the problem of refugees and the reconstruction of areas devastated by the war.

I wish to make a further suggestion, but I am rather afraid that some honourable senators will not agree with it. First, I wish to say that I am speaking for myself and not for the honourable leader of the government. I make my recommendation as a Canadian and as a member of this chamber of the Canadian parliament. I should like honourable senators to direct their thoughts for a moment to two conferences of the Big Three—the United Kingdom, the United States and the Soviet Union—which were held during the war at Yalta and Potsdam. Honourable senators will remember how much we built upon these conferences and the declarations issued from them immediately following the end of the war; but we are all liable to lose sight of what these declarations implied. At this very moment the world is in a horrible condition, and today's newspapers are full of stories of the failure of the Big Four with respect to a proposal officially made by the United States through State Secretary Marshall. My proposal, which is related to the question of refugees, is designed to materially assist in the social and economic reconstruction of the European states.

I mentioned Poland. In the two declarations issued from Potsdam and the Crimean conference, direct statements were made relating to the nature of Polish government; the Polish refugees, the holding of free elections in Poland, and the eastern and northwestern boundaries of that country. At these two conferences it was generally admitted that the new eastern boundary of Poland, running along the Bug River, gave to Russia much of the eastern part of Poland, an area which is rich in agriculture and in the production of oil. This fact was accepted in the declarations with very little question. However, because the Big Three powers making the declaration wished to consult the then newly-formed Polish government with regard to new northerly and northwesterly frontiers of Poland, it was decided that this question would not be settled finally until the peace conference was held. But the declaration issued after the Yalta Conference stated definitely that there must be an expansion of Polish territory to the west and northwest.

In making my recommendation I am thinking first of all of the refugees and, secondly, of how dire is the need of help to bring about an economic reconstruction of Europe. My purely personal recommendation is that the

western powers, especially the United Kingdom and the United States of America, should now declare that when the Peace Conference is considering the Polish western boundary question, they will confirm the declaration made at Potsdam and Yalta, and that they will agree to give to Poland that portion of old Germany which Poland is now tentatively administering.

When in Europe, dealing with the reconstruction of devastated areas, I was in Czechoslovakia, Poland, and the Upper Silesia district. There, in what was Polish territory before the last war, is to be found the production of coal, steel and zinc; and there is the same kind of production in that part of the Silesia district which before the war was Germany. Therefore, the recommended expansion of Poland will not bring about any change in the economic system of the district.

During the war six million Polish people were killed. Since then Poland has lost all that portion of her eastern territory which was given to Russia, and hundreds of thousands of Polish citizens have become refugees and displaced persons. Besides that, hundreds of thousands of Poles have migrated westward from the eastern portion acquired by Russia, and found a home in the new western part of Poland. Many of the Germans who were in the eastern portion of old Poland have moved out.

I know there is some strength in the argument that in the last election the Polish government did not permit free voting. But it is not true that the granting of the new boundary in the west and northwest was based upon free elections. Honourable senators can readily understand that the refusal—if I may use that strong term—to hold free elections might have an effect upon Poland's domestic legislation and perhaps on her relations with the rest of the world. But the question whether the last elections were free or not free has not the slightest effect on the question of what is a just and proper territorial boundary. The two matters are not related. I have read many arguments against approving the extension of these boundaries. I have read many arguments also against having any relations whatever with the Polish government, because there are some communists in it. Now, I must repeat what I have said here on more than one occasion, that in my opinion no one in all Canada is more strongly opposed to communism than I am. I am ready to fight with all my strength against communism in Canada; but also I am desirous, as I know every senator is, to live peacefully in the world, although I have knowledge that the world contains men and women who are opposed to my political, economic and religious doctrines.

I know that a large percentage of the people in Poland are Roman Catholics. The *Tablet*, of London, said, "The church"—meaning of course in this case the Catholic Church—"is the truest reflection of the Polish spirit." I agree with that. But I also agree with this statement, which I saw in a recent newspaper:

L'Osservatore Romano, Vatican newspaper, says that conflict between communism and western democracy is not inevitable, and that there is room in the world for more than one way of life.

The same newspaper quoted these words of Pope Pius:

But for those who see things in the light of divine order there is no doubt that even in the gravest antagonisms of human and national interests there is always a place for peaceful accommodations.

The conflict that is going at the present moment is not only between doctrines, but between states, and the source of much of this conflict is eastern Europe. Honourable senators will remember that long before there was any communism in Russia, long before any government was communistic in principle, the Balkan States were called the "cockpit of Europe". For many generations the eyes of the world have been directed to that part of eastern Europe, as men wondered what might happen there. For at least two hundred years, long before there was any communism, Poland has suffered from the lustful activities of its neighbours. From time to time she has been partitioned. We all remember the words of the English poet on the death in battle of one of Poland's leaders:

And Freedom shrieked as Kosciusko fell!

I would ask honourable senators to try to realize what must be the feelings of the people of Poland and surrounding states today after what they suffered during the last war. These countries had a heavy loss of young lives, as we did, but in addition they were subjected to terrible devastation. Some of us have seen it. It is only natural that the suffering caused by the war should have a direct bearing upon the refugee question. The reaction on the part of many of these people who have endured so much is to flee to new conditions.

My feeling is that if the western democracies could make it known that they will support the present northern and western boundaries of Poland, the immediate emotional reaction would be of direct benefit to the world and particularly to the democratic countries themselves. Realizing the differences of opinion that there were at the Special Committee on Refugees and Displaced Persons between myself, as Canadian delegate, and delegates from Poland and other

countries concerning fundamental human rights of these refugees and displaced persons, and realizing also the gracious manner in which Poland, among other countries, accepted our policies and permitted us to reach the situation where the International Refugee Organization was actually brought into being, it is with much pleasure that I take the liberty of suggesting through this honourable body that when the Peace Treaty is under consideration the western powers, especially the United Kingdom and the United States, should make a declaration that they intend to support Poland's new western boundaries.

I thank you, honourable senators, for the courteous way in which you have listened to me.

Hon. Mr. LACASSE: For the sake of the record, I think "Poland" should be changed to "Russia".

Hon. ARTHUR W. ROEBUCK: Perhaps one other word is required at the close of the eloquent and forceful address to which we have just listened. As I drank in the words of the speaker, it struck me that Canada had a very creditable representative on the occasions to which my friend referred.

The one remark which I should like to make is with reference to the standing which Canada has acquired among the nations of the world. The honourable senator attributed that standing, in the first place, to the accomplishments of the Canadian people in the last war, and to the courage and good nature of our Canadian soldiers, which popularized them in all the countries in which they operated. With this sentiment I heartily agree; but I am sure my honourable friend will allow me to add one further point, because I am satisfied that it was in his mind. I do not wish to detract from what he has said, but to add to it.

I should like to refer to the personality of the Prime Minister, and the effect which he has had on the reputation of Canada in the states abroad. I say this, not from a political standpoint, although we belong to the same political party, but because I feel impelled, here among ourselves, to recognize the greatness of our own statesmen. Due, perhaps, to the old aphorism that a prophet is not recognized in his own country, we in Canada have developed the habit of neglecting the tribute which is due to our own statesmen; and it has become the custom to make slighting remarks about those at the head of public affairs, particularly, the Prime Minister. It is light stuff, which does not mean anything; but I do not think I should allow this opportunity to pass of paying a deserved tribute to the

Prime Minister. It is my belief, and I have evidence of it, that when people abroad think of Canada they visualize this nation in the person of our Prime Minister—and they do it in a most kindly spirit. They recognize his long standing as a statesman of Canada; they admire his wisdom, his patience, his skill in both negotiation and debate, and his general good will to all mankind. We have had our Macdonald, our Borden, our Laurier and our King. It would be invidious to compare them; all have contributed to the greatness of Canada; but none has contributed more to the economic, military and political standing of this country, none has gone further in carrying Canada forward in the matter of economic standards, and virtually to independence, than has the present Prime Minister of Canada.

The motion was agreed to.

CANADIAN MARITIME COMMISSION BILL

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of Bill 336, an Act to establish the Canadian Maritime Commission.

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

VETERANS BUSINESS AND PROFESSIONAL LOANS BILL

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of Bill 396, an Act to amend the Veterans Business and Professional Loans Act.

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

ADJOURNMENT

Hon. Mr. ROBERTSON: Honourable senators, I move that when this House adjourns today it stand adjourned until Monday next, at eight o'clock in the evening.

The motion was agreed to.

The Senate adjourned until Monday, July 7, at 8 p.m.

THE SENATE

Monday, July 7, 1947.

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

Prayers and routine proceedings.

DOMINION COAL BOARD BILL
CONCURRENCE BY COMMONS IN SENATE
AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 340, an Act to establish the Dominion Coal Board, and to acquaint the Senate that they have agreed to the amendments made by the Senate to this bill, without any amendment.

PRIVATE BILL

CONCURRENCE IN COMMONS AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill U6, an Act to incorporate the Federation Insurance Company of Canada, and to acquaint the Senate that they have passed the said bill with two amendments, to which they desire the concurrence of the Senate.

When shall these amendments be taken into consideration?

Hon. Mr. GOUIN: Honourable senators, the amendments to this bill are of such a minor character that I would move that they be concurred in now.

The amendments were read by the Clerk, as follows:

Page 3, line 35, after the word "property" insert the words "within Canada".

No. 2. Page 3, line 35, after the word "liabilities" insert the words "within Canada".

The motion was agreed to.

EASTERN ROCKY MOUNTAIN FOREST
CONSERVATION BILL

FIRST READING

A message was received from the House of Commons with Bill 362, an Act respecting the protection and conservation of the forests on the eastern slope of the Rocky Mountains.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

CRIMINAL CODE BILL

FIRST READING

A message was received from the House of Commons with Bill 364, an Act to amend the Criminal Code.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

PRISONS AND REFORMATORIES BILL
FIRST READING

A message was received from the House of Commons with Bill 377, an Act to amend the Pensions and Reformatories Act.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

ARMY BENEVOLENT FUND BILL

FIRST READING

A message was received from the House of Commons with Bill 410, an Act to establish a benevolent fund from army canteen and other service funds.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

CANADIAN COMMERCIAL CORPORATION
BILL

CONCURRENCE IN COMMONS AMENDMENTS

The Senate proceeded to consideration of the amendments made by the House of Commons to Bill C2, an Act to amend the Canadian Commercial Corporation Act.

Hon. Mr. ROBERTSON moved concurrence in the amendments.

He said: Honourable senators, these amendments are very trivial in their nature, arising purely out of some mechanical changes which are consequential upon amendments previously made. I am advised by the Law Clerk that there is no reason why we should not concur in them.

The motion was agreed to.

OLD AGE PENSIONS BILL

SECOND READING

Hon. ARTHUR W. ROEBUCK (for Hon. Mr. Robertson) moved the second reading of Bill 339, an Act to amend the Old Age Pensions Act.

He said: Honourable senators, the leader of the government has kindly honoured me with the request that I move second reading of this bill, and, as far as I can, to give the reasons why the bill should be carried in this house.

No task could be more acceptable to one with my attitude towards his fellow man than that of moving the second reading of a bill for the purpose of extending the benefits of old age pensions in the various provinces of Canada. On the grounds of sympathy and justice, I submit, the care of the aged in our country comes high, if not first in the list of social obligations. A fellow-feeling, honourable senators, makes us wondrous kind. We are all growing older; we grow older from the day we are born. We must all look forward to the time when our earning power has passed and we must seek our means of existence from some source other than our own unaided exertions. That is the course of nature. Old age comes upon us all, if we are fortunate to live long enough, and all of us hope to avoid the tragedy of an age of penury. No prospect could be more dismal. Such a fate is indeed unjust for men and women who have reached the age status of senior citizens, and who by long years of labour and activity have contributed to the wealth of the country at least sufficient to entitle them to live out their allotted span in reasonable comfort. These elder men and women stand first, in my judgment, among those for whom the state should extend its care.

It was sentiments such as these that moved the House of Commons and stirred the emotions of its members when, in 1924, on the motion of the gentleman who is now the Prime Minister of Canada, a special committee was appointed to inquire into an old age pension system for this country. The resolution recommended that the co-operation of the provincial governments be sought, and this, of course, was done. The special committee was appointed on May 1, 1925, and on June 16 of that year it reported recommending the establishment of a system of old age pensions to be carried out in co-operation with the provinces.

In 1926, while the present prime minister was still the prime minister of Canada and there was a Liberal administration in office, the first old age pension bill was introduced. I recall—I do not know that I should say with regret—that this measure produced a prolonged debate and thorough criticism by the Conservative opposition of that time in the lower house; but it was passed there and sent to the Senate, where it was defeated by

a Conservative majority. Honourable senators will recall that there were some exceedingly interesting doings politically in the year 1926. After the general election took place, when the Right Honourable W. L. Mackenzie King again found himself in office, his administration immediately reintroduced the identical old age pension bill which had been defeated in the previous session. After a great deal of discussion and the expression of a good many doubts, the bill passed both houses, and received Royal Assent on March 31, 1927. That act of 1927 is substantially the act which today is on the statute books and amendments to which we are considering this evening.

Hon. Mr. HAIG: Have any substantial changes been made in the act since 1927?

Hon. Mr. ROEBUCK: Oh, yes.

Hon. Mr. HAIG: Would the honourable senator outline them for us?

Hon. Mr. ROEBUCK: I intend to review the history and explain it fairly thoroughly. To trace the act, its history, its amendments, its present content and the changes which are proposed is the task—an acceptable though difficult one—which I am attempting to perform. My honourable friend asks whether there have been changes.

Hon. Mr. HAIG: Substantial changes.

Hon. Mr. ROEBUCK: I shall leave it to my fellow members to judge how substantial the changes may be, if they will permit me to state what they are. The most notable difference between the act as it stands, and the act of 1927, is in the proportions of the cost borne by the dominion government and by the provincial governments. As the act originally stood, the Governor in Council was authorized to enter into an agreement with any province to repay one-half of the net sum paid out by the province for pensions by virtue of a provincial statute in that regard in conformity with the dominion act and the dominion regulations.

The topic of old age pensions is a very live one, and an interesting feature of the act is the conditions of entitlement to pension. They provided that the individual must be:

- (1) a British subject, or a widow who was such before her marriage;
- (2) has attained the age of 70 years;
- (3) has resided in Canada for 20 years immediately preceding;
- (4) has resided in the province in which application is made for the five years immediately preceding;

(5) is not an Indian as defined by the Indian Act;

(6) is not in receipt of an income of as much as \$365 a year,—a dollar a day

Honourable senators will recall that in purchasing power a dollar a day was a larger sum then than it is now. The seventh and last condition was that the individual:

(7) has not made a voluntary assignment or transfer of property for the purpose of qualifying for a pension under the act.

Those were the conditions. The maximum pension allowed was \$240 per year, which the good mathematicians who are so kindly listening to me will realize is \$20 a month. This was subject to reduction by the amount of income received by the pensioner in excess of \$125 per year. I am speaking slowly because it is difficult to follow these complicated arrangements. The pensioner was allowed \$125 per year, and if he received more than that, the excess was deducted from the pension.

If the pensioner lived in his own house and he transferred his interest in it to the pension authority, then the value of his house was not deducted from the amount of the pension, but the pension payments constituted a lien on the house and the pension authority was entitled to recover the amount of these payments out of the estate on the death of the pensioner. There was an exception to that rule in the case of property passing from one pensioner to another. This was not levied upon.

Hon. Mr. LEGER: Does the honourable senator know of any instance where the section has been acted upon?

Hon. Mr. ROEBUCK: Yes. I cannot name any, but by reason of my experience over the years, through a somewhat loose connection with this administration, I am quite sure that it has been acted upon many times.

Hon. Mr. LEGER: Not that I wish it acted upon; but I thought it was a dead letter.

Hon. Mr. LACASSE: I think that was mostly the fact in the case of married people, both being pensioners.

Hon. Mr. ROEBUCK: That was provided for in the act.

Hon. Mr. LACASSE: It applied mostly in those cases.

Hon. Mr. ROEBUCK: I have just said that if any property passed from one pensioner to another, then it was not levied upon. The provision is, in a way, so vicious and could

be applied so cruelly, that I believe the pension authorities have been as kind as it was possible for them to be under the act. In this respect I should not be surprised if they sometimes held a telescope to the blind eye when looking for an opportunity to recover money for the Crown. I give them credit for that.

I have said that there was no levy on property that passed from one pensioner to another. Neither is there a levy when the property passes from someone who has contributed regularly during the last three years of the life of a pensioner an amount which, under all the circumstances—including those of the contributor as well as those of the pensioner—are considered reasonable by the pension authorities. That very wide and indefinite provision in the interests of humanity has at times, I suppose, been stressed to its very limit. The pension authority was authorized to recover from the estates of others than those I have enumerated.

Hon. Mr. MacLENNAN: Not in all the provinces.

Hon. Mr. ROEBUCK: They may not have done it, but under this act they were authorized to do it.

Hon. Mr. MacLENNAN: But they did not do it—not in the province of Nova Scotia.

Hon. Mr. ROEBUCK: Well, I give them credit for that.

Hon. Mr. LEGER: Why do they not eliminate that section?

Hon. Mr. ROEBUCK: I should like to see it eliminated, and as I continue I shall express my views in that regard.

I think I have now pretty well indicated my viewpoint, but I wish to recall to the minds of honourable senators the outstanding features that I have already mentioned:

- (1) That the Act provided for a pension of \$240 per year or \$20 per month;
- (2) That it was payable only to those without income of as much as \$365 or \$1.00 per day, and for those of lesser income was to be reduced proportionately by the amount which the income exceeded \$125 per year. This is the much criticized and condemned "means test", and
- (3) The pension was recoverable out of the estate of the pensioner with the exceptions I have enumerated.

Hon. A. L. BEAUBIEN: Did the federal government get a share of that money which was recovered?

Hon. Mr. ROEBUCK: Yes, in proportion to the amount contributed to the pension. It was reported by the province to the dominion pension authorities and was deducted from the amount which the dominion treasury was required to pay to the province quarterly in accordance with provincial reports of the amount of money paid out.

Of course, it took some time for an act of this kind to get into full operation, and some of the provinces were tardy in taking advantage of the benefits which the act provided for their citizens. Quebec and New Brunswick, and I think Prince Edward Island as well, though I am not sure of this, did not come into the scheme until as late as 1936; but since that time the act has been in full operation in all the provinces and in the Northwest Territories.

During the first year the act cost the dominion government the inconsiderable sum of \$131,000. By 1931-1932 the amount had risen to \$10,000,000 a year; by 1941-1942 it had still further risen to \$28,000,000; and in 1946-47 it was \$42,000,000. The estimated cost for this fiscal year, 1947-48, is \$48,000,000.

Hon. Mr. QUINN: That is, if this measure carries?

Hon. Mr. ROEBUCK: No. If this measure carries, the amount which we shall expend in the year following its commencement will be \$68,000,000.

Hon. Mr. HAIG: Is that the total or just our share?

Hon. Mr. ROEBUCK: That is our share only.

Hon. Mr. CRERAR: The cost will be \$68,000,000 in what year?

Hon. Mr. ROEBUCK: The first year after this measure becomes effective. The amount for the current fiscal year, 1947-48, is estimated at \$48,000,000. It is provided that this measure shall come into effect on proclamation by the Governor in Council, so I suppose we should consider the bill as coming into operation next year, by which time the cost will be, as estimated, \$68,000,000 which is \$20,000,000 more than the estimated cost if the bill is not carried.

Hon. A. L. BEAUBIEN: Have you the total cost?

Hon. Mr. ROEBUCK: The figures I am giving are the totals.

Hon. A. L. BEAUBIEN: I mean, the total cost for the provinces and the dominion.

Hon. Mr. ROEBUCK: I have not got the figures tabulated in that way.

Hon. A. L. BEAUBIEN: I am sorry to have interrupted my friend.

Hon. Mr. ROEBUCK: I do not mind; I like to answer questions as we go. This is not a gun that I am shooting off; we are just having a discussion.

The cost to the provinces last year, according to their reports, was approximately \$15,000,000, in addition to their supplements. I shall be mentioning the provinces later on, and perhaps can give the details a little more fully then.

Hon. Mr. QUINN: They pay the cost of administration, do they not?

Hon. Mr. ROEBUCK: Yes. The \$15,000,000 that I have mentioned is inclusive of administration, but not of supplements.

Hon. Mr. McKEEN: It was reported in another place that the cost to the federal government last year was \$70,000,000, and that this measure would cost an additional \$20,000,000, making a total of \$90,000,000. Is that right?

Hon. Mr. ROEBUCK: No, that is not in accordance with what my study of the figures shows.

Hon. Mr. McKEEN: Those figures were given by the Parliamentary Assistant to the Minister of Finance.

Hon. Mr. ROEBUCK: The Parliamentary Assistant to the Minister of Finance placed on the record in another place a statement in which he forecast the expenditure in coming years. It is fairly generally believed, on very good authority, that the average age of our population is increasing and that the proportion of old people is becoming greater year by year. The statement tabled by the Parliamentary Assistant to the Minister of Finance showed the estimated growth from year to year. I have the statement, but it is not in my hand.

Hon. Mr. McKEEN: The statement I read was that we were already spending \$70,000,000.

Hon. Mr. ROEBUCK: Well, that could not have been right, because the estimated cost for the fiscal year 1947-48 is \$48,000,000.

Hon. Mr. QUINN: That larger figure may be right, if it includes the contribution by the provinces.

Hon. Mr. ROEBUCK: Yes. If you add the expenditure of some \$15,000,000 by the provinces it would make my honourable friend's figure fairly accurate.

I was asked how much this act had cost in the years that have gone by. The total contribution of the dominion government since

the inception of the act up to the 31st of December, 1945, the last date for which figures are given in the *Canada Year Book*, was \$369,489,000. That is for old age pensions alone, not including pensions for the blind.

Hon. A. L. BEAUBIEN: That is our share?

Hon. Mr. ROEBUCK: Yes, for old age pensions alone. To find the total cost up to the end of 1946, I suppose you would only have to add \$42,000,000.

The honourable the leader of the opposition (Hon. Mr. Haig) asked me if the Old Age Pensions Act had been amended from time to time. In 1931 parliament changed the ratio of the cost to be borne by the respective jurisdictions. As I have said, up to that time the net cost had been shared equally between the dominion and the provinces, the provinces paying for the administration in addition; but after the amendment of 1931 the dominion assumed 75 per cent of the cost, leaving the provinces to pay 25 per cent, plus their cost of administration. That amendment was an act of generosity performed while a Conservative government was in office here; and it was in anticipation of my honourable friends becoming boastful about it, that I was at pains to remind them of what took place when the act was introduced in 1926. The assumption by the dominion of 75 per cent of the cost did not help the pensioners, but it certainly did help the provinces, though it cost the dominion treasury a very considerable sum.

In 1937 the act was amended again—this time under Liberal administration—to include persons unable by reason of blindness to perform any work for which eyesight is essential. The pension was conditional on their being British subjects, resident in Canada for twenty years and in the province five years, forty years of age and not in receipt of an allowance for blindness under the War Veterans Allowance Act or a pension under the Old Age Pensions Act. The maximum income permitted to those persons pensioned because of blindness, and without dependents, was \$440 per year, and to those with dependents \$640. Honourable senators will note the considerable increase in income in respect of blindness compared to the amount allowed to those pensioned on account of old age.

As one would expect, there has been a constant urge through the years to increase the amount of pensions, because a considerable number of the pensioners were forced to live on the meagre sum of \$20 per month with no means of supplementation. Even to those who had added income, the authority was sup-

posed to reduce the amount of pension by the equivalent of the revenue they received in excess of \$125 a year.

With the rising cost of living during the war years, the position of the pensioner became absolutely intolerable. In the early days when the act was passed I assume—though I have not been told—that those who drafted it had in mind that \$20 a month was intended merely to supplement what the pensioner might earn; it was to help him along. I do not think it was intended that the pensioner should be condemned to live on the meagre income of \$20 a month, but in a great many cases that was the result. In 1943 an order in council was passed under the War Measures Act increasing the pension from \$240 to \$300 a year.

Hon. Mr. HAIG: Did the provinces pay their quarter of that extra \$5.

Hon. Mr. ROEBUCK: Yes, they did, and of course they have supplemented in addition to that.

In 1944 a further order in council was passed permitting an increase of maximum income, including pensions, from \$365 to \$425. The provinces then reviewed the difficult position of these poor old people, and remedial action was taken by granting supplementary amounts. In passing I should point out that with the supplement the provinces in recent years have been paying just about the same amount per pensioner as they did when the act first came into force and the pension of \$20 a month was shared equally by the dominion and the provinces.

In 1931 the ratio was changed, and the dominion's contribution rose to \$15 while that of the provinces was reduced to \$5 a month. In 1943 when the amounts were increased the dominion's share became \$18.75 and that of the provinces \$6.25.

It is a little difficult to give a full report on all the provinces, because the information comes from various sources. However, the best information I have been able to gain is that Alberta since 1942, and Saskatchewan since April, 1947, have each been paying supplementary amounts of \$5 per month. For some little time prior to April 1947 Saskatchewan was paying \$3 per month, but now that province and Alberta are paying a supplement of \$5 per month over and above their regular contribution. The provincial contribution is \$11.25 per month, the total amount received by old age pensioners in those provinces being \$30 a month.

British Columbia has a most creditable record. In 1942 it gave a supplement of \$5 per month, and on January 1, 1947 it increased

that to \$10. The total amount received by a pensioner in that province today is \$35, the highest in the dominion.

I regret to say that up to date the province from which I come has lagged sadly behind. Ontario, the richest and greatest of the provinces of Canada has contributed varying amounts. It supplemented the pension by 15 per cent of the amount actually paid, with a maximum limitation of \$3 a month. Thus Ontario's contribution, including the regular payment and the supplement, is \$9.25 per month as compared with British Columbia's \$16.25; and Ontario's total pension has been \$28, per month as compared with British Columbia's \$35. I am pleased to note, however, that the Ontario government has recently announced that the pension in that province will be increased. It has been suggested that the amount may be as high as \$40 per month. I most sincerely hope that the provincial government will feel itself in a position to implement that suggestion, and that the old people of the province will be treated accordingly.

Manitoba's record is not too good. Since 1943 it has paid a supplement of \$1.25 per month. I am sure we shall hear from the leader of the opposition (Hon. Mr. Haig) in that regard.

Since 1943 Nova Scotia has paid a supplement to a maximum of \$10 per month, with the limitation that the total income is not to exceed \$425 per year. It is a little difficult to figure out just what \$10 a month has meant to the pensioner in that province.

I know of no supplement at all having been granted by New Brunswick, Quebec or Prince Edward Island. The old people in those provinces have been forced to get along on the amount they receive in the regular way under the Pensions Act itself.

Hon. Mr. HAIG: Can the honourable senator give that information with regard to the other provinces?

Hon. Mr. ROEBUCK: I have covered them all.

Hon. Mr. HAIG: I did not hear you cover Quebec.

Hon. Mr. ROEBUCK: They do not give any supplement at all in Quebec.

Hon. Mr. HAIG: Prince Edward Island?

Hon. Mr. ROEBUCK: No supplement.

Hon. Mr. HAIG: New Brunswick?

Hon. Mr. ROEBUCK: No supplement.

Hon. Mr. HAIG: Thank you.

Hon. Mr. ROEBUCK: I have no information at all as to these provinces giving anything. The defenders of these provinces may be able to say that their old people have been given dental services and benefits of that nature—as I believe is the case in Manitoba—which would not appear in the figures I have been able to obtain. I hope that is the case and that my honourable friend from Winnipeg

Hon. A. L. BEAUBIEN: We have kept the cost of living down in Manitoba.

Hon. Mr. ROEBUCK: The cost of living has been kept down, has it? I wish you could give us the recipe for that.

Hon. Mr. LACASSE: May I interrupt the honourable senator? As I come from the same province as he does I think it only fair to say that old age pensioners in our province are given free medical care.

Hon. Mr. ROEBUCK: In most of the provinces indigent people are given free medical care and hospitalization. Certainly thousands of people in Ontario receive free hospitalization. I do not know of any province that does not provide this service. If special provision has been made for the aged in the province of Manitoba I shall be glad to hear of it.

There is one more point which I should like to cover before I turn to the proposed amendment to this important and humanitarian bill. In its submissions to the Dominion-Provincial Conference of August, 1945, the federal government proposed a system of national old age pensions, and offered to assume the full financial responsibility of \$30 per month to all citizens of Canada, male and female, who attained the age of seventy years. There was to be no means test whatever, the dominion bearing the full cost of the payments and of the administration, amounting, as it was estimated at the time, to \$200,000,000 per year. That was the first suggestion. Perhaps it is worth while to repeat it in outline. The dominion government offered without a means test a pension of \$30 per month to everyone who reached the age of seventy years, and to bear the entire cost of the pension together with the cost of administration.

Hon. Mr. CRERAR: Is there any estimate of what that would amount to?

Hon. Mr. ROEBUCK: \$200 million a year.

Hon. Mr. HORNER: What happened to that proposal?

Hon. Mr. ROEBUCK: Wait a minute. Nothing has happened so far.

Hon. Mr. HORNER: Well, I will tell you.

Hon. Mr. ROEBUCK: I did not quite finish outlining the proposal. In addition to the national pension scheme, the dominion stated it would co-operate with the provinces to the extent of \$30 per person in old age assistance grants for people between the ages of sixty-five and seventy years of age before they had graduated in their entitlement to the national old age pension. It proposed to divide the net cost fifty-fifty between itself and the provinces.

Hon. Mr. HAIG: I am not clear on one point. You said that they proposed to drop the means test. I am not sure that I understand what that means. Does that mean that there would be no investigation of anybody who was seventy years of age, no matter how well off he was? Would he still get the money?

Hon. Mr. ROEBUCK: Yes, just the same as in the case of family allowances and unemployment insurance.

Hon. Mr. ASELTINE: They would force everyone to take it.

Hon. Mr. ROEBUCK: No, they would not force anyone to take it.

Hon. Mr. ASELTINE: Well they do in the case of the baby bonuses.

Hon. Mr. ROEBUCK: Oh, no they do not. What the government have done is this: they have asked you to take it by way of baby bonuses rather than by exemption from income tax.

Hon. Mr. HAIG: No, they do not give you a chance.

Hon. Mr. ASELTINE: If you do not take it as a baby bonus you lose your total exemption.

Hon. Mr. ROEBUCK: You can lose your total exemption if you wish to. If you do not apply for family allowances then you do not get any exemption. Nobody pushes this butter down your throat.

Hon. Mr. HAIG: I do not think that last statement is quite correct. They only allow you \$100 if you have children within the age limit, and whether you take the bonus or not you get the \$100.

Hon. A. L. BEAUBIEN: It is \$108 for a child.

Hon. Mr. ROEBUCK: But you do not have to take that.

Hon. A. L. BEAUBIEN: And if you get \$60 a year from the family allowance, that is deducted from the \$108.

Hon. Mr. HAIG: I shall not discuss it, but you are not correct.

Hon. Mr. ROEBUCK: You are off the trail. I did not come prepared to discuss income tax. The question is whether, when the means test is abolished, the old age pension is paid to everybody irrespective of means. My answer is "Yes." Everybody who applies would be entitled to a pension as of right. You do not have to take it, and I suppose there would be some who would not do so.

Hon. Mr. HAIG: Very few.

Hon. Mr. ROEBUCK: In addition, at the Dominion-Provincial Conference, the dominion government offered to reduce the age limit of the blind for entitlement to pension from forty years of age to twenty-one years of age. In respect of old age assistance grants to persons between sixty-five and seventy years of age, there was to be a means test. That is to say, people who did not need the money would not have it, but those in this earlier age group who were in need could obtain it on the basis of a means test, somewhat more generously conceived than the one under which we have been working.

Hon. Mr. QUINN: Would such persons have to qualify every year, or would it continue once they had qualified?

Hon. Mr. ROEBUCK: It would continue unless there were a change in their circumstances which indicated that they did not need it. Then, of course, they should not take it. That is the case today. If an old age pensioner enjoys a windfall, let us say through the death of a rich uncle, he must give up his pension.

Hon. Mr. HAIG: —and return the pension payments he has received.

Hon. Mr. HORNER: But there is no provision for anyone under seventy?

Hon. Mr. HAIG: No.

Hon. Mr. ROEBUCK: That is so.

I will now answer the question as to what happened to these proposals. Just nothing has happened. They have not been accepted by the provinces. But on the other hand they still stand, and I have not the slightest doubt that they will be accepted in due season.

Hon. Mr. HORNER: May I ask the honourable senator what it is that he thinks will be accepted.

Hon. Mr. ROEBUCK: The dominion government's proposal to pay a national old age pension to those over seventy years of age, and

assistance allowances to those in need of them who are between sixty-five and seventy. I am confident, although I do not assume to be a prophet, that in due season an arrangement will be reached between our provinces and the dominion which will carry into effect what would be, I think, a splendid piece of humanitarian social legislation.

Hon. Mr. LEGER: Of course that statement is incomplete unless you specify what the provinces were required to give in return.

Hon. Mr. ROEBUCK: Oh, well we are not going to get into that argument.

Hon. Mr. LEGER: But the honourable senator has just stated, in effect, that the provinces had a great opportunity to benefit those old people. He did not mention what the provinces had to give in return.

Hon. Mr. ROEBUCK: My friend is much too tender under the collar.

Hon. Mr. LEGER: No.

Hon. Mr. ROEBUCK: I am afraid he is putting on a cap which I did not have in mind, and certainly one which I did not offer him.

Hon. Mr. LEGER: No. But obviously the provinces would not be so foolish as to refuse that offer were not some demand made upon them which they thought was not to their benefit.

Hon. Mr. ROEBUCK: Yes: probably that is the explanation. But my statement stands, that the offer of the dominion is still in existence, and that in the course of time this argument between the dominion and the provinces will be resolved somehow. I have enough faith in the public men of our country to make the assertion that in the course of time this proposal will be on the statute books of the dominion; and I hope that both my friend and I will be in this house to vote with common accord for a measure of that kind.

Hon. Mr. HORNER: I hope so too, but it seems to me that seventy years is an age which very few of us may reach.

Hon. Mr. ROEBUCK: I wish my honourable friend a much better fate than he anticipates for himself. I hope he will live long to grace the Senate chamber with his presence, his good nature and his keenness of mind. I should like to see this proposal accepted because I desire the disappearance of the means test as applied to the older—may I say the very old—members of our society.

Hon. Mr. CRERAR: Every province has a means test today.

Hon. Mr. ROEBUCK: Yes. It must be so. It is imposed upon the provinces by this act. I should be glad to see the age limit reduced to below seventy, and particularly I should welcome the lowering of the required age where there is an actual need for the money. This is the dominion proposition as it is on the boards at the moment. There is no such test in relation to family allowances.

Hon. Mr. MacLENNAN: I gather that the honourable senator disapproves of the means test, and that he would like to see it abolished.

Hon. Mr. ROEBUCK: Yes.

Hon. Mr. MacLENNAN: Well, why? I do not think there is anything wrong with a means test. I could understand the honourable senator's attitude if he wanted to make the means test more elastic, but I do not see the force of an argument which amounts to this, that a man with an income of say ten or fourteen or fifteen thousand dollars a year should get an old age pension. The means test is to ascertain whether a man is in need, and where need exists I would certainly approve the payment of a generous pension. I would also approve of greater elasticity in the operation of the means test; but to do away, with it altogether seems to me rather absurd.

Hon. Mr. ROEBUCK: Of course, in the application of a general rule some regrettable incidents will occur; some cases will arise where the entitlement is not so strong as in others; but if, because of a few exceptions such as the honourable senator has mentioned—millionaires and other rich men to whom this paltry amount of money is to be paid—you are to attempt to differentiate between those who should and those who should not be subject to the means test, you will have a pretty difficult job.

May I now be permitted to resume what I was discussing a few minutes ago.

State pensions for the aged can never be adequate to what most of us regard as necessary to the full enjoyment of leisure on the other side of the hill, in the evening of life. For that reason I strongly favour supplementary government annuities, such as we already have, or, what is very much better, a contributory system of pensions to supplement that which becomes one's possession as of right. By this means we would encourage those who ask that they should be allowed to enjoy the benefits of their frugality by being enabled to pass their declining years in greater comfort. Such a system of annuities or contributory pensions would help the individual to help himself, and at the same

time assist the state by furnishing it with capital to carry on enterprises which may benefit the community in many ways.

When we consider individual social services of the kind now under discussion we must be careful that we see, not just one little section, but the over-all picture of social services. So I say to my fellow-members of the Senate, let us not forget the Unemployment Insurance Act, of 1940, which provides insurance against unemployment to 2,500,000 Canadian workers; the Family Allowances Act, of 1944, which benefits 3,600,000 Canadian children, in 1,600,000 homes; the veterans allowances and benefits—the most comprehensive and generous scheme of veterans assistance in any country in the world, to say nothing of the Old Age Pensions Act, under which benefits are granted this very year to 209,000 aged persons. More than 40 per cent of all citizens who have attained the age of 70 years and over are drawing old age pensions. Pensions are also paid to 7,000 persons whose sight is such that they are unable to engage in work in which sight is essential. Also, in discussing these measures and perhaps growing enthusiastic about them, we must not forget that a large proportion of this year's budget is devoted to social services.

Hon. A. L. BEAUBIEN: Before the honourable senator gets on to that point, may I ask if I rightly understood him that 40 per cent of the people who have reached the age of 70 are drawing a pension?

Hon. Mr. MURDOCK: Please speak loud enough that we can hear the question.

Hon. A. L. BEAUBIEN: I am not sure that I correctly understood my honourable friend, and I am asking him if he said that 40 per cent of the people who have reached the age of 70 are drawing a pension.

Hon. Mr. ROEBUCK: That is right.

Hon. A. L. BEAUBIEN: Do I gather from your remarks that if the means test were not applied, 100 per cent of our aged people, or 60 per cent more than now, would be on pension?

Hon. Mr. ROEBUCK: No, not a full 60 per cent more. I feel that some would not draw the pension. My guess is that the number of pensioners would be roughly twice as many as today.

I was on the point of asking my colleagues not to forget the very large proportion of the national income which we are budgeting this year for social services. The figures are: for unemployment insurance, \$12,500,000; for

family allowances, \$260,000,000; for veterans benefits, \$363,000,000, and for old age pensions, \$48,000,000, or a total of \$683,500,000.

Hon. Mr. LACASSE: I am sorry to interrupt the honourable gentleman, but this is so interesting that I should like to be sure I understand the figures correctly. My honourable friend mentioned an amount of \$12,500,000 for unemployment insurance.

Hon. Mr. ROEBUCK: That is what it is costing us this year.

Hon. Mr. LACASSE: Does that take into account the contributory portion?

Hon. Mr. ROEBUCK: That is what comes out of the dominion treasury. I had the honour to be on the committee which reviewed the Unemployment Insurance Act, and my memory is that we not only contribute to the fund, but that we also pay the cost of administration. The charge on the dominion treasury under that act this year is estimated at \$12,500,000.

Hon. Mr. LEGER: May I interrupt the honourable gentleman on one point? I understand that the Canadian National Railways contribute to the provinces the amount that is paid to the beneficiaries, plus what it costs the provinces to administer the act.

Hon. Mr. ROEBUCK: Is my friend thinking of the Workmen's Compensation acts?

Hon. Mr. LEGER: Yes.

Hon. Mr. ROEBUCK: I was speaking, not of those acts, but of the Unemployment Insurance Act. However, my honourable friend's remarks strike a spark in my mind. At the beginning of this session the honourable leader of the government (Hon. Mr. Robertson) made what I consider to be a very notable speech, in which he made a suggestion that I wish we had been able to follow out more vigorously, as perhaps we should have done had he been with us all the time. He pointed out that the railways, some of the big mining concerns and some of the insurance companies—a number of the largest industrial and financial institutions of our country—have established retirement schemes for their employees, and he suggested that if those concerns have found retirement schemes beneficial and worth the cost, it might be worth while to make similar schemes available to all our workers, so that all would enjoy the security which is now provided only for those employed in preferred positions. I hope that we may at some time, perhaps next session, hold an inquiry along that line and see how much it would cost by way of contribution to

assure all our workers of a happy old age. It would be a wonderful thing if we could work it out.

Hon. Mr. HORNER: I know of no one in this chamber better qualified to answer a question which has bothered me than the honourable gentleman who is explaining this bill. At a time when the government was reluctant to pay those who attained seventy years of age \$50 a month, without any demand from the country, it introduced the baby bonus, which for the most part assists young men in the prime of life and full of ambition. It was said that because the country did not have the money it was impossible to increase the old age pension. Now I should like to hear my honourable friend's explanation as to why we inaugurated a baby bonus while holding out a meagre \$30 a month to those who had reached the mature age of seventy years.

Hon. Mr. ROEBUCK: There are a number of observations I could make in reply to my honourable friend's query. It should not be forgotten that both the family allowance and the increase of the old age pension were granted towards the end of the war. The increase from \$20 to \$25 a month in the old age pension was made in 1943; the family allowance was inaugurated in 1944.

I would ask honourable senators to observe that the maximum pension for both the aged and the blind is increased under this measure from \$25 to \$30 a month, of which the dominion will contribute 75 per cent, or \$22.50, and the province 25 per cent, or \$7.50. After the over-all increase of \$5 per month the dominion's contribution of \$18.75 will be increased by \$3.75 and if the provinces continue to contribute on the present basis this would mean that in British Columbia the pension would be increased from \$35 to \$38.75; in Alberta and Saskatchewan to would go up from \$30 to \$33.75, and so on all down the line.

It was argued in the other house, and it has been stated in letters to the press and in some editorials, that the pension should now be \$50 a month. If one looks at the matter only from the standpoint of the pensioners, one will readily agree that an increase to \$50 a month is highly desirable. May I point out to the advocates of such an increase the way is now open to make representations to the provincial governments, who are now free to increase their grants in accordance with such requests. The maximum income to which the pensioner is entitled under the new amendments is to be fixed by agreement

between the two jurisdictions. Section 9 (1) of the act, setting the maximum pension of \$240, is dropped, and the provinces are now in a position to assist their citizens by contributing as much or more than the dominion is contributing.

I would next ask honourable senators to observe that by these amendments the maximum income, including the pension which the pensioner is permitted to retain, has been increased. In this connection I have in my hand a table showing the increase. It is as follows:

Comparative Table Showing Maximum Incomes Allowable (inclusive of pension) to Pensioners under the Old Age Pensions Act and the Amending Bill

	Income allowed including pension or pensions payable under present act and wartime orders in council per annum	Under new bill per annum
1. Single old age pensioner ..	\$425	\$ 600
2. Married old age pensioner (sighted spouse)	850	1,080
3. Married old age pensioner (blind spouse)	925	1,200
4. Single blind pensioner ...	500	720
5. Single blind pensioner ... (dependent child)	700	920
6. Married blind pensioner .. (sighted spouse)	925	1,200
7. Married blind pensioner .. (blind spouse)	1,000	1,320

These are very substantial payments. The amounts are not so great, of course, as might be approved by persons who throw caution to the winds, as we did in war time; but neither are they such that anyone can laugh them off. It is estimated that these higher pension payments, with the larger amount of other income which is being allowed, will cause an addition to our rolls of 60,000 pensioners. In other words, people with incomes greater than the present maximum for entitlement will be added to our rolls to the number of 60,000; and these additional pensioners, together with the increase in the amount of pension, will enlarge the dominion appropriation by \$20,000,000 a year. That is not a sum which you can laugh off, as some people have been endeavouring to do. It has been scouted, particularly in the other place; but I would point out that it exceeds the entire contributions now made by the provinces. Last year the provinces, apart from supplementary allowances, contributed approximately \$15,000,000 as compared with the dominion contribution of \$45,000,000, which is increased under this bill to \$68,000,000.

Hon. Mr. HORNER: Is that the entire amount, or is it the sum by which the amount is increased this year?

Hon. Mr. ROEBUCK: What I wish to point out is that, aside from supplementary allowances, the total provincial contributions are only \$15,000,000. It is a little hard to get figures as to the supplementary allowances, and I have not got them in my possession. In any event, the dominion this year will be required to pay much more than the provinces are now paying in the regular way.

There are a number of other important changes. Pensions are no longer restricted to British subjects. I think that is a good thing. They will now be extended to many reputable old people who have lived in this country and worked with us for at least twenty years, but who, for this or that reason—and apparently the reasons are numerous and varied—have not taken out naturalization papers. They will now be eligible for these benefits, just as they are entitled to benefits in respect of family allowance and unemployment.

Hon. A. L. BEAUBIEN: How long must they have lived in Canada?

Hon. Mr. ROEBUCK: Twenty years.

Hon. A. L. BEAUBIEN: Even though they are not British subjects.

Hon. Mr. ASELTINE: Has the honourable senator an estimate of the number of people over seventy years of age who have not become naturalized?

Hon. Mr. ROEBUCK: I have no figures on that at all. I suppose anyone's guess is pretty nearly as good as anyone else's.

Hon. Mr. ASELTINE: But there are some of these people.

Hon. Mr. ROEBUCK: There is no doubt about it. Each one of us knows some who are in that category. How many there are in all Canada, I cannot say.

The strict requirement of twenty years' residence has been made a little less drastic, in that absence from Canada during part of the past twenty years is compensated for by twice the period of residence prior to that time. To put it another way, two years of residence prior to the twenty-year period is made equivalent to a year's absence during the twenty-year period. There are people who lived in this country all their lives but who, during this crucial period of twenty years, were out of the country for a time. Even if that absence were as long as ten years, a previous residence of twenty years would make up the deficiency.

Formerly, when a pensioner had lived in more than one province, some bookkeeping difficulties arose. The province in which the application was made and the pension was granted paid the pension, performed the administrative work, and then collected from the other province concerned on the basis of the periods in which the pensioner had lived in the other province. Now, as a matter of bookkeeping and for ease of administration, it has been agreed upon by the provinces, and is so provided in the bill, that the province where the pensioner now lives, and in which his application is granted, will "pay the shot". No province will collect from any other, but it is hoped that "all will come out right in the wash," and a good deal of trouble will be avoided.

Hon. A. L. BEAUBIEN: It will balance itself.

Hon. Mr. ROEBUCK: It will balance itself in course of time.

One point more. I am sure everyone will be pleased to know that the bill provides for payment to blind persons over the age of twenty-one years, instead of over forty. That is a fine piece of work.

There may be some minor features in the bill which I have not in mind at the moment, although I gave it a careful reading, but I have dealt with all the important ones. Of course the bill does not go far enough. It does not sufficiently increase the amount. It does not, as so many hoped it would, abolish the means test. But the minister made it clear, and doubly clear, that this is not the final measure; that it is not the ultimate goal to which we are travelling, but is only a step forward, although, I submit, a very considerable step.

I deferred for a moment saying anything about the means test, because I had a note to remind me of one little incident I should like to relate. I actually know of a case of a worker who pays \$100 per year for a government annuity to be paid for over a considerable number of years before he could possibly become entitled by reason of age. That man said to me recently: "What is the use of my spending money in that way when all that will happen is that the government will deduct what I purchase with my money over these years from the pension to which I would otherwise be entitled." Just meet that if you can. You cannot meet it by instancing a millionaire who might possibly get an old age pension, because such men are very few in number, and they pay out most of their income in income tax. Here is a person who is now young and who proposes to save \$100

a year from his meagre earnings in order to pay for an annuity when he is old. The only reason he continues these payments is that he expects that in due season the situation will be studied and understood by our legislators, and that a change will be made which will give to the frugal man the fruits of his frugality or give to the saver something of what he saves, and thus put him in a more advantageous position than the man who spends his money and in due course becomes an old age pensioner. Surely that situation is compelling. People are going on with their savings, not only for annuities but for houses and various other things, because they expect the common sense of our legislators to observe their predicament and to prevent them from being victimized because of their frugality, forethought and good citizenship.

I hope that in due season we shall get rid of the means test. The only way to do so, as I pointed out, is to abolish it completely, and I am in favour of abolishing it just as soon as we can. We cannot do it under this bill. As I said earlier in my address, I believe that the provinces and the dominion will come together, as statesmen should and work out their difficulties, and that proposals for a national old age pension scheme will finally be adopted. Perhaps it will not be long hence.

Hon. Mr. LEGER: May I ask the honourable senator a question before he takes his seat? Section 9, subsection 1 states:

This act shall not take effect until a proclamation is issued and as and from the date of such proclamation shall be deemed to have come into force on the first day of May, 1947.

Does that mean that the federal government and the provinces will pay the arrears?

Hon. Mr. ROEBUCK: I understand it so.

Hon. Mr. LEGER: And what does subsection (2) of the same section mean?

Hon. Mr. ROEBUCK: Subsection (2) of Section 9 reads as follows:

Notwithstanding anything in this act, the Government of Canada will continue to contribute under this act in respect of pensions paid to persons who, immediately prior to the coming into force of this act, were in receipt of pension under the Old Age Pensions Act and the regulations thereunder for so long as such persons would, but for the coming into force of this act, have been eligible to receive pension under the Old Age Pensions Act and the regulations thereunder in force immediately prior to the coming into force of this act.

That is to say, if by reason of this bill there are changes in the act that would disentitle anyone who is now receiving payments under

the Act, he shall remain entitled, and the dominion will continue its contributions on his account. I do not know what conditions those may be. I think it is an excess of caution.

Hon. A. L. BEAUBIEN: Will the increase be retroactive to May, 1947?

Hon. Mr. ROEBUCK: I so understand.

Hon. Mr. HAIG: Honourable senators, I was going to speak tonight but, as somebody near me has said, it is getting pretty late and some of us are nearer seventy years of age now than we were when this house opened. I shall not delay the honourable members at this time, but I should like to make just one comment with respect to the address of my honourable friend from Toronto-Trinity.

The increase in pension as provided in this bill is from \$25 to \$30 a person. I have wondered what kind of speech the honourable senator would have made if the increase had been from \$25 to \$40? I have also wondered just what criticism the honourable senator would have made if I had been sitting opposite and had introduced a bill such as this, to increase the pension for aged people from \$25 to \$30 a month. I think the rafters of this building would have rung and tears would have been shed at such a negligible increase. What this bill means is that the old people of this country who each month are now getting \$25, will receive the magnificent sum of \$30.

Hon. Mr. MURDOCK: You are getting sarcastic now.

Hon. Mr. HAIG: That is a very large increase. It is all right to talk about veterans' allowances children's allowances, and the like. But the question old people ask is: "Why talk about those things in the same breath that you talk about increasing our pension from \$25 to \$30?" I am prepared to say that the increase in the cost of living since 1927, when the act was first passed, and when aged people were given \$20 a month, is much greater than the increase in the pension. Further, this bill still contains that iniquitous provision whereby the rich provinces can give their aged people much more money than the poorer provinces can give. That is a bad principle for this country. However, I will not take up any more time now. I want to study the matter fully, and I therefore move the adjournment of the debate.

The motion was agreed to, and the debate was adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, July 8, 1947.

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

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

Hon. Mr. HAIG (for Hon. Mr. Aseltine, Chairman of the Committee on Divorce) presented the following bills:

Bill P14, an Act for the relief of Joseph Edmond Gerard Santoire.

Bill Q14, an Act for the relief of Alderic Gemme.

Bill R14, an Act for the relief of Pierre Behocaray.

Bill S14, an Act for the relief of Joseph Rosealphee Oderic Dussault.

Bill T14, an Act for the relief of Dan Alonzi Dwight Wright.

The bills were read the first time.

SECOND READINGS

The Hon. the SPEAKER: When shall these bills be read the second time?

Hon. Mr. HAIG: With leave of the Senate, I move that these bills be read the second time now.

The motion was agreed to, and the bills were read the second time, on division.

THIRD READINGS

Hon. Mr. HAIG: With leave, I move that these bills be now read the third time.

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

AIRPORTS

RETURN TO ORDER

Hon. Mr. ROBERTSON: Honourable senators, I beg to lay on the Table the return to an order of the Senate dated June 17, 1947, moved for by the honourable gentleman from Vancouver-Burrard (Hon. Mr. McGeer), relating to airports.

EASTERN ROCKY MOUNTAIN FOREST CONSERVATION BILL

SECOND READING

Hon. W. A. BUCHANAN moved the second reading of Bill 362, an Act respecting the protection and conservation of the forests on the eastern slope of the Rocky mountains.

He said: Honourable senators, I think I should point out first that this bill incorporates largely an agreement made between the federal government and the government of Alberta in regard to the conservation of water and forest reserves on the eastern slope of the Rocky mountains, but I would not want members of the Senate to go away with the idea that the bill concerns the province of Alberta alone. I would call it a measure of interprovincial importance, because in conserving the waters and forests on the eastern slope of the Rocky mountains we contribute to the maintenance of the waterflow in the main rivers of Alberta, Saskatchewan and Manitoba. I have never counted the number of rivers, large and small, that flow from the Rocky mountains on to the prairies, but I imagine there would be a dozen or so. They all eventually reach the North and South Saskatchewan Rivers, which flow through the province of Saskatchewan, into the Nelson River in Manitoba, and on to Hudson Bay.

What is the eastern slope of the Rocky mountains? It is an area some 350 miles long, extending from the Montana border to the neighbourhood of Jasper Park, in what the people around Edmonton call central Alberta. It has a depth of some thirty miles. In that area there are three major federal parks: Waterton Lakes National Park, in the extreme south; Banff National Park, further north; and Jasper National Park, at the extreme north. In what we will call the park area, or the eastern slope, there are under dominion control 5,861,200 acres.

Prior to 1930, when the natural resources passed to the province of Alberta, all the forests on the eastern slope were under federal control. Since that time those outside the National Parks have been under the control of Alberta. The Crows Nest, Bow River and Clearwater forest reserves, and the southern part of the Brazeau forest reserve constitute an area of almost ten million acres. I am familiar with that area and its conditions, and I know that the part occupied by the dominion has always been well protected, because the officials are competent fire fighters. Great care is taken during the summer and fall seasons to watch for fires and to fight them immediately. In some instances in the southern areas they receive assistance from officials of the United States, and at other times they have the co-operation of the residents inside the park areas.

Since Alberta has assumed control of the forests of the eastern slope of the Rocky Mountains the cost of protection in those areas has been beyond the resources of the

province, particularly in the depression period. I have some figures here, which I will not give in detail, to indicate what has happened since the forest areas passed under the control of the province. They show the fire losses which have occurred from that time until the present, as compared with the losses over the period from 1925 to 1930. I will use those two periods to give an idea of the comparative conditions. This information is confined to the forest reserves, and not to the park areas.

In the period from 1925 to 1930 the reserves, under federal control, the fire loss covered 58,530 acres, on which the merchantable timber was valued at \$20,628. In the period from 1931 to 1936, when the control and protection of these areas was the responsibility of the province of Alberta, the fire loss covered some 235,155 acres—a tremendous increase over the previous five year period—and caused destruction of timber valued at \$1,418,385. The government of Alberta admitted that they had not the resources to combat this condition; consequently they approached the Federal government to find out whether, upon a study of the situation, co-operation of the dominion and the province could be effected to meet this menace and protect these forest areas.

As I have already said, while this measure confirms an agreement with the province of Alberta in regard to the protection of the eastern slopes of the Rocky Mountains, it will mean a great deal to the other western provinces. Irrigation developments have been going on steadily in western Canada, and more are in prospect. Much of this development depends upon the waters which flow from the eastern slopes of the Rocky Mountains; and it is upon the same source that certain areas of Alberta, Saskatchewan and Manitoba depend for their power and water supply. If further loss of the timber on the eastern slopes of the Rockies is permitted, with consequent diminution of the supply of water from that area, it will be a serious matter for the prairie provinces.

During the past year I happened to hear an address by the president of the Canadian Forestry Association, who is well informed concerning the forests of the Dominion as a whole. What he had to say about the eastern slopes of the Rocky mountains is worth quoting in support of the measure which is before us for consideration. This is a statement made by Robson Black, President of the Canadian Forestry Association:

The east slope watershed forest of the Rockies is the most important single strip of forest treasure in the whole dominion. And the reason

is that it governs the flow of virtually every river that waters the western plains. It is a citadel guarding the ramparts of the West's richest possessions—her irrigation, her hydro-electric powers, the water levels of the rancher's wells, and the stability of Saskatchewan and northern Manitoba.

I commend those remarks, as coming from an authoritative source.

Let me briefly summarize the situation which led to conferences between the province and the federal authorities, and the introduction of the present bill, in order to assure the proper protection of this great and important area. Discussions of this problem between the dominion and the province of Alberta began in 1937, and the following basic facts were generally admitted.

It is essential to the well being not only of Alberta but of Saskatchewan and Manitoba, that the forest lands on the east slope of the Rocky Mountains, comprising the drainage basis of the Saskatchewan river and its tributaries, should be adequately protected.

The province of Alberta alone is financially unable to provide the degree of protection required for this valuable area.

I may say in this connection that while considerable timber is to be found on the eastern slopes of the Rocky Mountains, revenue derived from it is of no great consequence. The province itself does not benefit to any material extent.

The dominion government, through the Prairie Farm Rehabilitation Act, which was passed by Parliament in April, 1935, has to date expended several million dollars in regulating water supply for irrigation purposes in the three prairie provinces, and these activities are vital to the support of provincial economies. Since the source of this water supply is chiefly dependent on the maintenance of the east slope forest cover, it follows that the dominion government is vitally interested in the protection of this watershed, as well as the protection of federal financial investments made or contemplated in the operation or extension of the Prairie Farm Rehabilitation Act.

The forest lands of the east slope cannot for some years be expected to produce revenue which will offset to any important degree the expenditures necessary for adequate protection.

Changes of administration and the lack of continuity of policy have in the past resulted in a lowering of protection efficiency and costly outlays in endeavouring to control extensive forest fires which have done tremendous damage. This situation demands a skilled, highly trained, permanent staff for the protection and development of this area on a scientific basis. Substantial forest improvements must be made and maintained.

The east slope area adjoins the Waterton, Banff, and Jasper national parks, which are an integral part of this great watershed. As such, adequate protection of the east slope area is of prime importance to these federal parks. These represent a heavy financial investment and are of the utmost importance to the tourist trade, while the protection of wild life in these areas provides an overflow in the adjoining east slope area.

Those are what I would call the "revelations" following the conferences between the two governments as to the situation that existed in this area.

What is the solution offered in the bill before us? It is a measure of co-operation between the federal government and the provincial government of Alberta.

Under this bill the dominion agrees to make available to the board during the first six years of the agreement a sum not exceeding \$6,300,000 for capital expenditures required for the construction of forest improvements, the preparation of a forest inventory, and for reforestation and other such works and services as the board may consider necessary.

In addition to the foregoing, the bill provides for an overall annual expenditure not exceeding \$300,000, of which the province agrees to pay up to \$125,000, and the dominion up to \$175,000. This expenditure is to provide for the normal administration and operation of the area, including fire-fighting costs up to a sum of \$10,000, to be paid by the dominion. Any additional fire-fighting costs will be borne equally by the dominion and the province. The province is to retain the revenue derived from the area, provided that if it should exceed the amount of the province's contribution, to that extent the provincial expenditure will be increased.

The bill provides that this agreement shall remain in force for a period of not less than 25 years from the date upon which it takes effect, and may be terminated at the end of that period, or any year thereafter, upon either government giving one year's notice in writing of its intention so to do. Otherwise, the agreement will continue in force. That, in as concise a form as I can express it is the meaning of the agreement between the two governments.

The board that is to be set up will have three members, two to be named by the federal government and one by the province. One of the federal members will be chairman.

I do not know that there is much more that I can say to the Senate in support of this important bill. I have pointed out the extent of the eastern slope of the Rockies, the fire losses that have taken place in more recent

years, and the urgency of protection for that area through conservation of the forest and water reserves; I have referred to the proposed solution of the problem through the setting up of this board and its use of money from the federal treasury to assure conservation and reforestation. I have also emphasized the fact that the bill does not concern the province of Alberta alone, that it is of importance to other provinces in western Canada as well.

In closing, may I quote something that I read the other day in a publication that has interested itself in the protection of the eastern slope of the Rocky mountains. It was written by Leonard D. Nesbitt, a former Alberta weekly newspaperman, whom I know very well. I think he gives a good illustration of the condition that might easily exist or perhaps actually does exist to some extent now on the eastern slope of the Rocky mountains. This is what he says:

If you take a large square of linoleum, slope it into the form of a ramp, and then pour a pail of water on the top side, you will see a quick flood, with little moisture left thereon. But if you put a rug over the ramp and follow the same procedure with a pail of water, you will notice the moisture seeping into the texture of the rug and gradually flowing downward. That example will show you what forest growth does to melting snow and ice in the mountains.

In other words, if we lose the timber on the eastern slope of the Rocky mountains, and the spring waters rush along without anything to hold them, we shall have floods and a waste of water later in the season. But if we have forests there to hold back the snow waters from the eastern slope of the Rockies, we shall be assured of a permanent supply of water for the parts of the country that need it badly; parts which in a sense could not exist without it.

I consider this bill to be important to the economy not of western Canada alone, but of the whole country.

Hon. T. A. CRERAR: Honourable senators, this measure is unique in one respect. Of all the legislation which we have been considering since the opening of parliament, this bill is the only one or almost the only one that deals with an important matter of conservation. Most of the legislation that we have had to date concerns the spending of money for unproductive purposes. This measure, I repeat, is unique in the sense that it is an effort to introduce a wise conservation policy in a part of Canada where it is essentially needed.

This matter was up for discussion with the government of Alberta some eight or nine years ago, and probably would have been carried to completion two or three years after that but for the outbreak of the war.

The mover of the motion (Hon. Mr. Buchanan) in a very excellent speech placed before us the need for the measure, and I should like to emphasize the arguments that he put forward. As he indicated, the forest area on the eastern slope of the Rocky mountains extends for a distance of about three hundred miles from the international boundary to a point near the northern confines of Alberta. This forest area is approximately thirty miles wide. If steps are not taken by either the provincial government or the federal government, or both, it will be only a matter of time until the ravages of fire and insects cause this forest belt to disappear.

I recall flying a few years ago over northern Alberta in an exceptionally dry season and witnessing the desolating spectacle of fires raging over an area that was estimated at ten thousand square miles. That was beyond the particular area that we are considering today, but I should like to emphasize what the senator from Lethbridge (Hon. Mr. Buchanan) has said as to the effects that will be produced if this forest cover disappears. The mountain streams come down and converge mainly into the south and north branches of the Saskatchewan river, which come together some twenty-odd miles east of the city of Prince Albert. Several cities and a number of towns get their water supply from the branches of this river. If the forest cover disappears, these streams will in spring become raging torrents, causing soil erosion and all the evils that follow from it; and when the heavy flow of water is over the streams will be reduced to mere trickles. Forest cover conserves the water, causing it to feed more slowly into the stream, with the result that an assured supply is maintained throughout the year.

In some seasons the fire hazards are very high. During the dry years from 1930 to 1935 the losses of a valuable national asset were enormous. For this reason I rise to speak for a few minutes in support of this measure.

We have done very little up to the present time to conserve our national wealth. I sometimes wonder what Germany, Czechoslovakia or other European countries would have done with the enormous resources of Canada. I

have spoken previously in this honourable house of a visit I had from a diplomatic representative of one of the central European countries when I was Minister of Mines and Resources. We looked over the map, and I explained to him where our resources were: our mineral and forest wealth; our agricultural resources not only on the prairies, in old Ontario, Quebec and the eastern provinces, but in the rich agricultural valleys in British Columbia, which have scarcely been touched. When we resumed our seats he thought for a moment or two and said, "Mr. Crerar, you have a very rich country, but if you do not mind my saying so, you are a very wasteful people." I think that indictment is justified. The manner in which we have neglected in the past to conserve our timber resources and to maintain the fertility of our soil has been tragic. So I welcome this measure. I think the government is to be warmly commended for bringing this bill before parliament.

I close on the same note with which I began—that this bill is unique in the sense that it proposes an expenditure of money for the maintenance of a great resource that will be of lasting benefit to future generations.

Hon. Mr. HAIG: Honourable senators, before this motion is agreed to and the next order called, may I inquire why the order for the continuation of the debate on the Old Age Pensions bill is at the bottom of the order paper? According to my understanding of the rules, it should be at the top. I am prepared to go on with the debate, and I do not like being sidetracked without an explanation.

Hon. Mr. ROBERTSON: Honourable senators, the honourable leader opposite is quite correct in his stand, and I must take some responsibility for the arrangement of the order paper. I was particularly anxious to allow the honourable senator from Lethbridge (Hon. Mr. Buchanan) to speak to his motion, as he is leaving tonight for the West. It seemed that the three intervening orders would be short, and as I anticipated a rather extended debate on the Old Age Pensions bill, the order for the resumption of that debate was placed at the end of the order paper. My honourable friend is justified in his protest. I should have spoken to him about the change. If honourable gentlemen who wish to speak to orders 2, 3 and 4 are agreeable I am quite content to have order No. 5 called now.

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

CIVIL SERVICE SUPERANNUATION BILL

FIRST READING

A message was received from the House of Commons with Bill No. 415, an Act to amend the Civil Service Superannuation Act.

The bill was read the first time.

DIPLOMATIC SERVICE (SPECIAL) SUPERANNUATION BILL

FIRST READING

A message was received from the House of Commons with Bill 412, an Act to provide superannuation benefits for senior appointees of the department of External Affairs serving outside Canada.

The bill was read the first time.

OLD AGE PENSIONS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Roebuck for the second reading of Bill 339, an act to amend the Old Age Pensions Act.

Hon. JOHN T. HAIG: Honourable senators, before speaking directly to the bill I should like to clear up a point arising out of the discussion yesterday. The honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) in his explanation of the bill referred to veterans' allowances and family allowances. The honourable gentleman from St. Jean Baptiste (Hon. A. L. Beaubien) interrupted to say that the amount of the yearly income tax allowance per child was not \$100 but \$108, and that the \$60 received by way of family allowance was deductible from this amount. My honourable friend was wrong in his assertion. If he doubts me, I will read the statute.

Hon. A. L. BEAUBIEN: I accept my honourable friend's word. He knows more about income tax than I do. I was under the impression it was \$108.

Hon. Mr. HAIG: It was changed last year. I wanted to clear up that point so the record would be straight.

First, may I congratulate the Minister of Public Health and Welfare on the bill that he has brought in. I realize the difficulties he labours under and I appreciate the advances that have been made with respect to pensions for the aged and the blind.

I was delighted with the address made by the member for Toronto-Trinity (Hon. Mr. Roebuck). He has been in public life perhaps longer than I have been—I have been in public life for thirty-three years—but when a

speaker is introducing a bill I do not think it proper for him to discuss a lot of other things which have nothing to do with the measure he is introducing. Last night the honourable senator dealt at considerable length with family allowances, soldiers' relief and other social services. That procedure may be all right, but I do not think it helps to enlighten those listening to the debate; in fact, I think it detracts from the presentation of the subject.

It seems to me a terrible thing to say that this country is paying out 260 million dollars for family allowances and that all it can afford to provide for old people is 70 or 80 million dollars. I think there is something radically wrong with our thinking when we present that kind of argument.

The Old Age Pension bill reminds me of a dinner at which the first course is fine, and you wait for the main course, which is usually meat, only to find that there is no meat. Up to the first of May this year old age pensioners will receive \$25 a month, and if this bill passes they will get \$30 a month—an increase of \$60 a year. Nobody can tell me that such a set-up is not out of line. I can understand why the Premier of Ontario has just announced that his province will contribute \$10, making the total pension \$40 a month, and that British Columbia has announced that it will increase the pension to approximately \$38. The truth is that the bill should have fixed the pension for the aged at \$40 a month, and the dominion should have assumed 90 per cent of that amount. I would have said that it should pay 100 per cent but for the fact that the provinces have to administer the law—they can do it better than the dominion—and therefore should have some interest in proper administration.

My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) said a Liberal government in 1927 introduced a bill providing for pensions of \$20 per month; of which the federal treasury paid 50 per cent, and that in 1931 a Conservative administration increased the contribution to 75 per cent. If one looks at today's cost of living, one can readily see that it is double that of twenty years ago. The scale of the rising cost of living at the present time is readily shown to be double what it was twenty years ago.

In Winnipeg, or in any other town or city that I know, the old people have had a terrible struggle to exist on \$25 a month. My honourable friend has said that the additional contribution made by my province amounts to only \$1.25 per capita. Well, I am not responsible for what Manitoba does. Our government is

of the kind known as a coalition, and I have never been able to say whether coalitions are going or coming. Our provincial treasurer is a very able man, an expert at figures, but, believe me, he is 'tight'. Not a nickel gets away from him; if it does, he chases it down the street with a cycle squad to catch up with it before it goes out of sight; so I am not astonished that the government's contribution is only \$1.25 as contrasted with the \$5 paid in Alberta and Saskatchewan. This is not a criticism but a statement of fact, and I should like it to be clearly understood that I am not responsible for the fact that Manitoba has not done so well in this respect as either of the other prairie provinces.

The fundamental point is, that if the dominion government believes in the policy it has expounded concerning dominion-provincial relations, it should be ready to carry the burden of this expenditure. I have said that it should be willing to pay 90 per cent; I would have said 100 per cent, but for the cost of administration. If \$40 per month is the proper pension for the elderly people of Ontario, it should be the proper pension for aged persons elsewhere in Canada. I do not think that can be contradicted. I am persuaded that old people can live more cheaply in Ontario than in Manitoba, because the long period of cold weather on the prairies necessitates heavier clothing, warmer houses, and better living accommodation. I think the government were on the right track when, in August of 1945, they offered to defray the cost of old age pensions at 70. That undertaking should have been implemented in this bill. The arguments presented in the other place do not answer this contention. We are told that two provinces have refused to enter into an agreement. But what has that to do with the case? The dominion government collect the money in every province, and the principle should apply, it seems to me, without exception.

Now, as to the pensioner's total income. Formerly it was restricted to \$365 per annum, consisting of \$240 from the old age pension, and earnings up to \$125. Later, as was stated by the honourable gentleman who explained the bill, a further concession was made—and I may say that in my province it operated very fairly. If the pensioner owned the house he lived in, the deduction on that account was 5 per cent of the assessed value.

The last increase approved under order in council fixed the allowable income at \$480, and by this bill it is increased to \$600. I think it should be a little higher. A further increase would not take money out of any-

body's pocket; the statutory payment would remain at \$30 a month. In my opinion the maximum income should be at least \$720; and if the responsibility were mine, I would make it \$960. In saying that I am not bidding for support, but because an increase of allowable earned income is quite an important matter. In a great many places, especially in the cities, elderly people can do little jobs which are very useful to their fellow-citizens. They should be permitted to earn at least \$420 to add to their old age pension of \$360; and personally, I believe that an additional \$180 would not be too much, as a supplement to their pension.

I intend to vote for the bill, although, as I have stated, I think the dominion government should have provided for a larger pension and paid a bigger percentage of it.

Further, I suggest that the time is ripe to start a scheme of contributory old age pensions. It would probably take forty years to make it self-sustaining; meanwhile the dominion and the province would each contribute a certain amount. Perhaps I may cite an example from my own city. I am continually accused of talking about Winnipeg, but it is the only city I know well. A system of pensions for teachers was begun in Winnipeg in 1905, a specified sum being deducted each year for that purpose. The city grew and the staff increased year by year. When the fund was organized there were only 200 teachers; within fifteen years the number had risen to 1,000. About five years ago the fund was placed upon a basis whereby each teacher was required to pay a definite amount and was guaranteed a certain pension after so many years of teaching. It will require about thirty years to make the fund self-supporting, but each year the city's contribution will diminish. I contend that a similar system should be set up here, and further, that each person's contribution should be deductible in respect of income tax. I have two reasons for supporting this plan. The first is that the cost to the general taxpayer will decrease and ultimately disappear, and that those benefiting directly will pay part of the cost. But what is even more important, the old people who receive this pension will be entitled to it as of right. For, no matter what terms may be used to disguise the fact, or in what kindly words the honourable member for Toronto-Trinity may refer to it, a pension on the present basis is charity. Make no mistake about that. If you give people something for nothing, that something is charity. But a contributory system would put those who benefited from it in exactly the same position as employees

of railroads, of the big stores and other corporations who pay so much a month, and who at the end of an agreed period are entitled to receive a pension upon a basis which makes it possible for them to preserve their self-respect. We should adopt the contributory system without any loss of time, because the sooner it is begun the better for all concerned.

That is about all I wish to say with regard to the bill. I believe the Minister of Health and Public Welfare is just as anxious as I am to put old age pensions on a proper basis. He has gone a long way, but I do not think he has gone far enough.

As I have said before, there are three main points. The first is that the basic pension is not large enough. My proof of that lies in the fact that there are at least two provinces which could immediately finance practically \$40 per month. The second is that the dominion government should pay a larger proportion. The third point is that a contributory scheme should be started at once to put old age pensions on a proper basis.

The Hon. the SPEAKER: Honourable senators, is it your pleasure to give second reading to Bill 339, an Act to amend the Old Age Pensions Act?

Hon. ARTHUR W. ROEBUCK: Honourable senators, I believe I have the right to close the debate.

I have one or two observations to make in reply to the honourable senator from Winnipeg (Hon. Mr. Haig). In a very kindly way he criticized the references I made to other acts of parliament in the course of my speech in support of the second reading of this bill. The honourable senator suggested that he did not think these references helped in the presentation of the bill. I do not agree with that. It seems to me that any references to allied subjects are enlightening and serve some useful purpose; certainly they are within the rules. It seems to me that the honourable gentleman was the one who led me down the blind alley of income tax and unless I am mistaken, nearly all of the discussion on allied measures was raised by questions put to me by honourable members. The most irrelevant matter was raised by the honourable senator himself. He stated that the amount of income permitted should be raised to \$960 per year.

Hon. Mr. HAIG: I said it should be \$720, and that I should like to see it raised to \$960. I did not go beyond the figure of \$720 as a real proposition.

Hon. Mr. ROEBUCK: Do I understand from that remark that the honourable gentleman makes some distinction between his official opinion and his personal opinion?

Hon. Mr. HAIG: Oh, yes, quite clearly. I do not propose to carry the party with me that far.

Hon. Mr. ROEBUCK: The party would not go to \$960.

Hon. Mr. HAIG: Not as yet.

Hon. Mr. ROEBUCK: I like those words "as yet", because they show that even the Conservative party is subject to growth. However, whichever figure is accepted, the \$720 or the \$960, I take issue with the statement that an increase in the amount of income allowed would not add to the cost of the pension because such an increase would establish a further set of pensioners. Every person whose income ranges between the present amount of \$600 and that of \$720—the amount mentioned by my honourable friend—would be added to our rolls. The increase which we now find in the act has itself added an estimated 60,000 people. So let the honourable senator not fool himself.

Hon. Mr. HAIG: No, it would not add that. You would only take the \$120 extra off the \$360. I say \$720; that is \$120 more.

Hon. Mr. ROEBUCK: The difference would be that all people over seventy years of age who had incomes between \$600 and \$720 per year would be added to our rolls as pensioners.

Hon. Mr. HAIG: No. All that would happen is this: instead of my earnings being restricted to \$600, I would be permitted to earn another \$120. But if you do not put it in you take it off the \$360. I can still earn the \$720 and come under your act.

Hon. Mr. ROEBUCK: I think there is some confusion here. It is hardly worth while to pursue it further in discussion.

Hon. Mr. LEGER: There would be the benefit of increased production.

Hon. Mr. ROEBUCK: Perhaps, and there would be other benefits as well. A larger number of people would be drawing old age pensions, and that in some respects is highly desirable. I will go with my honourable friend (Hon. Mr. Haig) further than his \$720; I will go with him to his \$960, both officially and personally; but do not let us fool ourselves into believing that these things do not cost money.

There is one more point which I should like to make. Not only are these amounts not large enough, to satisfy me, but they are not large enough to satisfy anyone who looks at the subject only from the standpoint of the pensioner. The pensioner himself wants the most money that he can get, and of course we all want him to have the largest sum that it is possible for us to pay him. But we must not forget that the rate of pension under this measure today is the most generous in the world, except for four states of the American union which I cannot enumerate at the moment because I have misplaced the note which I had on this point. The pensions given by Australia, New Zealand and Great Britain are not as generous as the one provided for in the bill now before this house. Further, no other jurisdiction in the world which pays this type of pension is as generous in the matter of means test as Canada.

I grant you that that is not a conclusive argument—of course not, for there is no reason why we should not be far out in front—but it is a circumstance that any government must bear in mind; and certainly it may be used as an argument when a government is criticized for being behind the times. The criticism of this bill is that we are not making progress as fast as we can. Surely, when I say that, except for the states of the American union to which I have referred, Canada has made greater progress than any other country in the world in the matter of old age pensions, there is some merit to the argument.

I do not think that we in this house are very far apart; all of us would like to see pensions increased, but I have a somewhat hazy recollection of the honourable senator from Winnipeg arguing most eloquently and with great force that our tax bills should be cut down. With that sentiment I agree. But, gentlemen, you cannot decrease the revenues of the government and at the same time increase its expenditures. So we in this house and those in the other place must balance desirabilities; we must weigh the desirability of reducing the cost against the desirability—to my mind the more compelling desirability—of discharging our obligations towards our aged, our indigent, our blind and other helpless people. It is a matter of good judgment.

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

THIRD READING

Hon. Mr. ROBERTSON: With leave of the Senate, I move the third reading of the bill now.

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

CRIMINAL CODE BILL

SECOND READING

Hon. SALTER A. HAYDEN (for Hon. Mr. Robertson) moved the second reading of Bill 364, an Act to amend the Criminal Code.

He said: Honourable senators, this bill contains thirty-four sections, dealing with a variety of subjects. It is not my intention at this stage to go into any explanation of each of the thirty-four sections, because I consider the bill should go to committee; and in any event it will be necessary to make a number of amendments, not affecting the substance of the measure but to improve the form. So what I have to say will relate to only two or three points which may be regarded as of major importance.

Two of the proposed amendments arise out of recent occurrences and decisions in connection with them by the courts in Ontario. In one case a person had been charged and convicted of armed robbery, and it was established that he had used as a weapon a piece of wood shaped in the form of a pistol or revolver. The Court of Appeal of Ontario held that on the present wording of the appropriate section of the Criminal Code a person could not be convicted in such circumstances. Section 446 now reads:

Every one is guilty of an indictable offence and liable to imprisonment for life and to be whipped who

(c) being armed with an offensive weapon or instrument robs, or assaults with intent to rob, any person.

Section 15 of the bill repeals that paragraph (c) and substitutes these words:

(c) being armed with an offensive weapon or instrument or imitation thereof robs, or assaults with intent to rob, any person.

That amendment would make it possible to convict of an indictable offence under section 446 of the Code not only a person who has used what is ordinarily understood to be a weapon, but a person who has used any imitation of a weapon.

Another amendment which I wish to mention arises out of a very unfortunate case that occurred in Toronto some time ago. A shopkeeper was killed by a number of young men who attempted to rob his place, and who ultimately were found guilty of manslaughter, a verdict which is tenable under the present law. Section 260 of the Code, which is set out opposite section 7 of the bill, says, among other things:

... culpable homicide is also murder, whether the offender means or not death to ensue, or knows or not that death is likely to ensue,

(a) if he means to inflict grievous bodily injury for the purpose of facilitating the commission of any of the offences in this section men-

tioned, or the flight of the offender upon the commission or attempted commission thereof, and death ensues from such injury.

Section 260 contains two other paragraphs, which I need not read, and now it is proposed to add a fourth paragraph, as follows:

(d) if he uses any weapon for the purpose of facilitating the commission of any of the offences in this section mentioned, or the flight of the offender upon the commission or attempted commission thereof, and death ensues as a consequence of such use.

The effect of that amendment is this. If death ensues from the use of any weapon by a person for the purpose of facilitating the commission of any of the offences mentioned in this section or of facilitating his flight after committing or attempting to commit any such offence, that person can be charged with murder. It will be immaterial whether or not he intended to inflict injury.

So far as I personally am concerned I would strongly support any change in our criminal law which might have the effect of curbing the reckless disregard of life that seems to imbue those who carry weapons when they embark on unlawful enterprises. I think that the severest penalties of the law should be imposed upon any person who was even in possession of a weapon at the time of committing or attempting to commit an offence. All too often romance or glamour seems to attach to such a person if he kills someone else. There is a good deal of public hysteria in many of these cases. But I am always driven to think of the innocent victim, who did not invite the attack which was suddenly made upon him and who had no opportunity of measuring its force. If there is any sympathy to be extended, I would rather that it go to the innocent victim than to the person who in reckless disregard of law and order armed himself for the purpose of enforcing his will arbitrarily.

Another important feature of the bill is the addition to the Code of the new Part X (A), dealing with habitual criminals.

Hon. Mr. DAVID: Would the honourable gentleman allow a question? Would "weapon" cover a substance used by a robber to blind his victim before escaping?

Hon. Mr. HAYDEN: It is difficult for me to give an interpretation, and I expect that ultimately it will be a matter for the courts to decide. There is a definition of "weapon", but the broad use of the word in the proposed amendment has to do with a situation where a person uses any weapon for the purpose of facilitating the commission of an offence. The throwing of acid or powder into the eyes of a victim might impede the arrest of the person

committing an offence. This particular section of the bill is confined to dealing with the situation where death is the result of the criminal carrying out his plan of escape, or where, in the commission of an offence, he perpetrates the further crime of killing or bringing about the death of the person he has attacked.

Section 18 of the bill provides for a new Part X (A) dealing with habitual criminals. The purpose of this section is to provide for preventive detention of habitual criminals for an indeterminate period. A person, in order to be a habitual criminal, must come within the following formula:—he must have been convicted at least four times of indictable offences, three of which must have been of such a nature that he was liable on conviction to imprisonment for at least five years; those offences must have taken place after he attained the age of eighteen years, and in addition there must be evidence that he is persistently of a criminal character or nature. There is a provision under which, after three convictions an accused person may, on his fourth indictment, be charged not only with the offence named in the indictment but with being a habitual criminal. If he is convicted on the substantive charge in the indictment, and that is the only part on which he is arraigned in the first instance, the judge or jury, as the case may be, may proceed on the question of whether or not he is a habitual criminal. If a finding of guilty is recorded he may be sentenced for an indeterminate period to preventive detention. The law, under this proposed measure, requires that persons convicted of being habitual criminals be imprisoned in a separate and distinct portion of the reformatory or penitentiary to which they are sent.

Hon. Mr. LEGER: I believe the honourable gentleman has omitted to mention subsection 4 which requires the consent of the Attorney General.

Hon. Mr. HAYDEN: I am coming to that point now. I embarked on the procedure in a case of a habitual criminal and wanted to follow it through. The Minister of Justice must review every three years the conditions, and I suppose the reputation and attitude of a person convicted under this charge. Before a charge of being a habitual criminal can be proceeded with two things must happen: first, the Attorney General of the province must give consent, and secondly, notice must be given to the person charged within at least seven days before the charge is to be proceeded with. That notice must specify the previous convictions and also the grounds

upon which the Crown seeks to rely in establishing that the person in question is persistently of a criminal character.

There are other amendments in the bill, some involving the repeal of certain sections. When one reviews them he wonders why parliament has not got around to repealing them sooner, because it is quite obvious that the particular sections and subsections have no further purpose.

There are certain amendments dealing with the increase of fees. I hasten to add that these fees have to do only with summary conviction sections and relate only to fees payable to justices of the peace, constables, witnesses and interpreters.

Hon. Mr. ROEBUCK: Lawyers are left out.

Hon. Mr. HAYDEN: No tariff is provided in relation to lawyers. This new tariff is provided because the old scale of fees has become obsolete.

I do not think I should add anything further on the bill, except to mention the section dealing with the operation of motor vehicles and offences arising therefrom and to say that there will be ample opportunity to review that in committee. When the bill is given second reading I propose to move that it be referred to the appropriate committee.

Hon. Mr. ROEBUCK: Is there a distinction made between the man carrying a toy pistol in the commission of an offence and one carrying a real pistol?

Hon. Mr. HAYDEN: That would have to do only with the matter of punishment. The judge is given discretionary powers as to the sentence he may impose. The offence is armed robbery whether the person charged is carrying a loaded revolver or an imitation of a loaded revolver, and a conviction if made would be for armed robbery. As to the penalty to be imposed, that would be at the discretion of the judge, and he would take certain elements into consideration when imposing a sentence.

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

REFERRED TO COMMITTEE

Hon. Mr. HAYDEN moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

PRISONS AND REFORMATORIES BILL SECOND READING

Hon. DONALD MacLENNAN moved second reading of Bill 377, an act to amend the Prisons and Reformatories Act.

He said: Honourable senators, at the last session of the provincial legislature of Nova Scotia an act was passed permitting the operation of a school for delinquent boys. This has made necessary an amendment to section 92 of the Prisons and Reformatories Act.

Section 92 (b) states:

(b) "reformatory institution" means and includes one of the following:

- (i) The Maritime Home for Girls, at Truro.
- (ii) The Good Shepherd Industrial Refuge, at Halifax.
- (iii) The Halifax Industrial School, at Halifax.
- (iv) St. Patrick's Home, at Halifax.

It is now proposed to add to this list the following subparagraph:—

- (v) The Nova Scotia School for Boys.

Under another amendment of the act, the Attorney General of Nova Scotia can transfer boys from one school to another, as he deems expedient. Under the act, Protestant boys who were convicted were sentenced to the Halifax Industrial School and Protestant girls were sentenced to the Home for Girls at Truro; Catholic boys were sentenced to St. Patrick's home, and Catholic girls to the Home of the Good Shepherd. In so far as the females are concerned that arrangement will still obtain irrespective of these amendments; but now an authority convicting a boy, who is a Catholic can send him either to St. Patrick's school or to the new school. The Industrial School was a denominational school, but this new school is to be non-denominational. Protestant boys, of course, will be sent to the new school.

I think I have dealt with all the amendments of the Prison and Reformatories Act that are included in the bill. The new school is not yet ready, but upon its completion, which I am informed will be next fall, the Protestant Industrial School will cease to exist.

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

REFERRED TO COMMITTEE

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. ROBERTSON: Now.

Hon. Mr. LEGER: I would suggest that this bill be sent to the committee on Banking and Commerce. In some respects, I think, the wording might be improved.

Hon. Mr. ROBERTSON: Then I move that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

ARMY BENEVOLENT FUND BILL

SECOND READING

Hon. A. L. BEAUBIEN (for Hon. Mr. Robertson) moved the second reading of Bill 410, an Act to establish a benevolent fund for army canteens and other service clubs.

He said: During the last war certain sums of money were accumulated through the canteen funds of the army and the auxiliary services. This bill is to create a board to administer that fund, which today stands at over \$8,000,000, and will amount to around \$9,000,000 when the moneys receivable from the auxiliary services are paid.

As I have stated, the bill creates a board to administer this fund, and all moneys and securities thereunder will be transferred to the Receiver General to ensure a proper check on the outgoings.

The bill provides:

(1) There shall be constituted a Board to be called "The Army Benevolent Fund Board" consisting of five members appointed by the Governor in Council of whom one shall have been nominated by the Canadian Legion of the British Empire Service League and one by the National Council of Veterans Associations in Canada. No member of the board shall hold or occupy a position in the public service of Canada.

(2) The members of the board shall be appointed for a term of four years: Provided that of the members first appointed one shall be appointed for a term of six years, two for a term of four years each and two for a term of two years each.

(3) A member is, upon the expiration of his term of office, eligible for re-appointment.

The members of the board will act without any salaries, except that the board may fix an amount for days while in attendance at meetings of the board.

Provincial committees will be appointed to act in the different provinces, and the board will have the right to fix an amount for travelling thereto and returning to the place of residence, and actual travelling expenses.

Section 8 provides:

(1) The Board shall appoint a veteran as secretary to the board at an annual salary not exceeding six thousand five hundred dollars and may appoint such other officers, clerks and employees as may be required on such terms and conditions as it deems expedient. . . .

(2) The Board may incur such expenses as it considers necessary for carrying out this Act: and expenses, including salaries, shall be paid out of the fund.

The fund will be controlled, and interest at two and a half per cent per annum will be paid on any money that is in the treasury. This money was accumulated by the canteens of armed forces during the war, and the dependents of the war veterans are entitled to receive that money as the board sees fit to award it.

I do not think there is anything else to add. The bill has all the protecting clauses that I think are necessary to ensure that this fund is well administered. The board will be an entirely independent body and their recommendations will be independent.

Hon. G. V. WHITE: Honourable senators, I should like to say a word or two in connection with one of the auxiliary services which is making a large contribution to this fund. I refer to the Canadian Legion War Services, an organization with which I was first associated at the outbreak of the war. That organization came into being in October, 1939, when a number of legion men including myself were summoned to Ottawa by General Foster who, at that time, was Dominion President of the Canadian Legion. The purpose of the meeting was to organize the Canadian Legion War Services as an auxiliary to perform certain services for the troops during the war. The Dominion Command of the legion guaranteed our organization an amount of \$25,000 to enable us to start our work. It was not long, however, until the amount which had been guaranteed was expended, and we were compelled to approach the Canadian Red Cross Society for an advance of sufficient money to enable us to carry on until our first campaign, which took place in the spring of 1940. At that time we appealed to the public for funds to enable us to carry on our work. The Red Cross very generously came to our assistance and furnished us with the amount which we had requested—\$10,000 a month for four months. When the proceeds of our campaign came in we approached the Red Cross to repay the amount loaned, but they kindly said that it had been a gift and that they did not expect it to be returned. However, we insisted upon making repayment.

In the following year, 1941, the Legion War Services, together with the three other auxiliary services—the Knights of Columbus, the Y.M.C.A., and the Salvation Army—entered into an arrangement whereby they made a joint appeal for funds, rather than separate appeals, to carry on their several auxiliary services. As was usual on occasions of that kind, the public very generously came to our assistance, and we were able to create quite a fund which enabled us to carry on during the following year. In 1942, I think it was, the government decided to take the financing of the auxiliary services rather than have the different organizations making separate appeals to the public, and from that time on the services were financed by the government.

A few figures may be interesting. I hold in my hand the final report of the Legion War Services submitted just a few weeks ago by our general manager. It shows what the organization accomplished. I am not familiar with the contributions made by the other services, but I know what was accomplished by the Legion.

In Canada we turned over to the government \$581,581.57 from our Canadian canteen profits. After deducting losses in some canteens from the total profits earned, it was found that the net canteen profits up to June 30, 1946, when canteen operations ceased, were as follows:

Paid to units served 5 per cent dividend of sales	\$355,386.13
Paid to Receiver General of Canada in trust	239,861.04
Total	\$595,247.17
Less losses borne by C.L.W.S. prior to 1942	13,665.60
	<u>\$581,581.57</u>

Profits arising out of sales in canteens and gift shops overseas were frozen during the course of the war by order of the Department of National Defence. On the termination of our activities overseas, it was disclosed that the profits amounted to £133,350.12.6, and were dealt with as follows:

Remitted to C.L.W.S. Canada in October, 1946	(£86,697.14.3 at \$4.02)	\$348,524.80
Remitted to C.L.W.S. Canada in December, 1946	(£18,563.0.6 at \$4.02)	74,623.36
		<u>\$423,148.16</u>

Paid to Receiver General of Canada overseas, to offset capital expenditure, made from government grants incidental to the setting up of canteens and recreation centres—in March, 1946	(£28,089.0.0 at \$4.45)	\$125,000.00
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Total canteen profits overseas ... \$548,148.16

The grand total of canteen profits from our Legion War Services in Canada and overseas amounts to \$1,129,729.73. Then from the disposal of assets we received \$732,410.98, plus accrued bank interest of \$471.71. This makes a grand total from canteen profits and disposal of assets of \$1,862,612.42. This has been turned over to the government.

I have given the record of only one of the auxiliary service organizations. Other service organizations made a comparable turn-over to the government.

On this occasion I should like to pay special tribute to Lieutenant-Colonel the Honourable Wilfrid Bovey for the splendid work he did as Chairman of the Canadian Legion Educational Services, an organization which enabled the troops to advance their education while overseas. Colonel Bovey is now a member of the Legislative Council of Quebec.

I thought it might be of some interest to place on record what was accomplished by the Canadian Legion War Services, one of the auxiliary war services with which I was particularly familiar. As I mentioned, other organizations have made a comparable contribution to the canteen funds.

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

REFERRED TO COMMITTEE

Hon. Mr. ROBERTSON moved that the bill be referred to the Standing Committee on Banking and Commerce.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 9, 1947.

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

Prayers and routine proceedings.

CIVIL SERVICE BILL

FIRST READING

A message was received from the House of Commons with Bill 413, an Act to amend the Civil Service Act.

The bill was read the first time.

NATIONAL PARKS BILL

CONCURRENCE IN COMMONS AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill M9, an Act respecting certain national parks and to amend the National Parks Act, and to acquaint the Senate that they have passed the said bill with the following amendments, to which they desire the concurrence of the Senate:

Page 2, line 26: Insert the following paragraph between paragraphs (o) and (q):

"(p) levying taxes upon the residents of a Park in order to defray the cost of health and welfare services supplied to such residents by a province pursuant to an agreement made under paragraph (o) of this subsection or supplied to such residents by the Government of Canada;"

When shall the amendments be taken into consideration?

Hon. Mr. ROBERTSON: With leave of the Senate, I move that the amendments be concurred in now.

The motion was agreed to.

DIVORCE STATISTICS, 1947
FINAL REPORT OF COMMITTEE

Before the Orders of the Day:

Hon. W. M. ASELTINE: Honourable senators, the Standing Committee on Divorce begs leave to submit its final report for the 1947 session, as follows:

Petitions presented	406
Petitions heard and recommended	350
Petitions heard and rejected	7
Petitions withdrawn	10
Petitions not ready to proceed at the present session	39
Total	406

Of the petitions recommended during the the present session, 112 were by husbands and 238 by wives. All petitioners are domiciled in the province of Quebec.

The committee held 46 meetings. On 31 days the committee functioned in two sections.

In 102 cases the committee recommended that part of the parliamentary fees be remitted.

Assuming that all bills of divorce recommended by the committee and now in various stages before parliament receive Royal Assent, the comparison of dissolutions of marriage granted by parliament in the last ten years is as follows:

1938	85
1939	50
1940	62
1941	49
1942	73
1943	92
1944	111
1945	179
1946	290
1947	350

In view of the fact that the number of applications for divorce has been increasing by leaps and bounds, this year reached an all-time high, and may continue to increase, your committee recommends that parliament should immediately seek a solution of the problem of dealing with divorce in the province of Quebec by other than parliamentary action.

All of which is respectfully submitted.

I move, seconded by Honourable Senator Haig, that this report be now adopted. I suggest that it be not read by the Clerk, but that the motion for its adoption be put, when I shall make some general remarks with regard to the divorce situation.

The Hon. the SPEAKER: It is moved by Honourable Senator Aseltine, seconded by Honourable Senator Haig, that the final report of the Standing Committee on Divorce for 1947 be now concurred in.

Hon. Mr. ASELTINE: Honourable senators, for the further benefit of all honourable members, I should like to add to the information contained in the report.

Fees received with petitions for bills of divorce which were heard before the Standing Committee on Divorce totalled \$65,730. From this sum, which includes fees on petitions withdrawn and petitions ungranted, is to be deducted \$4,562, the amount of refunds to poor persons who were unable to pay the full parliamentary fee. The net sum received by parliament in connection with these divorces is \$61,168.

I should like to take this opportunity to express my thanks and appreciation to the members of the divorce committee for the very faithful manner in which they carried out their duties this year. The work was very onerous, and the committee found it necessary to sit four days a week—Mondays, Tuesdays, Fridays and Saturdays—on three of which the Senate as a rule was not sitting. The reporting staff also worked on those days; we appreciate the wonderful work they did. Also, I am particularly indebted to the honourable senator from Winnipeg (Hon. Mr. Haig), who acted throughout the session as deputy chairman, and to the honourable senator from Westmorland (Hon. Mr. Copp) for his assistance, particularly when either Senator Haig or I was unable to be present. I would also express my thanks to the individual members of the committee, who day after day sat for hours at a time to hear what one may characterize as very disagreeable evidence, and by whose services the committee as a whole was wonderfully helped.

It should be mentioned that in the conduct of these cases your committee does its best to follow the rules of evidence and, in general, to try the cases in the same manner as such cases are tried in court of law in any province having jurisdiction in matters of divorce. In fact, in many cases we give them more consideration than the courts do. When we suspect collusion or connivance, we examine the witnesses very carefully on those points. On occasion the committee has invited members of the House of Commons to be present and many of them have attended and listened to the proceedings. Many times they have complimented the deputy chairman (Hon. Mr. Haig) and myself on the manner in which the cases have been conducted. We hope that we have done a good job.

Honourable senators will gather from the final paragraph of the report, that we are hoping something will be done to take this work out of parliament altogether; but if we are compelled to carry on with the work another year, we trust that something will be done to provide the committee with better quarters. It is rumoured that the East Block is about to be vacated. If that is so, two court rooms could be established there and rooms could be set aside for the accommodation of witnesses, counsel and the reporting staff.

Before I take my seat I think I should make a few remarks with regard to the Canadian divorce situation as a whole, and make a brief analysis of the divorces granted. With a population of about one-third of the whole of Canada, Quebec in 1946 had only 290 divorces. That was an increase of 113 over the number granted in 1945. However, when you consider that the province of Saskatchewan last year had some 500 to 600 divorces, and the population of that province is less than the population of the city of Montreal, the divorce situation in Quebec would seem to be not nearly as bad as it is elsewhere in Canada. The Protestant minority of Quebec have no recourse but to go to parliament. That at the present time is the only way in which they can get relief. If honourable senators have been following the reports of the proceedings they will have learned that quite a number of divorces have been granted to people of the Roman Catholic faith.

Statistics as to the number of divorces granted in the whole of Canada for the years 1945 and 1946 are as follows:—

	1945	1946
Ontario	1,940	2,510
British Columbia	1,366	2,005
Alberta	575	962
Manitoba	405	636
Saskatchewan	282	505
New Brunswick	171	382
Quebec	177	290
Nova Scotia	158	260
Prince Edward Island	2	4
Total	5,076	7,554

Honourable senators will note that the greatest increase has been in the province of British Columbia, where in 1946 one divorce was granted for every five marriages. In my opinion the reason for that is that after a divorce is granted in British Columbia no waiting period is required before the parties can remarry. I think I am correct in making that statement. In the other provinces when an order nisi is issued three to six months must elapse before a final decree can be obtained. It is quite possible that on account of the comparative leniency shown in

British Columbia a considerable number of people have established domicile in that province in order to obtain divorces.

In connection with divorce there are several features of interest that I should like to point out. South Carolina, Southern Ireland—that is Eire—and Quebec are the only places in the world where divorce cannot be obtained. In Canada, except in Nova Scotia, where cruelty is a ground for divorce, the only ground on which a divorce can be obtained is adultery. It is my opinion that this restriction to one ground has resulted in the wholesale commission of adultery by people seeking freedom from unhappy marriages.

It has been estimated that there are 20,000 cases of marital desertion in Canada. Under our laws, with the exception I have just mentioned, neither spouse can obtain a divorce on the ground of desertion by the other spouse, regardless of how long the desertion may have continued. The other day there came to my attention the case of a man who had been deserted by his wife. More than twenty years ago she left Canada and is living in California. He has since met another woman whom he would like to marry, but legally he cannot do this and re-establish a home for himself, because he has not proof that his wife had committed adultery. I might remark here that most desertions are by husbands.

I am one of those who favour modernizing our laws of divorce. I say that if divorce could be secured on reasonable grounds there would be less adultery and less perjury, and perhaps also much less collusion and connivance by persons seeking divorce.

In preparing these remarks I was curious to find out something about divorce in other countries. Perhaps it might be interesting to state what I learned about New Zealand, which has often been held up to us here as the ideal state whose laws are more advanced than those of any other country in the world. I found that in 1928 the divorce laws of New Zealand were consolidated. I could give honourable members a synopsis of those laws, but I shall not take time to do that now. I would point out, though, that New Zealand recognizes eleven grounds for divorce. The first, of course, is adultery; others are wilful and continuous desertion for upwards of three years; habitual drunkenness by either the wife or the husband; leaving a spouse without means of support; habitual cruelty; conviction and sentence to a term of imprisonment for seven years or more; and so on. As I say, there are altogether eleven grounds for divorce, as to three of which the court may exercise discretion if the case is defended.

I do not say that I am in favour of going as far as the Dominion of New Zealand has gone, but I am strongly in favour of Canada doing something along the line attempted by the Senate when it passed the Divorce and Matrimonial Causes Bill in 1938.

Hon. JOHN T. HAIG: Honourable members, I cannot add much to what the Chairman of the Divorce Committee has said, but I do wish to refer to the faithful service rendered by the members of his committee. It is disagreeable, hard work; nobody wants the job. The work falls largely on certain senators from the Maritimes and the Western provinces, but I say without conceit that I have never served on a better committee than we had this session, when we had a bigger volume of work than ever before.

In my opinion no court in the land gives more sincere consideration to every case coming before it than does the Senate committee. The committee and subcommittee always consist of at least one lawyer of many years standing, and not less than two other senators, whose position could be likened to that of assessors or members of a jury. The non-legal members may not be able to rule as to the admissibility of evidence, but they certainly can tell whether a man or woman in the witness box is telling the truth.

I am confident that I am expressing, not only my own attitude, but that of the other members of the committee, when I state emphatically that we do not want the job. However, since the time of Confederation the work of the divorce committee has been one of the duties of this chamber, and I and the other members of the committee were determined that if we had to do the job we would do it properly, and there would be no complaint about our work.

During this session we invited members of the other chamber to come in and listen to the proceedings of the committee. More members than ever before came over from the other house, and there was not one who did not compliment us on the fairness and care with which we examined all cases. We also asked members of this house to listen in, but few accepted the invitation.

I do not think the people of Canada are alive to this issue. It is no use, as I said on a previous occasion, for ministers of any denomination or faith to get up and say that we should not have divorce. Their job is to cure the cause of divorce.

I do not propose to repeat the figures given by the chairman, but I have done a little research on my own. The figures I have here will convince honourable senators of the real problem facing this country. I did not examine the evidence given on all the applications heard, because it was not printed in every case and was not out in time to enable me to speak today. I did, however, examine the 317 cases heard up to July 3, and my statistics are as follows:

Petitions presented	406
Petitions withdrawn	10
Petitions heard and recommended	345
Petitions rejected	5
Petitions fixed for hearing	7
Petitions pending hearing	39
Total	406

I had always thought that the people seeking divorce were forty-five or fifty years of age, who then found they could not get along together. May I give you the figures in this respect? They are as follows:

Number of Petitioners	Male	Female
25 years and under	5	39
26 to 30	23	58
31 to 35	15	59
36 to 40	24	36
41 and over	24	33
Unknown	1	..
Sub totals	92	225
Grand total	317	

Honourable members, when young women of twenty-four, twenty-five or twenty-seven years of age come into court to apply for a divorce and tell their story in the witness box, they are telling the truth. You can see it in them. Their whole life has been broken by some individual. I would point out that 225 of the 317 applicants were women. The men responsible for this condition were not properly trained in their homes before they started out, and the church never got to them and told them their responsibility. No one can tell me that we should not grant divorces to young women under forty on the facts as we hear them. I am not talking about adultery which, as my honourable friend said, has to be proved. That is not the thing that bothers us in the committee; it is the way the men have acted towards decent women. They walk out and leave them. That condition has to be cured. We hear that 7,500 divorces were granted in Canada in 1946, and I predict there will be more in 1947. It is no use saying we should not have divorce. Any fool can say that; but the wise man or woman asks: How can we prevent the things that bring about divorce?

I now read the figures with respect to eighty-seven respondents:

Number of respondents whose ages are available:

	Male	Female
25 and under	3	6
26 to 30	16	7
31 to 35	11	6
36 to 40	9	4
41 and over	18	7
Sub total	57	30
Total—87.		

As to the 317 cases I examined I have this further information:

Number of cases where no children ..	150
Number of male applicants	92
Number of female applicants	225
Number of cases where evidence obtained in hotel	91

I have one other piece of information which I would mention but for the fact that there are visitors in the gallery.

I should like at this time to thank the members of the staff of the Senate who helped me to compile this information. I take full responsibility for the figures, but their help is very much appreciated.

I suggest that the Parliament of Canada should not only discuss the question of how we should deal with the divorce question, as my honourable friend suggested, but should also investigate the cause of divorce. I do not think it is sufficient merely to say "we will do this" and then proceed to do it. Parliament should investigate before it decides how this matter of divorce is to be handled. I recognize that a large majority of the people of Quebec are opposed to divorce as a method of separation. The church to which they belong prohibits divorce, and I can understand and appreciate that point of view. I for one will never do anything to offend the convictions of the majority, in Quebec or any other province, on questions of this kind. But I suggest that this is a subject which should be thoroughly investigated, though perhaps not in public, and that the Senate should invite other organizations to participate in the inquiry. If one may use a medical term, there should be a clinical examination.

As I have pointed out, in the 317 cases I examined forty-four petitioners—39 women and 5 men—were less than twenty-five years old. I should like to have an inquiry into the background of these cases for the purpose of finding out how the troubles arose. The number of petitions is increasing. I am not now urging that our divorce laws be liberalized, although I am inclined to agree with the views of the chairman of the committee in that respect. However, I shall not import my personal opinions into this discussion, because

to do so would lead it down a blind alley; those who are not in favour of liberalizing divorce would probably wish to express their opposition. What I propose is that an investigation be made to determine the basic causes of these divorces; and in particular, how it comes about that in over 200 of the total of 317 cases the petitioners were under thirty-five years of age. Something is wrong!

Hon. Mr. EULER: Do you not think that it is poor human nature?

Hon. Mr. HAIG: I do not.

Hon. Mr. EULER: I do.

Hon. Mr. HAIG: I suggest to my honourable friend from Waterloo (Hon. Mr. Euler) that conditions in the homes are not as good as they should be, that our young people are not being given the necessary training; and—with all respect—that the church is not getting to these people and impressing them with their responsibilities. I have never been so disturbed about this problem as I am today, after our experience this year. Most of us here are parents; our children are now young men and young women; not a few of them are married; and we know what a terrible shock it would be to us if their marriages broke down. Yet all around us marriages are breaking down.

The explanation is not that we grant divorce easily. To proceed by parliamentary action is a distinctly hard way of getting a divorce. I would remind you of what the chairman told us, that we collected over \$65,000 from these 350 people; and this amount did not include, of course, lawyers', witnesses' expenses, or the cost of advertising. With all respect to our friends in Quebec, I doubt whether their record in the matter of divorce would be better than that of the rest of Canada if divorce could be procured in that province as inexpensively as elsewhere. Broadly considered, the problem is a very serious one. Canadians live in a climate which is supposed to render people less prone to weaknesses of this kind. I suggest that the Senate should lead the way in an attempt to discover the main causes of this grave problem, and to a remedy.

Hon. Mr. PATERSON: May I ask the honourable senator how many of the applications are due to war separations?

Hon. Mr. HAIG: Oh, about twenty-five per cent, I think. It may be fifty per cent. I have not examined the cases from that point of view, so I would not want to say.

Hon. Mr. PATERSON: Cases arising from that cause will be non-recurring.

Hon. Mr. HAIG: Yes. But the number of divorces is increasing in every province every year. The tendency was the same before the war; and although, but for the war, the increase might have been less, there is definitely an increase. I think the reason that more applications were received this year is that there is more money around. I asked several applicants why, when the cause they alleged occurred ten or eight or five years ago, they had not brought the applications earlier, and they said, "Well, I simply did not have the money. Now that I have the money I am suing for divorce."

Hon. W. RUPERT DAVIES: I intend to be very brief. I am not going to discuss the question of divorce, although I have very decided opinions about it. I agree with the chairman of the divorce committee (Hon. Mr. Aseltine) that divorce should be liberalized. I also agree with the honourable senator from Winnipeg (Hon. Mr. Haig) that it is useless to say that we should not have divorce. We have it, and we have it in a big way.

What I rose to suggest is that, as the hearing of divorce petitions has become a very large part of the work of the Senate, and as it devolves upon a small committee, the members of the committee should be paid. We have now set up a court—for the Senate committee is practically a court—which collected last year for the Dominion of Canada \$65,000. The burden is increasing every year, and I do not believe that day in and day out, and through week-ends when the rest of us are on holidays from the Senate, the members of this committee should be expected to devote their time to the performance of this work without some recompense. As the honourable senator from Winnipeg (Hon. Mr. Haig) said, we shall have more divorce petitions next session. I do not know what is the proper procedure, but it seems to me that it is about time that some consideration was given to paying a fee to the members of the committee.

Hon. J. J. KINLEY: As a junior member of the divorce committee, having been a member of it for but two sessions, I should like to take this opportunity to pay a compliment, to those who acted as chairmen of the committee, namely the honourable senator from Rosetown (Hon. Mr. Aseltine), the honourable senator from Winnipeg (Hon. Mr. Haig) and the honourable senator from Westmorland (Hon. Mr. Copp). Regarding what may be termed the virtue of this divorce court of the Senate, I believe that all honourable members will agree that the three gentlemen I have named would adorn the bench of any court in Canada, and in

addition that the members of the committee and its sub-committees are men of knowledge and experience. They have devoted to this work a great deal of time, and they have done a good measure of service for the country.

We are reminded—as I was, soon after I joined the committee—that while adultery must be alleged in a petition for divorce, parliament is above the law and can, if it sees fit, grant a divorce on whatever grounds it wishes. However, there are rules of the Senate, and the divorce rules define pretty well the grounds and terms upon which a divorce should be granted.

As a lay member of this committee, I am a little timid about discussing what is largely a legal matter, but since we have such good chairmen, and the leader of the opposition (Hon. Mr. Haig) has remarked that other members of the committee may be said to constitute a jury, I as one of the jury, would say, that it is composed of medical men of experience and business men of long training and technical knowledge in the affairs of the country, and that its virtue as a court is not inferior to that of any divorce tribunal in the land.

I feel that I can make that statement because I know something about what is going on in provincial courts. It was an education to me to see the efficient way in which this work is carried on by the Senate committee. The procedure is fairly well defined. The marriage, domicile and the cause—adultery—must be proved, and there must be no collusion or connivance. These points are quickly disposed of if the evidence is good, and I feel that the testimony is always well considered and that there are few mistaken decisions.

Attending this divorce committee has proven to be an experience in human relations, but it has not been pleasant each morning in the week to listen to the sordid domestic troubles of unfortunate people. It has an enervating effect. I do not think we should adopt the suggestion of the honourable senator from Kingston (Hon. Mr. Davies) in regard to paying the members of the committee, but it is my opinion that they should be changed each session. Coming here year after year and listening to divorce trials is bound to affect a man's mentality. I have always felt that it was rather unfair to ask the leader of the opposition to be a member of the divorce committee, and I think we should be very grateful to him for giving up a great deal of his valuable time to act as a sub-chairman of the committee.

As the chairman of the divorce committee (Hon. Mr. Aseltine) and the sub-chairman (Hon. Mr. Haig) have both said, there is a general need in relation to the divorce problem throughout this country, and there has to be some way of dealing with the matter. It seems to me that because marriage and divorce, under Section 91 of the British North America Act, are the responsibility of the Parliament of Canada, the federal government could establish a divorce court in Quebec if it wished to do so. There are reasons why that has not been done, but I am not going to discuss them. All I want to say is that the needs of people in Quebec are similar to those of people elsewhere in Canada, and one of those needs has been proven by the number of Quebec people who have sought divorces here each year. The committee can hear divorces from any part of Canada, but the only applications which are now made come from Quebec. The divorce committee of the Senate is supplying the need that is manifested by present day conditions.

From the viewpoint of a layman I observed several points in the operation of the divorce committee. One thing that impressed me was the great number of requests made for the remission of fees. I questioned some of the applicants about this, and I learned that there is a great difference in the amounts they pay for their divorces. I suggest that when barristers appear before the committee and ask for a remission of fees for their clients they should be able to say that they are charging minimum fees for their own services. I do not think the committee is concerned with what the clients pay their solicitors if no request is made for a remission of public money.

Hon. A. L. BEAUBIEN (St. Jean Baptiste): Is there a tariff set by the committee for counsel fees?

Hon. Mr. KINLEY: Not as between solicitor and the client. I am subject to correction by the chairman of the committee in that.

I hate divorce. I was brought up in the strict faith of the Presbyterian Church, which is strong for the sanctity of the home. But if the home becomes corrupt and polluted, what is to be done? I am especially concerned about the children. It has been said that where there are children there should be no divorce. I may be asked: "Is it well for a child to be brought up in an atmosphere of quarreling and domestic strife?" Those are some of the questions that come up from time to time.

It must be agreed that in the progress of divorce law there has been an emancipation of woman. I have been told that through the years man's right of divorce has come through the common law but that woman had no such right. She was not supposed to be so foolish as to want to get rid of her husband. Our recent divorce laws, particularly those of 1925, have brought about a greater degree of clarity as between the treatment of the woman and the man. The honourable chairman of the committee stated that in Quebec 212 women applied for divorces while only 113 men were applicants.

From those figures it may be seen that to a greatest degree the injured party is the woman.

I agree with the chairman of the committee that there is a great deal of hypocrisy and perjury practised by those who seek divorces. That practice is forced upon them largely because of the nature of our laws. There is only one door by which they can get through, and they get through it in the best way they can. I would abolish altogether the hotel evidence, and not consider it at all.

Hon. Mr. DUFF: Hotel espionage.

Hon. Mr. KINLEY: I do not know what it is called, but it seems to me that the hotel feature is a very bad one. With the world going the way it is, it is foolish for us to put our heads in the sand. We cannot avoid public opinion. People will evade the laws and find other means of accomplishing their purpose, even if they have to leave the country to do so. In reviewing divorce petitions and in studying the conditions of the present day it would seem that proper provision should be made to meet the divorce problem. I should be inclined to be more liberal as regards the grounds for divorce. It seems to me that in addition to adultery, extreme cruelty, desertion and insanity would be good reasons for granting divorce. As my honourable friend has said, desertion is very prevalent, and there is no way in which the offended parties can get relief. I believe that in Nova Scotia extreme cruelty is a ground for divorce. I should say that if we are going to make our divorce laws more liberal, these are things that should be regarded as legal grounds.

I feel, honourable senators, that existing conditions prove the need for amendment of our divorce laws. But I think that first there should be an investigation for the purpose of determining just what changes should be made.

The divorce committee has worked persistently throughout the session. On the presentation of this report by the chairman (Hon. Mr. Aseltine) I have taken occasion to convey to the Senate a few impressions that I have received while serving as a very humble member of the committee.

Hon. CYRILLE VAILLANCOURT (Translation): Honourable senators, I should like to add a word, since the discussion seems to have revolved around the province of Quebec. I am alarmed at the increase in the number of divorce petitions, not only from the province of Quebec, but from other parts of the country. These last few days I made a brief survey by examining the divorce reports from the province of Quebec. I noted that over ninety per cent of the petitions come from a single city, while there were practically none from other parts of the province.

We are now wondering how we can best remedy this evil, and several practical suggestions have been offered. Do you not rather think, honourable senators, that the real cause of this evil is to be found in the hearts and minds of men? The mind is ailing and the heart is even sicker. If we wish our country to go forward in its development and if we wish to build a nation, not on ruins, but on life, we must develop the sense of spiritual values to be found in the mind, and the moral values found in the heart. These values are to be found in the home where there is still faith in God. However ingenious the means that we may resort to in our efforts to curb the rise of divorce, to prevent the degeneracy of the human race, they will be of no avail if we push God out of the door. If, in years gone by, this affliction was not with us, it is because in those days men learned from the cradle to pray to God and to believe in Him. Whether it be at the foot of the altar, or in the presence of a minister or of a judge, it is God who witnesses the oath of fidelity, and he or she who profanes that oath knows that the breaking of it is perjury. Do people think sufficiently that they are thus calling God to witness?

How can we cure this social cancer? One is terrified at the thought that in the United States one out of every three marriages ends in divorce, and that in British Columbia, as stated by the honourable senator for Saskatchewan-West-Central (Hon. Mr. Aseltine), there is one divorce out of every five marriages! I ask you, is it possible under such conditions to develop a country in peace, tranquility and brotherly love? Man's first love is for his parents, then comes the love of one's wife or husband. That love is learned in the home. That there should

be exceptions, unhappy homes, is inevitable, because no man-made law is perfect and there are exceptions to every rule. As my old father used to say: "You must not throw the skin after the beast, it might turn out to be useful". There will always be exceptions to general laws. It will never be possible to cure this evil by means of law based on exceptional cases.

So I beg my colleagues from Quebec, our clergy and all those who hold dear the future of our country and of our race, to cease indulging in negative propaganda of the "don't do this, don't do that" variety. I ask them rather to herald the cry: "Believe in God, believe in the life of the spirit, and you will soon find that tomorrow's world will be better than the world of today".

(Text):

Hon. WISHART McL. ROBERTSON: Honourable senators, I do not think I can usefully contribute anything to the general discussion on the report, but I wish to take advantage of this opportunity to express, both in my official capacity and personally, my appreciation of the services that have been rendered to the Senate by honourable members of the Standing Committee on Divorce. In the discharge of their duties they have had a difficult task, involving long hours and continued application. The Senate and the country are indebted to the chairman of the committee (Hon. Mr. Aseltine), the deputy chairman (Hon. Mr. Haig) and all other members for their excellent and arduous services.

I hope the other members of the committee will not think it amiss if I refer particularly to the deputy chairman. That he, who is charged with the responsibilities attaching to the office of leader of the opposition in the Senate, should continue to give so liberally of his time and great abilities to the work of the divorce committee, is an indication of a very high sense of duty. I know the other members of the committee will join with me in this tribute to him.

Some Hon. SENATORS: Hear, hear.

Hon. GUSTAVE LACASSE: Honourable senators, I hope the honourable leader of the government (Hon. Mr. Robertson) did not take the floor for the purpose of shutting off the debate.

Hon. Mr. ROBERTSON: I did not move adoption of the report.

Hon. Mr. LACASSE: I wish to make a few remarks, which I think will serve some good purpose. First, I call attention to a statement made by the leader opposite (Hon. Mr. Haig). In fairness to him I should say that I do not think he fully meant what his words conveyed,

or at least what they sounded like, when he said that any fool can say there should not be any divorce. That statement is an indictment of more than 40 per cent of the population of Canada. In the name of that more than 40 per cent I do say that there should not be any divorce.

Hon. Mr. VAILLANCOURT: Right.

Hon. Mr. LACASSE: I feel that I am doing a favour to the honourable leader opposite in drawing his attention to the remark, which was made in the heat of debate and the purport of which, as I say, I do not think he fully intended.

Hon. Mr. HAIG: I was not casting any reflection on any one. I said that no one who heard the evidence we heard could say that there should not be divorce in those cases; and I still say that.

Hon. Mr. LACASSE: I am sorry that my honourable friend did not give me time to finish what I wished to say.

Hon. Mr. HAIG: But I want to keep the record correct.

Hon. Mr. LACASSE: I was going to say, in fairness to my honourable friend, that later in his speech he made himself much clearer than he did at first, and I do appreciate that.

Hon. Mr. HAIG: Thank you.

Hon. Mr. LACASSE: I want to express my thanks to the chairman of the committee for presenting unquestionable figures which give the lie to a certain section of the press of Canada that is continually emphasizing and drawing a wrong conclusion from the fact that all the divorce applications considered by our committee come from the province of Quebec. I hope that in the future those figures will be quoted for the true enlightenment of the people of Canada. What was even more generous and magnanimous on his part, was that he made a comparison involving his own province of Saskatchewan.

I also wish to comment upon the argument raised by my friend from Queen's-Lunenburg (Hon. Mr. Kinley). He emphasized the superiority of the Senate committee on divorce over the courts, and on that score I readily agree with him. But he seems to be illogical when he indicates that he is in favour of imposing divorce courts on the only province which has not got them as yet. I may have misinterpreted his meaning, but I take his words as I hear them.

Hon. Mr. KINLEY: Will my honourable friend permit me to explain? I do not want to impose divorce courts on Quebec. I simply

stated the fact that since marriage and divorce are federal matters it is within the jurisdiction of the Parliament of Canada to establish courts where and when needed.

Hon. Mr. LACASSE: At least my remarks prompted the honourable gentleman to restate his remarks, showing clearly what he meant.

(Translation):

Honourable senators, I wish to offer my sincere congratulations to my honourable friend from Kennebec (Hon. Mr. Vaillancourt) for his stirring and inspiring profession of faith.

It was high time to recognize the moral aspect of the problem of divorce and to point out in this house and outside that the increase in the number of divorces in Canada goes hand in hand with the rise of immorality.

No one has any claim to holiness, I suppose, but there are certain basic standards that must not be disregarded in the social life of a country, especially when such disregard endangers not only the normal development but the very existence of what we have agreed to call the fundamental cell of our civilized society: the family.

Hon. J. E. SINCLAIR: Honourable senators, the question of divorce has for many years been a hardy annual before the Parliament of Canada. I do not wish to enter into an argument for or against divorce, but I think it proper, as one who has been a member of the committee for several years, that I should pay tribute to the chairman for the way he has carried on his duties.

At times the committee has had to divide, and in those instances the chairman had the assistance of his deputies, the honourable senator from Winnipeg (Hon. Mr. Haig) and the honourable senator from Westmorland (Hon. Mr. Copp). These two gentlemen have had many other duties to perform in connection with the sittings of the Senate this year, but in spite of that they gave good service to the divorce committee. I think that every member of this house owes those three honourable gentlemen a debt of gratitude for the services they have rendered in this respect.

I should like to leave a suggestion with honourable senators. The closing paragraph of the chairman's report reads in part as follows:

Your committee recommends that parliament should immediately seek a solution of the problem of dealing with divorce in the province of Quebec, other than by parliamentary action.

We are very near the end of this session, and it is scarcely feasible for us to do anything on this matter now. We should, how-

ever, charge the leader of the government with the duty of having the Law Clerk of the Senate study this subject during the recess of parliament, and of seeing to it when the next session begins that a special committee of this house is appointed to deal with this particular paragraph of the chairman's report. During the recess the Law Clerk could compile the facts and information necessary to assist the committee. To this committee should be appointed those senators with the most experience in the field, for there are many honourable gentlemen other than those serving on the divorce committee who have had wide experience in matters of law.

Hon. Mr. HAIG: May I ask the honourable gentleman, if he would include in his suggestion that a joint committee be formed?

Hon. Mr. SINCLAIR: We would consider that point when the time came. If it was felt that a joint committee could better deal with the problem, that would be the course we would follow. I offer my suggestion as the best method of approach to the subject.

Hon. L. M. GOUIN: Honourable senators, I did not expect to say anything this afternoon, but I believe it is my duty to make a few short remarks on this subject.

We are dealing not only with a question of procedure but a question of principle. We all realize, whatever may be our points of view, that this is a vital question, and that we must all sincerely try to find a remedy for the causes which give rise to the increasing frequency of divorce. This is not only a legal problem but a moral one, and is of the greatest importance to our nation as a whole.

The attitude of members of my faith is so well known that I do not think I need to emphasize it, but I think I am justified in repeating that we are opposed in principle to divorce, because we believe that marriage is a sacred and perpetual union which terminates only with the death of one of the two parties. At this time of the session I do not think I would serve any useful purpose by prolonging this debate, so I will only say, very sincerely, that I appreciate very much the attitude of all those who, though they do not share our views, realize that we are sincere in our belief, and that our ancient faith, cannot be expected to change.

Hon. THOMAS VIEN: I think there is one aspect of this problem on which we can all agree—the feeling of gratitude which we should express to the chairmen and the members of the committee on divorce who, day in and day out, during week-ends and recesses of the Senate, have given so much of their time,

attention and devotion to duty in disposing of the cases which came before them. The burden which rested on their shoulders was almost crushing, and the report which is before us reflects the very difficult situation which the greatly augmented list of applications for divorce has created for them. On this matter, I think, we are unanimous.

Next, as a member for the metropolis of Canada, the city of Montreal, and one who was born in Levis and has lived in and practised law at Quebec for a considerable period, I think I should express some dissent as to the scope of the remarks made by the honourable senator for Kennebec (Hon. Mr. Vaillancourt) with respect to Montreal. Like all the other metropolises, Montreal is cosmopolitan; and if there is much evil in Montreal, not a little of it is due to some of the people from Levis—and to others who come from the good old city of Quebec. Therefore, I should not like the responsibility for what is complained of to be pinned on the city of Montreal without some of it being distributed over a wider field, extending even beyond the boundaries of the province of Quebec. In the city of Montreal I have some very good friends from other provinces and cities—from the Queen City, Toronto, and from western cities as well, including Winnipeg, the very fine city represented by the honourable leader of the opposition (Hon. Mr. Haig), to say nothing of Vancouver and other important centres in the various provinces of Canada.

Hon. Mr. BURCHILL: But none from the Maritimes.

Hon. Mr. VIEN: I trust that what I have said will dispel any mistaken impression which may have resulted from a few of the remarks which were made today. As a matter of fact, since I live in Montreal, I may state, that the people with whom I come in contact there are very good people, and just as sound, law-abiding and righteous as those who live in any other great metropolis.

We all realize the urgency of the question which has been raised, and the seriousness of the problem which confronts us. May I suggest, as a practical solution, that we concur in the proposal of the honourable senator from Queens (Hon. Mr. Sinclair) that at the opening of next session a special committee of the Senate be selected to study this question and find a solution of the problem. Perhaps the government leader and the parliamentary counsel of the Senate will have an opportunity of studying the subject before next session.

I make another suggestion, namely, that inasmuch as marriage and divorce are related to the welfare of the human person, and inasmuch as questions which concern marriage are already within the jurisdiction of the provincial legislatures, the special committee might consider the expediency of recommending an amendment to section 92 of the British North America Act to shift the question of divorce which, by virtue of section 91, is at present within federal jurisdiction. Already a number of provinces have their divorce courts. If we transferred to section 92 the provisions of the British North America Act which deal with divorce, we would leave within the provincial jurisdiction the whole question of dealing with marriage and divorce and all the consequences. I offer this only as a suggestion. I hope that at the opening of next session the leader of the government will see his way clear to deal with this subject.

I understand, from a report in the *Montreal Gazette* this morning, that the honourable the Secretary of State for External Affairs has made the statement that in the near future the government will consider the expediency of amending the law affecting divorce with a view to compelling applicants to apply first to the civil courts on a question of separation as to bed and board and that then, if the evidence adduced is sufficient, upon a recommendation by the court a committee of the Senate, or of parliament may consider the advisability of granting a divorce on the evidence already presented before the court. All these matters might very well be referred to and considered by a special select committee at the opening of next session.

I agree with the chairman of the committee (Hon. Mr. Aseltine) and with the honourable leader of the opposition (Hon. Mr. Haig) that we should give very serious attention to the great problem which now confronts us.

Hon. WISHART McL. ROBERTSON: Honourable senators, it has been suggested by two honourable members that I might take the initiative in connection with the appointment of a sub-committee between now and next session or at the beginning of the next session. I want to say that I have great respect for the feelings of those who are in the minority in this house and that I have no intention whatever of either moving for the appointment of such a committee or of initiating studies that will result in something being done that meets with the disapproval of that minority. While I am always happy to be of any service that I can in the interests of this Senate and the country generally, I

would want to be very definitely assured by the representatives of that minority that anything I might initiate would meet with their approval.

Some Hon. SENATORS: Hear, hear.

The motion was agreed to, and the report was adopted, on division.

SUBJECT-MATTER—REFERRED TO
PARLIAMENTARY COUNSEL

Hon. J. E. SINCLAIR: If I am in order, I would move:

That the subject-matter of the final report of the Standing Committee on Divorce be referred to the Parliamentary Counsel of the Senate for consideration and report immediately following the opening of the next session of parliament.

The motion was agreed to.

CHEMICAL FERTILIZERS
REPORT OF COMMITTEE

Hon. J. J. DONNELLY, the Chairman of the Standing Committee on Natural Resources, presented and moved concurrence in the report of the committee.

The report was read by the Clerk, as follows:

The Standing Committee on Natural Resources have in obedience to the order of reference of July 2, 1947, considered the subject-matter of the following motion moved in the Senate by the Honourable Senator McDonald (Kings):

"That in view of the recent discoveries of high-grade phosphate rock in the Saguenay area in the province of Quebec, and of good quality potash in the province of Saskatchewan, the Dominion and Provincial governments confer with a view to taking prompt action to have mines developed in order to make available to our farmers, at fair prices, these high-grade chemicals, which are necessary in building up soils, and in the production of maximum crops, so that Canada may be self-sufficient so far as requirements of chemical fertilizers are concerned."

and now beg leave to report thereon as follows:

1. The Committee heard and examined the following witnesses:—

W. B. Timm, Director, Mines and Geology Branch, Department of Mines and Resources.

G. S. Peart, Administrator, Fertilizers and Pesticides, Department of Agriculture.

M. F. Goudge, Mineral Resources Division, Department of Mines and Resources.

L. H. Cole, Mineral Resources Division, Department of Mines and Resources.

2. The Committee are in entire agreement with the terms of the Motion and beg to recommend that co-operative steps be taken by the proper Federal and Provincial authorities to continue the investigations into the possibilities of developing on a commercial scale the discoveries already made.

3. A copy of the evidence of the witnesses is appended hereto.

4. The Committee recommend that authority be granted for the printing of 500 copies in English and 200 copies in French of the proceedings of the Committee on the said subject matter; and that Rule 100 be suspended insofar as it relates to the said printing.

Hon. Mr. DONNELLY: Honourable senators at the meeting this morning I was very much impressed by the fact that all the members of the committee seemed to feel that they were dealing with a very important subject. Evidence was presented to the committee indicating a strong likelihood that in the near future Canada will be unable to obtain what is required for the manufacture of fertilizers. Sources of supply that are now available in Canada may be soon exhausted, and there is a possibility that this country will be unable to import as much fertilizer as it formerly did.

Such a situation would have a very serious effect on the food problem of this country as well as on our agricultural industry. It was felt that this matter could not be dealt with now and receive the attention it deserves; but before the committee adjourned this morning the opinion was strongly expressed that next session this matter should be referred to one of the Senate standing committees or to a specially appointed committee for the purpose of study, and in the hope that the problem might be solved.

The motion was agreed to, and the report was adopted.

DIVORCE BILL

FIRST READING

Hon. Mr. ASELTINE, Chairman of the Standing Committee on Divorce, presented the following bill:

Bill U14, an Act for the relief of Elerick Montgomery Barton.

The bill was read the first time.

SECOND READING

The Hon. the SPEAKER: When shall this bill be read the second time.

Hon. Mr. ASELTINE: With leave of the Senate, now.

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

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. ASELTINE: With leave of the Senate, now.

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

SUSPENSION OF RULES

MOTION

Hon. Mr. ROBERTSON moved:

That for the balance of the session Rules 23, 24 and 63 be suspended.

He said: As honourable senators well know, these rules specify the minimum time that ordinarily must elapse between the various stages of bills, and so on. As the end of the session is fast approaching, it is desirable that these rules be suspended.

The motion was agreed to.

EASTERN ROCKY MOUNTAIN FOREST CONSERVATION BILL

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of Bill 362, an Act respecting the protection and conservation of the forests on the eastern slope of the Rocky mountains.

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

DIPLOMATIC SERVICE (SPECIAL) SUPERANNUATION BILL

SECOND READING

Hon. NORMAN P. LAMBERT (for Hon. Mr. Robertson) moved the second reading of Bill 412, an Act to provide superannuation benefits for senior appointees of the Department of External Affairs serving outside Canada.

He said: Honourable senators, I trust that those members of the Senate who are interested in this bill will have perused the discussion in another place, as reported in *Hansard*. The Minister of External Affairs, who sponsored the bill there, was at considerable pains to give details concerning individuals affected by the measure, the amounts of their salaries, and their possible pensions. The debate in the other place dealt almost exclusively with personal details, and to a certain degree some invidious distinction was drawn between different classes in the civil service. I do not intend to retrace that ground, because I think it fails entirely to cover the importance and real purport of the bill.

The bill affects three classes of people. The minister stated that two of these classes comprise twelve persons, six of whom would not otherwise be entitled to any superannuation allowance, and six of whom would get some increased benefit from the time spent with the Department of External Affairs. The third class, which is referred to generally in clause 2 of the bill, would represent "such other persons of comparable status serving in

another country in the public service of Canada as the Governor in Council may designate”.

In replying to questions about the third category the minister explained that it might become necessary for Canada to have a permanent representative at the seat of the United Nations, and that if the work he was doing there was of similar importance to that performed by an ambassador he might become a permanent official of the Department of External Affairs, and as such entitled to pension benefits.

I should like to emphasize what I think may be considered as the real purport of the bill. For some time now this country has been assuming its responsibilities in the field of international relations. As everyone here knows, the war caused those responsibilities to increase at a far greater rate than any one had previously anticipated. Consequently, the Department of External Affairs is obliged to pay the closest attention to the qualities and capabilities of the servants whom it engages to represent this country abroad. In making diplomatic appointments two fields have been drawn upon. I think that for some years now the tendency has been to draw upon the External Affairs service itself, to develop in our embassies, legations and consulates a type called “career men” from amongst those who have entered the service when fairly young and been gradually promoted as they gained experience and proved their ability. The other field which has been drawn upon is that of laymen of outstanding qualifications who have been available to serve Canada in foreign countries.

I think it will be generally admitted that any man who agrees to cut himself away from his business or professional interests in Canada in order to serve this country abroad as one of its chief representatives in maintaining the status of nationhood which we now claim for ourselves, is deserving of the highest consideration from parliament and his fellow-citizens. It seems to me that, by way of recognizing the importance of that service and the increasing demand that will be made upon the country for qualified appointees, we should without hesitation adopt the provisions of this bill for pensions covering periods of service ranging from five years or less up to twenty and thirty years.

The details of the pensions are set out pretty definitely in clause 5 of the bill and were explained with great clarity by the minister in the other house. If any member of the Senate desires to have more specific

information on the pensions relating to the twelve individuals referred to in the *Hansard* report of the debate in the other place, this bill could, after second reading, be referred to the Standing Committee on External Relations.

Incidentally, may I take this opportunity of pointing out a typographical error in the Order Paper, which announces a meeting of the Committee on External Relations at 11 p.m. instead of 11 a.m. I can assure honourable members that the correct time appears on the notice board downstairs.

I am entirely in the hands of the Senate as to whether this bill should be referred to a committee. Personally, I think the principle of the bill is very clear. I have no intention and I think it undesirable to enter into a discussion of personalities such as characterized the entire debate in the other place.

Hon. JOHN T. HAIG: Honourable senators, I do not intend to indulge in the sort of debate to which my honourable friend objects, and I am not anxious that the bill should go to committee.

My feeling in this matter is that the pensions to be granted are very high. If these persons were, as my friend called them, “career men” who had worked up through the department, they would come under the regular superannuation, subject to any extensions granted to them. With that arrangement I am in entire agreement. But I do feel that the proposed pension to these outsiders is very high. For instance, suppose these men serve five years at a salary of \$10,000 a year: a large part of that money will be used in expenses, and they will have certain allowances. After five years service they may go on a pension for the rest of their lives.

Hon. Mr. LAMBERT: At about a third of their salary.

Hon. Mr. HAIG: It is fifteen-fiftieths of their average salary. On a salary of \$10,000 the pension would be \$3,000.

I am not accusing the government of anything improper, but this leaves the door open for some future government to take advantage of such a provision. Suppose a person who is fifty-nine years old is put in office for a period of five years—true, he would have to remain six years to reach sixty-five—he then would be given a pension of \$3,000 a year. In my opinion that is too much.

I think our diplomats ought to be trained. I am entirely in accordance with the policy adopted by the Department of External Affairs whereby it trains men such as the present Under Secretary of State for External Affairs, who was trained here and then sent to Washington where he became an ambassador. Another instance is that of the High Commissioner in London.

I do not wish, as I said, to indulge in a discussion of personalities. As a matter of fact, the persons that I know who are mentioned in the bill are well qualified for what they are doing. But I do not like the principle of the measure.

However, I do not regard the bill as important, and I would agree to giving it second and third readings today.

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

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time.

Hon. Mr. ROBERTSON: With leave of the Senate, I move third reading now.

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

CIVIL SERVICE SUPERANNUATION BILL

SECOND READING

Hon. CHARLES L. BISHOP (for Hon. Mr. Robertson) moved second reading of Bill 415, an act to amend the Civil Service Superannuation Act.

He said: Honourable senators, the purpose of this bill, a response to many urgings and recommendations, is to make a number of important changes in the act, designed to meet certain new conditions arising out of the war and to increase the general efficiency of the service.

The first major change is the lowering of the retirement age. At present the age for voluntary retirement is 65 years, and for compulsory retirement 70 years, subject to extension by order in council for a further five years. The government has decided to reduce the voluntary retirement age to 60 and the compulsory retirement age to 65, subject to extension up to five years by reason of peculiar efficiency or fitness for the position. Provision is made that no civil servant will have to retire because he has reached the age of seventy until two years after the act has come into force. After August 1, 1957, no

additional retirement benefits may accrue after the age of 65 years. The effect of these provisions will be earlier retirement, both voluntarily and otherwise, with a resultant increase in efficiency and more rapid promotion.

A second major change provided for in the bill is designed to remove one of the main obstacles to mobility in the civil service. Previously, an annuity was granted only to civil servants who had served a minimum of ten years and who had reached retirement age, or were incapacitated or retired because their office had been abolished or they were inefficient. In any other case a retiring civil servant got only the amount he had contributed to the superannuation fund, without interest, or, alternatively, a gratuity of one month's pay for each year of service. This provision involved too drastic a penalty in the case of an employee who wished to leave the service or an employer who wished to get rid of incompetent employees.

It is now proposed to eliminate this ten-year rule for most purposes, and to provide a deferred annuity in cases where at present only a return of contributions or a gratuity may be granted. Any civil servant contributing to the superannuation fund may now retire and carry with him his full pension benefits if he has served for twenty years, and benefits on a reduced scale if he has served less than twenty years.

Furthermore, any civil-servant-contributor who retires with less than ten years' service may now be granted an annuity deferred to age sixty, on a scale adjusted downward by one per cent for each year of service less than twenty. If he dies, his adjusted annuity is paid immediately to his widow or dependents.

The effect of the different changes will be to very much reduce the financial penalty involved in retiring from the civil service before the retirement age. It will also enable employees of a number of government boards and agencies to participate in the superannuation plan.

It is also proposed to remove many of the financial difficulties which prevent persons employed in other fields from joining the civil service. One of these obstacles concerns persons who are at present employed in fields other than the civil service and who are contributing to some form of pension plan. If they enter the civil service they lose their pension rights in their old employment, without being able to receive comparable protection in the civil service. It is now proposed

that such persons may count their period of employment in such 'pensionable employment' as service for purposes of the Civil Service Superannuation Act, if their entry into the civil service involves loss of former pension rights, and if they agree to contribute twice the amount of the regular contributions, with interest, to cover their own and the government's share. This will make it possible for persons in outside employment to enter the civil service without loss of pension rights and with little financial sacrifice.

A third major change proposed in this bill relates to permanent civil servants who resigned to enlist in the war and who saw service overseas. They may now, without contribution, count their period of absence on war service as service for superannuation purposes, providing they repay the withdrawal allowance they received when they resigned, plus four per cent interest over the intervening period. Veterans with overseas service who have since entered the civil service may also count their period of war service for superannuation purposes, provided they pay double contributions for that period, as in the case of persons entering the civil service from other pensionable employment.

A number of other provisions in the bill are worthy of attention, but might best be considered in committee. For instance, temporary civil servants are to be allowed to withdraw their contributions toward the retirement fund plus four per cent interest when they leave the service, as they were during the war under order in council. Other minor provisions have also been included.

In general the bill will increase the efficiency of the civil service by lowering the retiring age, by increasing mobility into and out of the service, and by restoring pension benefits to civil servants who resigned to serve overseas with the armed forces.

If the bill receives second reading, I shall move that it be referred to the Committee on Civil Service Administration.

Hon. JOHN T. HAIG: I do not intend to comment on the bill, except to say that it contains so many provisions that anyone who, like myself, is unfamiliar with these problems might read it carefully and then criticize some of the sections and be entirely wrong. As far as I understand the provisions of the bill, I am wholeheartedly in favour of it; but I think it should be explained fully in committee.

As this is about the best opportunity I shall have for doing so, I want to register my personal opinion that the Civil Service Commission is doing a real service for this country,

and I am keenly interested in its work. I shall reserve any further remarks until I hear the report of the committee.

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

REFERRED TO COMMITTEE

Hon. Mr. BISHOP moved that the bill be referred to the Standing Committee on Civil Service Administration.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, July 10, 1947.

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

Prayers and routine proceedings.

PRINCESS ELIZABETH

ANNOUNCEMENT OF BETHROTHAL TO LIEUTENANT PHILIP MOUNTBATTEN

Hon. WISHART McL. ROBERTSON: Honourable senators, it is my pleasant duty this afternoon to inform the Senate that Their Majesties, the King and Queen have given their consent to the betrothal of their elder daughter, Princess Elizabeth, to Lieutenant Philip Mountbatten, Royal Navy, only son of the late Prince Andrew of Greece and Princess Alice of Battenberg.

The Canadian government was informed earlier of the betrothal, and was most pleased to give its concurrence.

I am sure that I am speaking for all members of the Senate when I express our warmest good wishes to Princess Elizabeth, our heartiest congratulations to Lieutenant Philip Mountbatten, and our hope that health, happiness and divine guidance will bless their future life together.

Speaking in a purely personal capacity, may I express my belief that all members of the Senate will always welcome to Canada any members of the Royal Family, and that if at some time in the future this royal couple have an opportunity to visit Canada they will receive a very warm and cordial welcome.

Some Hon. SENATORS: Hear, hear.

Hon. JOHN T. HAIG: On behalf of the opposition I say "Amen" to all that my honourable friend (Hon. Mr. Robertson) has

said. We on this side of the house wish the royal couple every happiness in their married life.

Some Hon. SENATORS: Hear, hear.

HON. SENATORS COPP AND EULER BIRTHDAY FELICITATIONS

Hon. Mr. ROBERTSON: Honourable senators, some time ago I made reference to the birthday celebration of the senior senator of this body. I should like to have extended that practice, and to have congratulated all honourable senators upon their birthdays. But that might be dangerous, for should I slip at any time, and fail to do so, it would result in unfairness to the person overlooked. However, I hope that honourable senators will pardon me if I refer to the fact that today is the birthday of my very distinguished deputy leader (Hon. Mr. Copp).

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: I could not let this opportunity pass, because, during the time which I have occupied the position of leader of the government, it has been my good fortune to receive much good counsel and friendly assistance from him. His great experience in public affairs has given him a sound knowledge of all problems.

I realize that every birthday makes one older; but may I say to my honourable friend that birthdays make no apparent difference in him.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: Whatever other effect the years may have on him, they seem only to perpetuate his charm, boyish activities and enthusiasm. I hope that he will long be spared, so that we may continue to enjoy his companionship and the benefit of his wide experience.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: By a remarkable coincidence the honourable senator from Waterloo (Hon. Mr. Euler), who sits immediately beside the deputy leader, is also celebrating his birthday today. Although the honourable senator is not here, I wish to extend to him our happiest felicitations.

Hon. JOHN T. HAIG: I certainly wish to join in the congratulations to the honourable senator from Westmorland (Hon. Mr. Copp). It took me quite a while to get acquainted with the honourable senator. I have been here twelve years and it has only been during the past year that I have come to really

know him; but the longer I know him the better I like him, and I hope that the next twelve years will have the same effect on both of us.

I am sorry that the honourable senator from Waterloo (Hon. Mr. Euler) is not in his place today, for I also wish to extend birthday congratulations to him. While I generally disagree with the honourable senator, I like to hear him talk.

Although I do not feel that extending birthday felicitations should be a regular custom in this chamber I certainly want to extend my congratulatory remarks to these two honourable senators. The difficulty in connection with extending birthday greetings here is that honourable senators never know whether those of us who celebrate our birthdays when the house is not sitting ever get any older.

I offer you, sir, (Hon. Mr. Copp) on behalf of this side of the house heartiest congratulations, and may you have many years yet to give us the benefit of your wisdom and experience.

Some hon. SENATORS: Hear, hear.

Hon. A. B. COPP: One could not listen to the flattering tribute paid by the honourable leader on this side (Hon. Mr. Robertson) and the honourable leader opposite (Hon. Mr. Haig) without thinking of another occasion which we are all forced to contemplate, sometimes unwillingly. When I came into this chamber, some twenty-two years ago, tributes were paid only to those members who had passed away. That was a very good custom, because anyone who knew something bad of a deceased member dared not say it, and the deceased member himself could not hear all the good things that were said about him.

I am glad to have the opportunity of saying "Thank you" to my associates here for the kind words—exaggerated to some degree, I must admit—that have been said about me and my appearance. I had a desire to live as long as I could, even before I came into the Senate.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. COPP: Now my desire in that regard is even stronger. Some years ago I tried to curb the activities as recorded on my life's speedometer, and to some extent I have succeeded. I have not been able to make any change in the calendar, however, and the years come and the years go.

My leader referred to my boyish appearance and actions. I do not know what information he possesses about my actions, but tonight I shall have a specially good look in the mirror to see how much he has exaggerated. I may say that I have to some degree

lived a life of lethargy, as I think I was born with a lazy streak. Possibly that has had something to do with my alleged longevity. But I might also point out that I come from a family that is fairly long-lived. My mother lived to be 93 years of age, but my father died when he was 72, so honourable senators need not fear that I shall reach 93. I may perhaps get to the half-way mark between those ages.

I have appreciated the friendship and good fellowship of all who are and who have been members of the Senate since I came here. I have done the best I could to be of some little assistance in this chamber, and I hope, if fate is kind, that I may continue to take part in the work here for at least some years to come. However, I had nothing to do with the time when I was born, and I shall have nothing to do with when I shall pass away. The length of time that each of us happens to live is a matter entirely in the hands of Providence.

Once again I thank you for the kind things you have said about me. I hope that our friendships and associations in this chamber may continue for some years yet.

GOVERNMENT BUSINESS

PARTICIPATION BY MINISTERS IN SENATE DEBATES—PROPOSED RULE

Hon. WISHART McL. ROBERTSON moved:

That the rules of the Senate be amended by adding thereto as Rule 18A the following:

18A. 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.

He said: Honourable senators, I ask the indulgence of the house to bring up a matter that is, as I shall try to show, of some urgency. Shortly before the last session was prorogued an honourable member opposite, I think it was the honourable gentleman from Alma (Hon. Mr. Ballantyne), asked me to use my good offices in bringing to the attention of the government the desirability of initiating more government business in the Senate. I was only too happy to do what I could in that respect, and I met with some degree of success. Honourable members will recall that this session a number of government bills have been initiated in the Senate, but I am frank to admit that the subject-matter of them was not such as to tax our abilities to any great extent, and so perhaps their initiation here

did not do much to expedite the handling of the tremendously increasing business of parliament.

I met or thought I met with some of the traditional objections to the initiation of more government measures—at least, important measures—in the Senate. There seems to be a desire on the part of ministers who are sponsoring important legislation to introduce it in the house of which they are members. Apparently they feel that in its initial stage they can do justice to it better than anyone else. That condition has existed for a long time.

I may say that early in the session I contemplated bringing to the attention of the Senate the desirability of doing something about this matter, in regard to which there has been so much talk. As early as 1868 the distinguished gentlemen who occupied the offices of leader of the government and leader of the opposition in this house concurred in a suggestion to amend the rules so as to permit the introduction of more legislation in this house. The amendment proposed would have allowed ministers of the government to introduce legislation in the Senate, and to participate in debate on it.

As honourable senators know, at times this session it has been necessary for me to be absent from the Senate for a considerable period. This I regret very much; and I say frankly that the recent proposal with respect to the introduction of legislation in this house has not made the progress that I had hoped it would. I discussed the principle of the matter with my colleagues on this side, but the decision on whether to proceed with it or not was left largely to my responsibility. I confess that I have been uncertain as to the proper course to follow.

There are obvious objections which could be strongly urged by honourable senators opposite. They could protest that I had not brought the matter to their attention—which would be a perfectly legitimate criticism—and it could be said that if the matter were brought up now there would not be sufficient time to give it the consideration it merits. Further, many honourable senators are absent now and will not be back this session, and others may well be leaving before the matter is resolved one way or the other.

On the other hand, there are arguments in favour of giving effect to the proposal at this time. One is the desirability of going on record officially to show our inclination to share to a larger extent in the greatly increased business of the government, and thus reduce the tremendous demand which under existing circumstances is made upon the time and

energies of the honourable members of the House of Commons. That house is faced year after year with the difficulty that at the beginning of the session four or six weeks are entirely taken up with the debate on the address in reply to the Speech from the Throne. During this period the Senate has no business to do, and consequently meets only briefly and then adjourns for a time. For honourable senators who live in the vicinity of Ottawa that arrangement is perhaps not inconvenient, but for those who come from a distance and have to arrange their business affairs before leaving home, it is often very embarrassing and discouraging.

It is therefore reasonable, I think, for me to ask that consideration be given now to the suggestion that more legislation be introduced in the Senate so as to permit of us utilizing our time during the first month or six weeks of the session, thereby depriving the departments of at least one excuse for delay in preparing their legislation for introduction in the early weeks of the session.

As I have already said, the responsibility of making a decision was left to me. Had it not been for a remark made yesterday by a member in the other place, I do not know what I would have done. That remark, however, dissipated my indecision. Honourable senators know that yesterday a resolution was presented elsewhere in anticipation of the introduction of a bill to provide additional annual allowances to the leader of the government and the leader of the opposition in the Senate. They may recall also that opposition was voiced by a member of parliament, Mr. Knowles, who purported to express the official attitude of the C.C.F. Of course I must thank him, as no doubt my honourable friend the leader of the opposition (Hon. Mr. Haig) would wish to do, for prefacing his remarks with the statement that he was not expressing any criticism of the honourable senators immediately affected; that there was nothing personal in his opposition, but that it was based on a matter of principle. I will quote one sentence from his speech which has changed my mind and definitely induced me to go ahead at this time. He said:

To us the function played by the Senate in our Canadian life is a useless one, and to be strengthening its position in this way just does not come very well from a Liberal government.

This remark calls for one or two comments. Although by tradition and instinct I may be counted a strong party man, I have never thought that my party had any monopoly of good intentions. The goodwill with which I credit the official opposition I extend also to other and smaller political groups. I am frank to say that I always enjoy getting the

other man's viewpoint, and I make no exception of the Co-operative Commonwealth Federation. I look upon myself as being a liberal in a sphere not confined to politics; and if I find in some other parties evidences of liberal instincts, I am not to be put in the position of opposing some reform merely because they advocate it.

On the general question of social security there is not much about the policy of the C.C.F. of which I can complain, except that I think they attempt to go too far and too fast. I hope that my humanitarian instincts are no less keen than theirs. I have never been terrified by the general policy of nationalization; it depends how far it goes. As a liberal member of a government that is operating a railroad, an airways system and various other public services, I could not consistently oppose nationalization. I bear in mind also that I am speaking in a province which has public ownership of the generation and distribution of electric power, and has had it so long that most people have forgotten that it was instituted by a Conservative government. The largest city in Ontario operates its own transportation system, and similar enterprises are carried out under public ownership throughout the length and breadth of the country. In the province from which the leader of the opposition (Hon. Mr. Haig) comes, a coalition government of Liberals and Conservatives operates a public telephone system.

I have no doubt that as time goes on—whether public ownership be right or wrong—our governments, federal, provincial and municipal, will continue and enlarge activities of this kind, and all these will be judged on their merits. But if they announce their intention to nationalize every phase of production and distribution and to place the control of the whole economic life of this country in the hands of a few people, I shall ask someone who is skilled in the fine points of the law to tell me what difference there is between a state organized on those lines and Soviet Russia.

I am ready to give the C.C.F. credit for good intentions so long as it is not their policy to embark on a programme of that kind. I have been privileged to meet and to know various men who are prominent in their councils. I can respect their viewpoints even when I disagree with them, and I do not asperse their motives. But I say, with all the emphasis at my command, that if the considered purpose of the C.C.F. party is to belittle the influence and gradually accomplish the dissolution of this chamber, the traditional bulwark of the rights of minorities, whether racial, religious, or—as in the case of the maritime provinces—economic, their policy is a menace to the future of Canada.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: I have no hesitation about making that statement, and I associate with it the remarks I previously made.

What I am proposing, honourable senators, contains nothing new. I have hurriedly looked through the records and I find that so long ago as 1868 the very matter which I am suggesting for your consideration was before the Senate. It came before this house in 1868, 1874, 1879, 1882, 1908, 1918, 1921, 1931, and 1934; but I cannot find that a formal change of our rules to permit this proceeding was ever made. The motion I am proposing is, so far as I remember, in the exact phraseology of one which was proposed about the year 1934, but was not proceeded with. In 1944, probably as a result of unanimous consent, the then Minister of National War Services, the Honourable J. G. Gardiner, was accorded the privileges of this house. In reading the report of the Senate debates, I notice that Honourable Mr. Dandurand, the then leader, stated that the minister was prepared to attend—

and, if the Senate has no objection, he is ready to sit by my side and answer directly, and not through me, the questions you may ask him. Is that satisfactory?

The Right Honourable Mr. Meighen then said:

That is quite a change. I have no objection. It will be a precedent, though, which will likely be invoked for a long time to come.

I think that took place.

Hon. Mr. HAIG: It did. I was present.

Hon. Mr. ROBERTSON: I have no particular knowledge as to how successful it was, and I do not know why the practice was not continued. Honourable senators who have had more experience than I have had in the history of this house would know.

I make this proposal because it will give me an opportunity to learn what tangible evidence there is of our willingness to co-operate. I do not regard the proposal as a panacea, and I should like any honourable senator to say whether he is opposed to it or is in doubt as to what it might accomplish. If future circumstances warrant me in doing so, I shall not hesitate to advise this house that the proposal has accomplished nothing; but I should like to choose this moment to say to the government, the House of Commons, and the nation as a whole, that although this may not turn out to be the most effective method of accomplishing our desire to render good service, I think, nevertheless, it should be given a trial. If a provision in accordance

with this proposal were placed upon our statute books or in our rules, and someone in authority doubted that it would accomplish anything and suggested that there was some better method, I would raise no objection in having it removed. Common sense dictates that the condition which is now beginning to prevail in the Canadian parliament should be rectified this year. From the very drop of the hat, from the beginning of the present session the House of Commons has been sitting constantly, every afternoon and evening, and as the session has grown longer the tempo has increased. Anyone who thinks that members of the other house do not work should himself go through the daily routine. Besides attending in the chamber a member is charged with the responsibility on behalf of his constituents, of being present at morning and sometimes evening committee meetings. In addition, each member has some interest of his own to which he should give some consideration. No one can tell me that such a system is efficient. It is not efficient for private firms to have their men working hour after hour, day and night, neither is it efficient in the conduct of the country's business. It means that the members cannot possibly bring their best intellect to bear on important questions that come before them. From the ministers down, the members of the House of Commons are having their capacities taxed to such an extent that many of them will collapse physically as the result of the strain.

What is the situation today? Here in the Senate is a body of men who have well and efficiently discharged the responsibilities entrusted to them, and who are anxious and willing to contribute more to the good service and good government of Canada. I feel that it is the duty of the House of Commons to accept this offer in the spirit in which it is made, and not to make such a statement as was incorporated in *Hansard*. Why it is the very members of the party belonged to by the gentleman who referred to the Senate as a useless body that are complaining most about the demand made upon their time. Business has dragged along day after day, and now in a final desperate rush, legislation is being dropped by mutual consent.

The House of Commons is staggering along under a load which must result in some measure of inefficiency. No one can convince me to the contrary.

It is a most vicious system. If no solution were possible, it might be understandable. But here is a group of well-intentioned and experienced men who individually and collectively are longing and anxious to render

service to their country. Consequently I say to my colleagues that for the mutual benefit of all concerned the Senate should be permitted a larger share in the work of the Canadian government.

Honourable senators, because of the existing situation and the remarks made in this connection in the House of Commons, I would ask that you give this proposal as speedy consideration as is reasonable.

Some Hon. SENATORS: Hear, hear.

Hon. JOHN T. HAIG: Honourable senators, I do not intend to speak on the motion, because it was only a few hours ago that I was first advised by the leader of the government (Hon. Mr. Robertson) that this proposal was going to be introduced. In the first place, I always like to make up my own mind as to what I should do, and when I have done that I consult my party. Frequently I have had to change my mind, but at least I have first had an opportunity to consider the proposition myself. On such an important matter as this I would not for a moment suggest what either the house or the group on this side should do. I do not look upon this as a party question at all, but rather as a matter which concerns the best interests of the Canadian people.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: That is the only criterion by which I feel this matter should be judged. All should be given time to consider this proposal, and for this reason I intend to move the adjournment of the debate. Nothing can really be accomplished at this late date, and the interval between now and next session will provide parliament and the Canadian people with an opportunity to study this matter, so that when we meet again the proposal may be actively considered.

I did not want to raise this point, but I believe my honourable friend (Hon. Mr. Robertson) transgressed against the rules just a little. I do not for the world want to object now, but I think the rules should be observed in the future. I am confident that His Honour the Speaker was aware of what was happening, because I saw him flinch slightly. The rule I refer to provides that an honourable senator must not, while in this house, refer to and answer a speech made by a member in the other place. The infringement of that rule, if permitted, can only lead to disputes between the two houses.

Great Britain faced the same problem that confronts us. Maybe the House of Commons over there went too far in the steps it took, but it did limit debate. There is further

precedent in the limiting of debate by the House of Representatives at Washington. Debate has also been limited to some degree even in the United States Senate. That house used to have filibusters. It came pretty close to having one recently on discussion of a presidential veto, when one senator spoke for eight hours and another for ten hours. A filibuster is no longer permitted, and the Speaker is the one who decides what constitutes a filibuster. Before the anti-filibuster rule was adopted a senator could read at length from a newspaper anything at all, regardless of whether it was relevant to the bill or other issue before the chamber.

If I might, in all humility, offer a suggestion, it would be that the House of Commons ought seriously to consider its whole machinery. There is no limit to the debate on the Speech from the Throne, for instance, and sometimes it lasts three or four weeks. The budget is brought down several months after the session opens. This session there was a six-weeks debate on controls. Everybody knows that controls are important, but they all were being terminated this spring except a number that were to be extended for a year or a little longer. When I first began to think over this matter I felt that the government should introduce closure, but I am afraid of that procedure because I think it restricts freedom of speech. Though closure may have to be resorted to in certain circumstances, as a general rule I am not in favour of it.

I think the House of Commons has got to amend its rules so as to facilitate reasonable debate, but prohibit unlimited debate. Once the session starts that house sits every afternoon and evening, except Wednesday evening, from Monday to Friday; and towards the end of the session its sittings are even longer. I do not know how honourable members over there manage to attend to their correspondence, to say nothing of any other business outside the regular work of parliament. I am thinking particularly of members from the Maritimes and the West, who are unable to make frequent trips home. In the Senate we sit only three or four afternoons a week—we also spend a good deal of time in committees, of course, as do members of the other house—and there is not too much time left for correspondence.

We are anxious to relieve the House of Commons of some of its great burden of work. Or, as I am concerned more with the interests of the people than with those of the House of Commons, perhaps I should put it this way: we are anxious to do a good job for the people. The Senate has its own functions to perform. I doubt that the Maritime

provinces would have come into Confederation in 1867 if the British North America Act had not provided for the establishment of the Senate.

Hon. Mr. DUPUIS: Or Quebec, either.

Hon. Mr. HAIG: I doubt if Quebec would have come in either. If I read the Confederation reports aright, the Senate was intended to be a bulwark for the Maritimes, the small provinces. Quebec was not a small province in 1867, but it was then, as it is to some extent now, a minority province, and it has always looked to the Senate for protection. Hostility to the Senate is stronger in my part of the country than in any other part. The reason is that the people out there feel that we in the Senate are not familiar with the problems of the day, that we have a capitalistic attitude. In that they are wrong, absolutely wrong. As was pointed out in another place one day, a large number of senators were formerly members of the House of Commons or of a provincial legislature; and a good many senators have served in a legislature as well as in the House of Commons.

Hon. Mr. LACASSE: And on a municipal council.

Hon. Mr. HAIG: On a municipal council, a school board and other public bodies. Any man or woman who has represented the public on one or more of these bodies for any length of time does not need to be told about the problems of the day. He or she would never have been re-elected unless familiar with the various matters with which the people are concerned.

This problem is a very vexed one.

Hon. Mr. FARRIS: Which problem?

Hon. Mr. HAIG: The problem of trying to relieve the House of Commons of some of its work. If a feasible scheme could be worked out I would probably support it, but I want to consider the matter fully and I therefore move adjournment of the debate.

The motion of Hon. Mr. Haig was agreed to, and the debate was adjourned.

PRIVILEGES AND IMMUNITIES (UNITED NATIONS) BILL REPORT OF COMMITTEE

Hon. Mr. LAMBERT presented the report of the Standing Committee on External Relations on Bill 272, an Act to provide for privileges and immunities in respect of the United Nations and related international organizations.

He said: Honourable senators, the committee have, in obedience to the order of

reference of July 2, 1947, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. COPP (for Hon. Mr. Robertson): With leave, I move that this bill be now read the third time.

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

INDIAN ACT

REPORT OF JOINT COMMITTEE

Hon. Mr. TAYLOR presented the fourth report of the joint committee appointed to examine and consider the Indian Act.

Hon. Mr. ASELTINE: Could we not dispense with the reading of this long report until tomorrow, when it will be printed?

Hon. Mr. MURDOCK: In the meantime it should be printed in *Hansard*.

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

Hon. Mr. SINCLAIR: Tomorrow.

The Hon. the SPEAKER: The report stands for consideration tomorrow.

(See Appendix "A" at end of today's report.)

IMMIGRATION

REPORT OF COMMITTEE

Hon. JAMES MURDOCK presented the final report of the Standing Committee on Immigration and Labour.

He said: Honourable senators, as this report is lengthy, consisting of twenty-three pages, I will not impose on the house by asking that it be read. I understand that my honourable friend the senator from Toronto-Trinity (Hon. Mr. Roebuck) wishes to speak on it. I would very much prefer that the report receive the same consideration as that accorded to the report on the Indian Act: that is, that it be printed as an appendix to the official report.

Hon. Mr. ROEBUCK: Tomorrow would be much more satisfactory than today.

Hon. Mr. SINCLAIR: This should be printed, the same as the other report.

The Hon. the SPEAKER: When shall the report be taken into consideration?

Hon. Mr. COPP: Tomorrow.

The Hon. the SPEAKER: The report stands until tomorrow.

(See Appendix "B" at end of today's report.)

PRISONS AND REFORMATORIES BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce on Bill 377, an Act to amend the Prisons and Reformatories Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of July 8, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 1, line 30: Delete "Such" and substitute "The".
2. Page 1, line 30: After "order" insert "of the Attorney General".
3. Page 2, line 1: Delete "such" and substitute "the".

The Hon. the SPEAKER: When shall the amendments be taken into consideration?

Hon. Mr. BEAUREGARD: With the consent of the Senate, I move that these amendments be now concurred in.

The motion was agreed to.

THIRD READING

Hon. Mr. COPP moved the third reading of the bill.

The motion was agreed to, and the bill as amended was read the third time, and passed.

ARMY BENEVOLENT FUND BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented and moved concurrence in the report of the Standing Committee on Banking and Commerce on Bill 410, an Act to establish a benevolent fund for army canteen and other service clubs.

He said: Honourable senators, the committee have, in obedience to the order of reference of July 8, 1947, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 1, line 24: After "P.C. 68/3910" insert "less than the equities of the Royal Canadian Navy and the Royal Canadian Air Force."
2. Page 4, line 17: Delete "River".
3. Page 5, line 28: Delete "of want".

The motion was agreed to.

THIRD READING

Hon. Mr. COPP moved that the bill be read the third time.

The motion was agreed to, and the bill as amended was read the third time, and passed.

CRIMINAL CODE BILL

REPORT OF COMMITTEE

Hon. ELIE BEAUREGARD presented the report of the Standing Committee on Banking and Commerce on Bill 364, an Act to amend the Criminal Code.

He said: Honourable senators, the committee have, in obedience to the order of reference of July 8, 1947, examined the said bill, and now beg to report the same with minor amendments.

The amendments were read by the Clerk, as follows:

1. Page 1, line 24: Delete "Any" and substitute "Every".
2. Page 1, line 25: After the first "in" insert "other than a dwelling house as defined in paragraph (g) of section three hundred and thirty-five."
3. Page 1, line 30: Delete "shall be" and substitute "is".
4. Page 1, line 31: Delete "shall be" and substitute "is".

5. Page 1, line 34: Delete "such".
6. Page 2, line 3 to 5 inclusive: Delete section 229. (1) and substitute the following:

"229. (1) Every one who keeps any common gaming-house, or common betting-house is guilty of an indictable offence and liable to one year's imprisonment."

7. Page 2, line 14: Delete "Any" and substitute "Every".

8. Page 2, line 18: Delete "shall be" and substitute "is".

9. Page 2, lines 21 to 26, inclusive: Delete subsection (4) of new section 229 and substitute the following:

"(4) Every one who is an inmate of any common bawdy-house is guilty of an indictable offence and liable to a penalty not exceeding one hundred dollars and costs and, in default of payment, to imprisonment for a term not exceeding two months or to imprisonment for a term not exceeding twelve months."

10. Page 2, line 27: Delete "Any" and substitute "Every".

11. Page 2, line 29: Delete "shall be" and substitute "is".

12. Page 2, line 50: Delete "the Criminal Code" and substitute "this Act".

13. Page 3, line 6: Delete the first "such".

14. Page 3, line 6: Delete the second "such".

15. Page 3, lines 24 to 28, inclusive: Delete paragraph (d) of clause 7 and substitute the following:

"(d) if he uses or has in his possession any weapon and death ensues as a consequence of its use."

16. Page 3, line 36: Delete "shall be" and substitute "is".

17. Page 4, line 10: Delete "shall be" and substitute "is".

18. Page 4, line 30: Delete "a motor vehicle" and substitute "an automobile, motorcycle".

19. Page 4, line 31: Delete "shall be" and substitute "is".

20. Page 5, line 28: Delete "and includes".

21. Page 5, lines 34 to 42, inclusive: Delete subsection (1) of new section 405c and substitute the following:

"405c. (1) Every one who, for the purpose of procuring a Canadian passport or a visa thereof or endorsement thereon, whether for himself or any other person, while outside of Canada makes a statement in writing or verbally to any person authorized to issue Canadian passports outside of Canada which is to his knowledge untrue or misleading is guilty of an indictable offence and liable to a fine of five hundred dollars or imprisonment for a term of two years or both fine and imprisonment."

22. Page 6, lines 10 to 15 inclusive: Delete new section 516B and substitute the following: "516B. Every one who wilfully damages or interferes with any fire protection or fire safety equipment or device so as to render it inoperative or ineffective is guilty of an indictable offence and liable to one year's imprisonment, or to a fine not exceeding five hundred dollars, or to both imprisonment and fine."

23. Page 6, line 21: Delete "and includes".

24. Page 6, line 25: Delete "passing" and substitute "commencement".

25. Page 7, line 2: Delete "passing" and substitute "commencement".

26. Page 7, line 23: After "thereto;" insert "and".

27. Page 7, line 36: Delete "the Criminal Code" and substitute "this Act".

28. Page 7, line 40: Delete "passing" and substitute "commencement".

29. Page 14, line 1: Delete "ten hundred" and substitute "one thousand".

30. Page 15, line 12: Delete "and".

31. Page 15, line 27: After "sentence;" insert "and".

32. Page 15, line 33: Delete "ten hundred" and substitute "one thousand".

The Hon. the SPEAKER: When shall the amendments be taken into consideration?

Hon. Mr. BEAUREGARD: With leave of the Senate, I move that the amendments be concurred in now.

The motion was agreed to.

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. A. B. COPP: There are a number of important amendments, but if no objection is raised to them, with leave of the Senate I would move that the bill be now read the third time.

Hon. Mr. HAIG: Honourable senators, normally I would not consent to this being done. However, as there are so many amendments and the end of the session is near and these amendments will have to be considered in the House of Commons, I think it would be in the interest of everyone to have the bill read the third time now.

Hon. Mr. COPP: I presume our Parliamentary Counsel approved these amendments.

Hon. Mr. HAYDEN: Yes.

Hon. Mr. HAIG: Yes. He was present at the committee meeting last night. I may say that I am in accord with the amendments. Some of the provisions were tightened up, and I think they will require some consideration by the Commons; therefore I feel the bill should be sent there at once.

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

CIVIL SERVICE BILL

SECOND READING

Hon. L. M. GOUIN (for Hon. Mr. Robertson) moved the second reading of Bill 413, an Act to amend the Civil Service Act.

He said: Honourable senators, the first purpose of this bill, which is popularly known as the "Veteran's Preference Bill", is to provide a preference for the veterans of the Second World War. Two other main purposes are to provide for the remuneration of both temporary employees and members of the Civil Service Commission. There are also some minor amendments made to the Civil Service Act.

If honourable senators turn to the first section of the bill they will find that it contains various definitions. It deals in particular with the extension of certain preferences to the veterans of the Second World War. These preferences are the result of the recommendation made by the Veterans Affairs Committee which sat in another place last year. The committee recommended, in substance, that the preferences provided for during the last war as a temporary measure be continued as a permanent measure in favour of the veterans of the Second World War. These veterans' preferences are based on the principle of service to the nation rendered by those who served overseas, and apply to those who served "outside the western hemisphere". That is the expression which is now found in our various statutes to describe persons who are deemed veterans for the purpose of the veterans' preference in the matter of appointment to the Civil Service.

Section 29 of the Civil Service Act already provides for preferences in favour of the veterans of the First World War. The preferences in favour of veterans of the Second World War are at the present time authorized by orders in council passed under the War Measures Act and National Emergency Transitional Powers Act, 1945, and by chapters 34, 64 and 66 of the Statutes of 1946. The first section of the bill contains additional definitions of persons who may be regarded as veterans for the purpose of the veterans' preference under the Civil Service Act. This applies to veterans of both World Wars.

Paragraph (f) of subsection (1) of section 1 of the bill gives a definition of "member of the Women's Royal Naval Services", a definition which is already contained in chapter 34 of the Statutes of 1946. Subparagraph (i) of paragraph (g) defines a "veteran" of World War I, and subparagraph (ii) defines a "veteran" of World War II. In the definition of a "veteran" of World War II the test is ser-

vice outside the western hemisphere, and domicile in Canada at the time of becoming a member of the force or service concerned, but there is this exception: that a person who enlisted in the naval, military or air forces of Canada and is a Canadian citizen need not have been domiciled in Canada at the date of enlistment. As I have said, the test is now service outside the western hemisphere, and to arrive at a uniform basis in this regard it has been necessary to make some changes in existing legislation. The requirements for "service outside Canada" in the case of the Women's Royal Naval Services and the South African Military Nursing Service, for instance, has been altered to "service outside the western hemisphere".

Subparagraph (iv) deals with the case of special operators, who are now required to be "domiciled in Canada" at the date of enrolment, instead of "resident in Canada", in order to benefit from the veterans' preference. Subparagraph (v) deals with auxiliary services supervisors, for whom also the test is "domicile in Canada".

Hon. Mr. WHITE: May I ask the honourable gentleman a question? Does the definition of a veteran of World War I include women as well as men? Some women served overseas in World War I.

Hon. Mr. GOUIN: The definition referred to is taken from section 29 of the Civil Service Act. It says:

"Veteran" means a person who—

Hon. Mr. WHITE: That would include females as well as males.

Hon. Mr. GOUIN: Under the Interpretation Act, it would include both males and females.

Hon. Mr. MURDOCK: Does not section 1 of the bill apply only to women?

Hon. Mr. GOUIN: Oh, no. Paragraph (f) refers only to members of the Women's Royal Naval Services, but paragraph (g) defines "veteran" in a way that would apply to both males and females. In the majority of cases, the veterans would of course be males, but in my humble opinion women veterans would not be excluded from this definition, even though there is special mention of women in certain services. For instance, on page 2 of the bill there is a definition applying to members of the Women's Royal Naval Services and the South African Military Nursing Service.

Though I am only too glad to attempt to answer any questions asked of me, I frankly admit that a good many matters connected

with the bill are beyond my limited knowledge. After second reading is given I will move that the bill be referred to the Standing Committee on Civil Service Administration, where officials could be questioned about details of the proposed amendments.

I come now to subparagraphs (vi) and (vii) of paragraph (g), which specifies classes of persons who are not entitled to veterans' preference. Subparagraph (vi) excepts any person who:

served outside of the western hemisphere or on the high seas only in that he was a passenger in an aircraft, ship or other vessel, or only in that he underwent a limited period of training in an aircraft, ship or other vessel incidental to a programme of instruction.

Subparagraph (vii) excepts any person who received a dishonourable discharge or the equivalent thereof.

Paragraph (h) defines "western hemisphere". Paragraph (i) defines "widow of a veteran." Paragraphs (j) and (k) define "World War I" and "World War II."

Subsection (2) of section 1 deals with the termination of the Second World War for the purpose of determining who is a veteran.

Section 2 of the bill has to do with the increase of salaries paid to the chairman and commissioners. The bill proposes that the annual salary of \$7,000 now paid to the chairman be increased to \$10,000, and that the salaries of the commissioners be increased from the present rate of \$6,000 to \$8,000.

Section 3 deals with the subject of temporary employees, which I referred to at the beginning of my explanation. Paragraph (a) of the new section 15 replaces subsection (2) of section 15 of the present act, and provides for the payment of the prevailing rates of pay to temporary employees outside of Ottawa. For instance, if for a stenographer in Montreal the prevailing rates were \$125 a month, that would be the amount paid to the temporary civil servant irrespective of the minimum rate otherwise provided for. The new section is merely a change of wording, and from a practical point of view provides the only possible way for the government to obtain employees outside Ottawa, namely, by paying the prevailing rates.

Paragraph (b) of the new section 15 provides that when a temporary employee becomes permanent his salary shall not be reduced. That, I submit, is a logical provision. We know of cases where temporary employees would not become permanent, because if they had their pay would have been reduced to the minimum rate. Under this measure temporary employees who become permanent continue to receive at least the salary they have been paid as temporaries.

Section 4 of the bill has to do with officers, clerks or employees in the Prime Minister's office. Such persons who are employed on a temporary basis are to continue to work under prescribed conditions and at such salary as may be fixed by the Governor in Council. Their appointments were made under special provisions in effect during the war, and now that the war is over it has been found necessary to make the provisions covering them part and parcel of our statutes.

Section 5 of the bill sets out the new section 28 of the Act, and extends the right to reinstatement to veterans of World War II, who were permanent civil servants before their military service. Under the Act there was no provision covering veterans of World War II who wished to return to the government service; and it is deemed only fair that they should be put on the same footing as other veterans.

Section 6 of the bill sets forth the new section 29 of the Act, and has to do with procedure. Following an examination a list of the competitors eligible for appointment is published in the *Canada Gazette*, and preference is given to veterans. Subsection (2) of the new section provides that persons who are incapacitated and receive pensions by reason of their services in World War I or World War II be given priority. Next in point of preference are veterans who are not in receipt of a pension. Also in this group are widows of veterans, as defined in section 1 of the bill. Paragraph (c) of subsection 2 of the new section provides for the placing of other competitors in order of merit.

Section 7 of the bill sets out the new section 30 of the act, which provides that the age limit and physical requirements applicable to veterans of World War I be now extended to veterans of World War II.

Section 8, which deals with section 43 of the Act, concerns oaths to be administered to civil servants. All civil servants are now required to take the oath of secrecy as well as the oath of office. For this reason there is to be found in section 9, the new oath to be used—what I would call a combined oath of office and secrecy. The new section 43 enumerates the persons before whom the oath in question shall be taken. There is also a subsection concerning the taking of oaths by the Clerk of the Privy Council, and another subsection which requires him to keep a register of the oaths of office and secrecy administered to civil servants. A new section, section 43A, is inserted to enable the Governor in Council to authorize any person to administer oaths, and to take and receive affidavits, declarations

and affirmations for any of the purposes of the Civil Service Act or of any regulation made thereunder.

I have already mentioned section 9, which contains schedule A, the oath of office and secrecy.

The last section of the bill, No. 10, repeals as a matter of course various provisions which are no longer necessary, namely the definitions under previous acts of the word "veterans". Instead of these definitions being scattered through various statutes, they will be found in section 2 of the Civil Service Act as amended by section 1 of the present bill.

Hon. J. J. KINLEY: Honourable senators, I would like to make a few observations with regard to the bill which is now before the house for second reading. I wish to refer particularly to that part of the bill which deals with preference. By "preference" I mean what is usually known as the veterans preference—that is the preference in the employment of the country which, by statute, is given to persons for meritorious service to their country during the war.

I desire to deal particularly with the auxiliary services. We know that there is preference for veterans of World War I and World War II, who were members of the navy, army and air force, and that preference is also given in respect of the auxiliary services. Under section 1 "veteran" is defined as a person who—

(iv) has been certified by the Under Secretary of State for External Affairs as having been enrolled in Canada by United Kingdom authorities for special duty during world war II in war areas outside of the western hemisphere, and at the time of his enrolment was domiciled in Canada;

Hon. Mr. GOUIN: May I make a remark here?

Hon. Mr. KINLEY: Yes.

Hon. Mr. GOUIN: That covers the case of the special operators only.

Hon. Mr. KINLEY: And the fire-fighters.

Hon. Mr. GOUIN: Paragraph (iv), which the honourable senator from Queens-Lunenbourg (Hon. Mr. Kinley) has just read, covers the case of special operators only, not members of the auxiliary services who, as regards certain authorizations, are mentioned in paragraph (v). The special operators performed certain work about which I have never received any information, but the nature of which I may leave to the imagination of honourable members. They were enlisted by the British authorities in Canada; and I submit they have nothing to do with the auxiliary services.

Hon. Mr. KINLEY: Very good. I will not dwell on that matter now; we can consider it in committee. A "veteran" as defined under paragraph (v) of section 1, is a person who—during world war II served outside of the western hemisphere with the naval, military or air forces of His Majesty raised in Canada as a "representative of Canadian Legion War Services Inc., the National Council of Young Men's Christian Associations of Canada, Knights of Columbus Canadian Army Huts, or Salvation Army Canadian War Services," and who was authorized so to serve by the appropriate naval, military or air force authority and who, at the commencement of his services with those forces during world war II, was domiciled in Canada.

My message to the Senate today is on behalf of what was known as Canada's wartime merchant navy. This bill was the subject of a keen debate in the House of Commons; so much so, that both the Prime Minister and the leader of the opposition made statements which clearly indicate that the bill should receive the serious consideration of this house. Further, a member of the C.C.F. party moved an amendment to include members of the Canadian wartime merchant navy under the definition of "veterans" for the purpose of preference in respect of employment in Canada.

Hon. Mr. HORNER: Do you mean merchant seamen or merchant navy?

Hon. Mr. KINLEY: The member who moved the amendment referred to those who served in the wartime merchant navy, which is really the merchant seamen in peacetime. The amendment was keenly debated, but on a point of order the Speaker ruled that it was out of order, on the ground that a committee could not be instructed to do something which it already had the power to do and had not done. The vote, which was on the point of order, not on the merits of the amendment itself, was carried by the narrow margin of 93 votes to 76. That indicates that had a vote been taken on the principle of the amendment it would have received a very large measure of support.

All my life I have been associated with merchant seamen; and during the war, being engaged in the repairing of merchant vessels and naval ships, I had an intimate knowledge of what was going on.

Honourable senators, I submit that if any men in the auxiliary services of this country are deserving of recognition, they are the men who went to sea in Canada's merchant navy. These men faced two enemies. They had to contend with the elements in a battle in which there is no quarter. Anyone who has experienced the hazards of the North Atlantic in winter will know that these men were truly

in great peril. They also had to face enemy forces, who were ever present. I recall being told by the master of a merchant vessel out of Liverpool—which is in a part of the riding that I had the honour of representing in the House of Commons—that he was torpedoed in the Caribbean Sea. He said that when the men got in the boat after the torpedoing the enemy submarine surfaced, and its captain called through a megaphone, "Are any of your men missing?"

Hon. Mr. MURDOCK: Will the honourable senator excuse me? Is this bill not going to committee?

Hon. Mr. KINLEY: Yes, but I am speaking on the motion for second reading and I am perfectly in order.

When the captain of the merchant vessel replied "Yes", the German officer said that he was sorry, but that he could not give warning because the Canadian ship had carried a gun on her deck and was therefore an armed vessel. It is true that the merchant seamen were armed. They were expected to protect themselves as best they could with arms that were supplied them during the war. Occasionally they had the assistance of a naval gun crew.

Another friend and neighbour of mine was the captain of a ship that he brought out of a French port at a most perilous period of the war. For this he was recognized by His Majesty, and received the Order of the British Empire. During the war he was the captain of a ship which sailed through hazardous waters, but today, if he wishes to get a job in the Canadian Civil Service, he is given no preference because he is not included among the persons who come under this bill.

There have been other bills before the house that have dealt with educational matters and privileges for veterans, but not one of them covered merchant seamen. The reason given was that the seamen were supposed to have received higher pay during the war years than the men of other services. It is true that they did receive good pay, but theirs was a very perilous duty. The pay of the American merchant navy personnel was higher than that received by seamen in the Canadian merchant service. It is claimed that merchant seamen were not enlisted men, and that they enjoyed a personal liberty not enjoyed by others. But when a merchant seaman joined a ship he had to sign articles enlisting him as a crew member and restricting his liberties. Anyone who is conversant with the Canada Shipping Act of this country knows that nowhere during the war was a man under more stern discipline than in the merchant navy of Canada.

This bill does not involve the question of pay but of preference for services rendered; and it does not cost the country a cent. The bringing of merchant seamen under its provisions would simply make available a greater selection of good men for the civil service. This does not appear to me to be a "preference bill", but a "shut-out" bill for many men who did meritorious service for this country during the war. The same merchant seamen who transported shipload after shipload of soldiers, food, and munitions across the Atlantic, now they find that in the preference established for civil service jobs they are not included because they are not considered to have been members of an auxiliary service under the terms of the legislation.

Honourable senators, I say that because merchant ships were vital to success in the war, and because the losses of personnel of the merchant marine were heavier than those of any other service in proportion to its members, these men should be included among those who are deemed to be "veterans" for the purpose of the preference in the matter of appointment to the civil service. The term "hazardous waters" does not include the Great Lakes, but means waters extra-territorial to Canada. So far as the veteran of the merchant marine is concerned, he would have to be a Canadian seaman who had served on a Canadian ship sailing on the high seas. When these matters are considered, I say that by all the rules Canada's merchant seamen should be included among those to receive veterans' preference.

A few days ago I took part in the debate on a bill to establish a maritime commission. At that time I said the United States had a similar bill with a preamble. This preamble states, in part:

It is necessary for the national defence and development of its foreign and domestic commerce that the United States shall have a merchant marine.

Then it goes on to say:

... capable of serving as a naval and military auxiliary in time of war or national emergency.

That shows what the people of the United States think of their merchant service. Some time ago I had the privilege of hearing some American officers speak before a body of men who were interested in the various armed services. They said they could not have carried on without the merchant marine, and that they had the highest regard for the men in that service.

Certainly the merchant marine was the "life line" between this country and Great Britain so far as getting supplies to the Old Land was concerned; and I would hate to

think that I would have to tell any man who had been in that service and who asked me about a berth on a government vessel, that I, the representative of Queen's-Lunenburg in this house, had been present when a bill was passed to give a preference to men who had served in the war, but that its provisions did not cover merchant seamen and he could not get the job even though he had rendered valuable service during the war.

Yesterday I was in the other place when a rather spirited debate on the Senate was in progress. The leader of the opposition in speaking of "the other place" said, "I think that phrase is out-moded and that I can refer to it as the Senate". To this the house leader of the other side replied, "Yes, I think you are right". I hope, therefore, that honourable senators will not consider me out of order if I refer to a press report as to what went on in the other house. I do not wish to refer to a speech made in that house, but to a press report. I read from the *Ottawa Evening Journal* of July 9:

The surprise discussion stemmed from a motion by T. J. Bentley (CCF—Swift Current), that a bill amending the Civil Service Act, up for third reading, be referred back to the committee of the whole, with "instructions" that it be amended to extend the preference to members of the wartime merchant navy.

The motion drew party leaders into an hour-long debate that ended only when the chamber voted 93 to 76 to sustain Speaker Gaspard Fauteux in a ruling that the motion was out of order on the ground the committee could not be instructed to do something which it already had the power to do and had not.

The debate was essentially a repetition of that which took place Monday when the bill, which gives statutory form to wartime orders extending the veterans' preference to the Civil Service, was given second reading and passed in committee stage.

Prime Minister King, entering Tuesday's discussion, held the motion out of order and at the same time urged that the question of whether the veterans' preference should be granted the seamen be left over for study by a special committee at the next session of Parliament.

John Bracken, Progressive Conservative Leader, contended the motion was in order and bespoke his party's support.

Three Cabinet Ministers, Veterans Minister Mackenzie, State Secretary Gibson and Transport Minister Chevrier, defended the Government's position in the matter.

When the vote was disposed of, the bill was given third and final reading.

Mr. Chevrier said the attitude of the house was that the men of the merchant seamen service were not entitled to the same benefits as the men from the other services.

I admit that they are not entitled to the same benefits as men who were in the armed services, but surely they are entitled to as much as members of the auxiliary services, who are covered by this bill.

The minister went on to say:

Canada has done "far more" for her merchant seamen than any other country.

Our record in this respect is good, but not equal to that of the United States. In any event, honourable senators, we claim that we have done more for all our armed services than other countries have done for theirs; so why should we not do likewise for our merchant seamen?

The report then states that the minister—reviewed the special benefits given the merchant seamen and said it could not be said Canada had done nothing for them.

Well, I agree with that. But in view of the statements made in another place by the Prime Minister and the leader of the opposition, and in view of the C.C.F. amendment, and of the vote on the point of order—a manoeuvre which prevented a recorded vote on the amendment—it seems to me that the Senate could amend this bill by making it apply to merchant seamen. The leader of the opposition in this house (Hon. Mr. Haig) said this afternoon that the Senate was a bulwark of protection for the Maritimes and other small provinces. I accept that statement, and I trust that the merchant seamen of this country will be able to say "Amen" to it. It is my hope that in our committee we shall do what the House of Commons did not do, and thus make the bill apply to merchant seamen.

Hon. Mr. LEGER: Honourable senators, I should like to ask three questions with regard to section 2 of the bill: (1) Are the

officers mentioned therein full-time employees? (2) If not, how often do they meet, and what are their functions? (3) What are their names? I do not know whether the acting leader of the house (Hon. Mr. Copp) is able to give me this information.

Hon. Mr. COPP: I have not the information, but I shall be glad to see that it is given to my honourable friend in committee.

Hon. Mr. MARCOTTE: I understand it is intended to send this bill to committee.

Hon. Mr. COPP: Yes.

Hon. Mr. MARCOTTE: I presume that officials of the Civil Service Commission or the Treasury Board will be present at the committee to answer the questions just asked by the honourable gentleman from L'Acadie (Hon. Mr. Leger) and to give any other information that is required.

Hon. Mr. COPP: Yes.

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

REFERRED TO COMMITTEE

Hon. Mr. GOUIN moved that the bill be referred to the Standing Committee on Civil Service Administration.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

REPORT ON INDIAN AFFAIRS

The Joint Committee of the Senate and the House of Commons appointed to continue and complete the examination and consideration of the Indian Act (Chapter 98, R.S.C., 1927) and all such other matters as have been referred to the said committee, beg leave to make their fourth report, as follows:—

Pursuant to orders of reference dated 13th February, 1947, your committee has held 67 meetings and has heard 102 witnesses, including departmental officials, church dignitaries and Indian representatives from all provinces in Canada except the Maritimes, which were visited last autumn by a commission under the Inquiries Act, appointed by order in council P.C. 3797, dated 11th October, 1946.

Embodied in the minutes of evidence, as appendices thereto, are 153 written briefs or submissions received by your committee from

Indian bands or organizations and from other Canadian individuals or groups interested in the welfare and well-being of our natives of Indian descent. The minutes of proceedings and evidence cover approximately 2,500 pages.

Your committee was instructed to "continue and complete" the examination and consideration of the Indian Act. However, the actual recasting, or revision of that act, which is long overdue, could not possibly be attempted until a full opportunity had been afforded to all interested parties to make representations in that regard.

Your committee is agreed that the Joint Committee on Indian Affairs which was appointed in 1946 was warranted, as it reported to parliament, in adopting a programme which envisaged the revision of the Indian Act only during the 1948 session of parliament.

The 1946 Joint Committee on Indian Affairs, on August 15 last, also reported:

... "The hearing of departmental officials has disclosed the necessity for certain administrative improvements which can be effected without the revision of any existing legislation and which, when put into effect, will remove some of the causes out of which have arisen grievances and complaints of many Indians" . . .

Your present committee notes with extreme regret that recommendation No. 8 of the said report of August 15, 1946, which was concurred in by both houses of parliament, has not yet been implemented.

That recommendation was:

... "8. That more direct methods be employed for the return of rentals collected on the behalf of Indian lessors".

Your committee, therefore, recommends:

1. That immediate steps be taken by all responsible officials to remove without further delay this longstanding grievance with regard to rentals due to Indians; and your committee further finds and recommends:

2. That a commission, in the nature of a claims commission, be set up with the least possible delay to inquire into the terms of all Indian treaties, in order to discover and determine such rights and obligations as may therein be involved, or any subsequent substitution therefor, and to appraise and settle in a just and equitable manner any claims or grievances arising thereunder;

3. That questions involving band membership be left for definition and determination during the 1948 session when the Indian Act is next examined and considered;

4. That immediately parliament next reassembles a Special Joint Committee be constituted with powers similar to those granted your committee on 13th February last;

5. That the matter of enfranchisement of Indians be left for further consideration when the Indian Act is under revision;

6. Certain Indian bands resident on "lands reserved for Indians", particularly in the province of Quebec, are compelled to pay taxes other than those imposed by dominion legislation. It is therefore recommended that a reference be made to the proper court to determine the legality of any taxation imposed on Indians;

7. That encroachments of persons other than Indians upon lands reserved for Indians are not viewed with favour by either the members of the Indian band concerned or by the Indian Affairs Branch. It is recommended that the Indian Affairs Branch take immediate steps, consistent with the wishes of the Indian bands

concerned, to remove from Indian reserves all persons other than Indians who reside in, or carry on business on an Indian reserve;

8. That the whole matter of the education of Indians be left over for further consideration. In the meantime, however, it is recommended that all educational matters, including the selection and appointment of teachers in Indian schools be placed under the direct and sole responsibility of the Indian Affairs Branch;

9. That the administration of all aspects of Indian Affairs should be under one ministerial head;

10. The Director of the Indian Affairs Branch should be given the status, if not the rank, of deputy minister to permit him to have direct approach to his and other departmental heads; or he should be named a Commissioner who shall rank as a Deputy Minister and who shall have at least two Assistant Commissioners of whom one should be a Canadian of Indian descent;

11. That Indians who are qualified for any position in the administration of Indian Affairs, at any level, be given a preference for appointment to such positions within that administration for which they qualify or are suited;

12. That when the Director of Indian Affairs becomes aware that an Indian Agent will shortly be leaving the service, he should, in ample time before the said Agent retires, request that the Civil Service Commission select and appoint a successor to the said agent, so that there shall be no interruption in the carrying out of the duties of that most important office in Indian administration, that of Indian Agent;

13. That the retiring leave of any Agent or officer in Indian administration be granted to him simultaneously with the payment to him in a lump sum of his leave payments instead of retaining him on the payroll pending actual retirement. This in order that the position may be filled without delay by the person selected and appointed to succeed the retiring agent or officer;

14. That whenever possible a vacant position of Indian Agent be filled by the promotion of an assistant agent who will have had the opportunity of receiving training in all the duties of an Indian Agent;

15. That in view of the fact that Indian reserves are widely scattered across Canada, and in view of the diversity of the problems confronting those charged with the administration of Indian Affairs, the Indian Affairs Branch should be decentralized and that regional directors be appointed to look after

and to determine such matters as appropriately fall within their particular regional jurisdiction;

16. That the establishment for the Indian Affairs Branch be increased to provide for the appointment of a sufficient number of Indian Agents and Indian Agents-at-large, to provide for the adequate and proper administration of Indian reserves;

17. That when a promotion from the staff of an agency is not possible, a promotion should, when practicable, be made from junior officers in the district who may desire promotion and who are suited and qualified for a senior post;

18. That when promotion within the staff of an agency is not feasible, the field of competition for applications from the general public should be made wide enough to ensure the selection and appointment of a fully qualified person;

19. That examinations, whenever possible, should be conducted by the district offices of the Civil Service Commission rather than at headquarters of the Civil Service Commission at Ottawa;

20. That Indian Agents who have undergone a period of probation satisfactory to the Director of Indian Affairs should be made permanent civil servants at the end of such probationary period;

21. That, by Order in Council, appointments to the Indian Affairs administration should no longer be subject to the "permanent quota" now in force, as imposed by Treasury Board regulations;

22. That the preference accorded to any veteran be consistently accorded with regard to all appointments to positions in the administration of Indian Affairs;

23. That future appointments of officials concerned with the administration of Indian Affairs should, where practicable, be restricted

to applicants who have had previous experience in the field. Field officers in the said administration should, from time to time, be posted to the divisional or headquarters office of such administration;

24. That in the best interest of the administration of Indian Affairs, if there be officials therein who are incompetent, or incapacitated, or for any reason unable to fulfil their duties, such officials should be superannuated or retired from the services, without undue delay;

25. That the project of building a central governmental hospital in northern Indian agencies, with nursing stations in far outlying districts be proceeded with at once; and

26. That some statutory provision be made for the adequate care of aged, infirm or blind Indians; and that in the meantime rations given to Indians should be in sufficient quantity and quality.

Whilst your committee would like to express due appreciation to all those individuals and organizations who have rendered valuable assistance to the deliberations of your committee, we feel that occasion must be taken to single out for special mention the very valuable contribution made by Mr. William Zimmerman, Jr., Assistant Commissioner of Indian Affairs, Department of the Interior, U.S.A., who came to Ottawa to inform your committee with regard to the administration of Indian Affairs in the said United States of America.

A copy of the minutes of proceedings and evidence is tabled herewith.

All which is respectfully submitted.

W. H. TAYLOR,
Chairman, Senate Section.

APPENDIX "B"

REPORT ON IMMIGRATION

The Standing Committee on Immigration and Labour begs leave to report as follows:

By order of reference made on Thursday, March 13, 1947, your committee was authorized and directed to:—

Examine into the Immigration Act (R.S.C. Chapter 93 and Amendments), its operation and administration and the circumstances and conditions relating thereto, including (a) the desirability of admitting immigrants to Can-

ada, (b) the type of immigrants which should be preferred, including origin, training and characteristics, (c) the availability of such immigrants for admission, (d) the facilities, resources and capacity of Canada to absorb, employ and maintain such immigrants, and (e) the appropriate terms and conditions of such admission.

In obedience to this order of reference, your committee has enquired into the general subject of immigration, the Act and Regulations

as amended from time to time, the manner in which the administration of the Act has been performed, and the progress that has been made during the past year and in previous years in meeting Canada's needs and obligations in this regard. In the course of its inquiries, your committee has heard evidence submitted on the following dates by the organizations and persons mentioned:

Witnesses appearing before the Immigration and Labour Committee, Session 1947, are as follows:—

April 23, 1947: Mr. A. L. Jolliffe, Director of Immigration, Department of Mines and Resources. Dr. H. L. Keenleyside, Deputy Minister, Department of Mines and Resources.

April 24, 1947: Dr. Allen Peebles, Director, Research and Statistics Branch, Department of Labour. Mr. James Colley, Resident Representative, Inter-Governmental Committee on Refugees. Reverend Ian MacKay, former U.N.R.R.A. worker in Germany.

April 30, 1947: Mr. R. N. Bryson, Toronto, Ontario, President of the Community Welfare Association of Ontario, Mr. Elmar V. Spielberg, Toronto, Ontario, Secretary, Latvian Relief Fund of Canada and Chairman, Federation of Baltic Canadians.

May 1, 1947: Lieut.-Colonel Arthur J. Hicks, Ottawa, Ontario, former Staff Officer, Military Government in Europe. Mr. Arthur Randles, C.B.E., M.S.M., Montreal, Quebec, Director and General Manager, Cunard Donaldson Limited (Montreal). Mr. Carl E. Waselius, Montreal, Quebec, District Manager, Swedish American Line.

May 7, 1947: Mr. H. C. P. Cresswell, Chief Commissioner, Department of Immigration and Colonization, Canadian Pacific Railway Company. Mr. G. M. Mutt, Development Commissioner, Canadian Pacific Railway Company. Mr. Frank W. Collins, Industrial Manager, Canadian Pacific Railway Company. Mr. Michael Garber, K.C., Montreal, Quebec, Vice-President, Canadian Jewish Congress. Mr. Saul Hayes, Montreal, Quebec, National Executive Director, Canadian Jewish Congress.

May 8, 1947: Mr. Karel Buzek, Toronto, Ontario, National Secretary, Czechoslovak National Alliance in Canada. Mr. Rudolf Koren, Toronto, Ontario, President Czechoslovak National Alliance in Canada. Mr. Sven Stadius, Toronto, Ontario, Secretary, Toronto Finnish Advancement Association.

May 14, 1947: Mr. Percy R. Bengough, President, The Trades and Labour Congress of Canada. Mr. John W. Buckley, Secretary-Treasurer, The Trades and Labour Congress of Canada. Dr. E. A. Forsey, Director of Research, Canadian Congress of Labour, Mr.

Pat Conroy, Secretary-Treasurer, Canadian Congress of Labour. Mr. Herbert Marshall, Dominion Statistician, Dominion Bureau of Statistics.

June 4, 1947: Mr. S. W. Fairweather, Vice-President of Research and Development, Canadian National Railways. Mr. J. S. McGowan, Director, Department of Colonization and Agriculture, Canadian National Railways. Mr. M. W. Maxwell, Chief of Development, Canadian National Railways. Mr. Frank Foulds, Director, Canadian Citizenship Branch, Department of the Secretary of State. Colonel C. A. Krug, Assistant Director, Canadian Citizenship Branch, Department of the Secretary of State.

June 5, 1947: Mr. William M. Teresio, President, Association of United Ukrainian Canadians. Miss Constance Hayward, Toronto, Ontario, Executive Secretary, Canadian National Committee on Refugees. Mr. B. K. Sandwell, LL.D., D.C.L., F.R.S.C., Toronto, Ontario, Honorary Chairman, Canadian National Committee on Refugees. Mr. George A. Wenige, Mayor of the City of London, Ontario. Mr. Stanley Lewis, O.B.E., LL.D., Mayor of the City of Ottawa, Ontario. Mr. James Colley, Resident Representative of the Inter-Governmental Committee on Refugees.

June 12, 1947: Mr. A. Hlynka, M.P. Mr. Jaroslaw William Arsenych, K.C., Winnipeg, Manitoba, Secretary of the Ukrainian Canadian Committee. Mr. Eustace Wasylshen, Winnipeg, Manitoba, a member of the Executive Board of the Ukrainian Canadian Committee. Very Reverend Dr. Basil Kushnir, Winnipeg, Manitoba, President of Ukrainian Canadian Committee. Mr. Alex Skelton, Director General of Economic Research, Department of Reconstruction and Supply.

June 18, 1947: Mr. B. B. Dubienki, K.C., Winnipeg, Manitoba, Western Chairman, Canadian Polish Congress. Mr. Walter Dutkiewicz, Toronto, Ontario, representing Polish Democratic Association of Canada. Mr. B. Staniszewski, Toronto, Ontario, Executive Secretary, Canadian Polish Congress. Honourable Victor Podoski, Ottawa, Ontario, representing Council for Resettlement of Polish Refugees. Reverend R. Gordon Burgoine, Montreal, Quebec, Canadian Manager, British Dominions Emigration Society. Mr. R. W. Keyserling, Montreal, Quebec, representing Baltic Relief Committee. Mr. M. G. Ballantyne, Montreal, Quebec, Editor, The Canadian Register, and Vice-Chairman of Baltic Relief.

June 25, 1947: Miss Joy A. Maines, Ottawa, Ontario, Executive Secretary, The Canadian Association of Social Workers. Dr. Mladen

Public opinion in favour of the admission of a considerable number of carefully selected immigrants seems to have developed since your committee made its report in favour of properly regulated immigration during the session of 1946, and to have become even more forceful and decided. Not a single witness advocated the closed door; all were in favour of immigration and of Canada doing her share in the rescue of the displaced persons of Europe, and there was general agreement that there should be careful selection in order to exclude those who by character or health are unfitted to play a useful part in Canada's system of democracy, including social and economic democracy. Witnesses have accentuated the importance of bringing to Canada men and women of proven industry, skill and character who can be relied upon to contribute by their labour and virtues to Canada's welfare and to the maintenance of our comparatively high standard of living and way of life.

There has been some lessening of governmental restrictions against immigration and a very great increase in departmental activity, both of which your committee heartily approves. Though there has been no very definite statement of governmental policy in this regard, it would seem that a movement has actually commenced. This will be the first movement of its kind to this country in many years.

Following the year 1930, the number of immigrants entering Canada each year continually decreased, due to the depression supplemented by governmental obstruction. During the first four years of the war, immigration practically closed. When hostilities ended, travel overseas to Canada was restricted by the shortage of ocean shipping. Return of service men and some 65,000 dependents, together with the repatriation of civilian Canadians abroad, exhausted available accommodation.

At the same time the need for action in other connections was very great. There was, and still is, in Canada a shortage of manpower in farming, lumbering, mining and shipping and to a considerable degree also in urban industry, and in addition conditions in Europe following the war were and are deplorable. There are still 850,000 displaced persons in public camps under American and British jurisdiction. Thousands of Canadian citizens have relatives in the European countries, both in and out of the government camps, whom they earnestly desire to rescue. As might be expected, there have been many expressions of impatience at the continued delay.

Giunio-Zorkin, Windsor, Ontario, Secretary of the Supreme Committee, Croatian Peasant Society.

The following documents have been filed: April 24, 1947: Table of Occupational Classification of Displaced Persons in Europe according to skills.

April 30, 1947: List of Immigrants admitted to Canada during the year 1946. Brief by Mr. T. J. Keenan, Meadowbank Ranch, Lac La Hache, British Columbia, on Displaced Persons in Europe. Letter directed to the Right Honourable W. L. Mackenzie King, Prime Minister, by Executive Secretary, Canadian Association of Social Workers, with respect to Displaced Persons of Europe.

May 7, 1947: Mr. Cresswell filed as an appendix to his brief a summary of Displaced Persons and a statement on Transfer of Capital.

May 8, 1947: Resolution by the Association of Professional Hotelmen of the Province of Quebec, recommending immigration to Canada of experienced chefs and cooks from European Allied Countries.

May 14, 1947: Submission by Alberta Sugar Beet Growers Association and Canadian Sugar Factors Ltd., on Labour requirements for Sugar Beet Growing in Southern Alberta.

June 5, 1947: Resolution passed by the London, Ontario, City Council on Immigration to Canada, presented by His Worship Mayor G. A. Wenige. Brief on Immigration on behalf of the Canadian Federation of Mayors and Municipalities, by His Worship Mayor Stanley Lewis.

June 12, 1947: Resolution of the National Council of Jewish Women of Canada, urging the Government of Canada to admit to Canada displaced persons of Europe. Statement with respect to ships available in the United States which are suitable for carrying immigrants to Canada.

June 18, 1947: Recommendation of the Canadian Chamber of Commerce, respecting Immigration, adopted at the seventeenth Annual Meeting, Winnipeg, Manitoba, October, 1946. Memorandum from the American Resident Representative, Intergovernmental Committee on Refugees, respecting Migration and Resettlement.

A number of the witnesses mentioned attended in Ottawa the last session of parliament as well as this session and all came at their own expense and at considerable time and effort in order to impart their knowledge and views for the general public welfare. Your committee expresses its gratitude and appreciation for the public spirited assistance which it has received.

The fact that transportation has been found by the government and by private enterprise in certain cases added fuel to the discontent particularly of those whose relatives have remained unrescued.

The government has endeavoured to meet the situation by repeated requests to the British Ministry of Transport for additional shipping, with some little success, and by the successive moderating of restrictive regulations. In recent years, immigration has been limited to British subjects, United States citizens from that country, the wife and unmarried children under 18 years of age of residents of Canada, and agriculturists with funds intending to farm in Canada.

On the 26th of May, 1946, the government provided by order in council P.C. 2071, for the admission of the father and mother, the unmarried son and daughter without limitation as to age, the unmarried brother and sister and the nephew and niece orphaned of both parents and under 16 years of age, of persons legally resident in Canada, who are in a position to receive and care for such immigrants.

On January 30, 1947, the regulations as to admissibility were further widened by order-in-council P.C. 371, to include the widowed daughter and sister together with their unmarried children under 18 years of age, of legal residents of Canada, and the age limitation of orphaned nephews and nieces was raised from under 16 years to under 18 years of age. Provision was also made for the admission of farm labour and of persons experienced in mining, lumbering and logging when assured of employment.

The preference extended to single persons and the continued exclusion of relatives on the ground of marriage was the subject of many expressions of disapproval and on the 1st of May, 1947, the Prime Minister announced that the order-in-council as to those admissible had been revised to read as follows:

"The husband or wife; the son, daughter, brother or sister, together with husband or wife and unmarried children if any; the father or mother; the orphaned nephew or niece under 21 years of age; of any person legally resident in Canada who is in a position to receive and care for such relatives. The term "orphan" used in this clause means a child bereaved of both parents."

The effect of this enactment was to wipe out the legal ban against marriage, and to make admissible whole family units, short of married children, when one of the spouses comes within the class of admissible relatives. This change was hailed with joy in thousands of homes throughout Canada.

Up to this time, the fiancee of a male adult was admissible but not of a female adult. This meant a man could bring an intended wife to Canada, but a Canadian woman could not bring her intended husband. This was an unfair and unnecessary discrimination. The new Order abolished the distinction, making admissible:

"A person entering Canada for the purpose of marriage to a legal resident thereof; provided the prospective husband is able to maintain his intended wife."

This too, brought joy in some quarters.

In his statement the Prime Minister recognized Canada's moral obligation to assist in meeting the problem of European refugees and displaced persons, and announced that the government is taking steps looking towards the early admission to Canada of some thousands of their number.

This statement was followed by order-in-council P.C. 2180, dated 6th June 1947, in which authority was provided for the "immediate admission to Canada of 5,000 individuals from the displaced persons camps in Europe." The selection and transportation to Canada of these persons is under the direction of the Immigration Branch of the Department of Mines and Resources, and their reception and distribution throughout Canada is to be arranged by the Department of Labour.

Under authority of this order, the department has approved the admission of 2,620 woods workers and requests have been received for the admission of garment workers, domestic workers and others, and consideration is being given.

The alien labour law has been suspended when workers are coming to assured employment at the prevailing rates of wages.

During recent weeks the interpretation of the orders-in-council respecting admissibility have been relaxed and broadened. Since the regulations have permitted the admission of 5,000 displaced persons without the requirement of blood relationship and guarantee, the department has taken the logical step of receiving applications supported by guarantees by Canadian residents for the admission of friends now in displaced persons camps, as well as of relatives. Friends of Canadians who are prepared to back their friendship with the assumption of responsibility are assured of priority within the limitations imposed by the shortage of shipping.

While these changes in the regulations were taking place, the Department of Immigration was preparing for the movement of people to Canada which may be expected to follow the provision of shipping. During the war, the department's branch offices in Europe were

necessarily closed, other than those in the United Kingdom. In November, 1946, Canadian inspectional offices were opened in France, Belgium and Holland, and provision was later made for the granting of visas at Canadian missions in Norway, Sweden, Denmark, Switzerland, Czechoslovakia, Portugal, Greece, Palestine, and Pretoria, South Africa. Early this year offices have been opened in Warsaw, Poland. Visas to Canada are also granted by Canadian agencies in Buenos Aires, Argentine; Rio de Janeiro, Brazil; Santiago, Chile; Lima, Peru; Havana, Cuba; Mexico City, Mexico; St. Johns, Newfoundland; Wellington, New Zealand; Canberra, Australia, Dublin, Eire; Nanking, China and Shanghai. So that at the present time, Canada has immigration offices in which visas to Canada may be granted in 24 countries. This is a considerably larger number than existed prior to the war, the added offices being necessary because of present day restrictions on travel in Europe.

The department has enlisted the aid of the Inter-Governmental Committee on Refugees, and together the overseas representatives of the department and of this committee have been searching out persons in Europe for whose admission to Canada applications have been made by relatives in Canada, or who are in public camps for displaced persons and who desire residence in Canada. These people in considerable numbers are being examined by Canadian inspectional officers, whereupon the committee officers take charge of the problems of individual transportation.

Medical examinations have been conducted within the camps with the aid of the Inter-Governmental Committee, but in this connection great difficulty has been met with outside the camps, where the travel of intending immigrants is under military control. The Director of Immigration is now on his way to Europe to endeavour to facilitate arrangements for these medical examinations.

In Canada, the department's officers have been very active in receiving and reviewing applications and, when the proposed immigrants appear to be admissible under the regulations, in conducting investigations in all parts of Canada as to settlement conditions, that is to say, the financial ability of the applicants to guarantee the reception and subsequent success of the proposed immigrants. The volume of correspondence is very great and the rapidly growing store of active files is numbered in thousands.

A considerable number of applications have been received from farmers seeking farm labour help, and from lumbering, mining,

shipping and manufacturing companies for men to engage in these occupations. Each application, if apparently bona fide and within the regulations, is the subject of special investigation. Many requests have been received from industrial companies seeking skilled and unskilled labour.

Early this year the government agreed with the British Ministry to admit to Canada under obligation to work as agricultural labourers for a period of at least two years, 4,000 Polish soldiers from Italy. The Labour Department and the Department of Health and Welfare made the inspections of the applicants in Italy and 2,876 were admitted, shipping being provided when it suits its purposes by the British Ministry of Transport. Since then a further 1,630 Polish soldiers have been similarly admitted from England making a total of 4,506. These men are now working on farms throughout Canada where they are contributing to the Canadian economy and to the solution of the world food problem.

Your committee holds that immigration is a proper function of government and that under no circumstances should control be permitted to fall into private hands. Such immigrants as are admitted should come to Canada under government auspices, and should be free on arrival to accept employment from any employer within the class or classes of industry to which they are destined.

Such are the conditions under which 998 immigrants have recently arrived from Holland. They are agriculturists displaced by the war and for whom locations are not available in the Netherlands. Admission of these highly desirable immigrants was arranged between the Canadian Immigration Department and the Dutch government, and Holland provided the required shipping. Others are expected to follow. Every one of these immigrants has funds in Holland which it is hoped will later be transferred to Canada and every one has been applied for by a farmer applicant in Canada who has assured both housing and employment and each is accordingly destined to a predetermined farmer.

Despite the number of persons wishing entry to Canada and the number of Canadians desiring to bring about admissions, the volume of immigrants arriving in Canada during the first three months of this year has been disappointingly small. Immigrants are 4,729 fewer for that period of 1947 than for the corresponding period of 1946. These entries numbered 8,009 this year as against 12,738 last year. The figures for persons of British national origin were 5,262 this year and 8,694 last year. The

explanation of this decline is the shortage of shipping. Last year the British Ministry provided ships for the transportation of service men's wives and families, while for the period under review 1,000 immigrants only were in that category, as against 8,000 for the same period of last year.

So far there has been no immigration directly from Italy, Austria, Hungary, Roumania, Finland and Germany, for the citizens of these countries are still deemed to be enemy aliens. However, treaties of peace have been tabled in parliament between Canada and Italy, Roumania, Hungary and Finland, and so soon as approved and completed the enemy obstruction will not longer exist, and the Canadian offices may be expected to be opened in these countries.

But even if these treaties are completed as promptly as expected, the removal of the obstruction will apply to only the four countries named, and the nationals of Austria, and Germany will still remain under the ban of a Canadian order-in-council prohibiting immigration to Canada from enemy countries. Your committee is of opinion that this order-in-council is now unnecessary and should be repealed.

The prohibition against the admission of enemy aliens has been moderated by the rule as to refugees. Those who fled these countries during the war, or who were treated as slave labour, have not been regarded as enemy aliens, and some have been admitted.

It is reported that large numbers of persons in the British Isles are willing and anxious to come to Canada or other of the self-governing British countries. Various estimates of from 300,000 to still more impressive figures have been published. Australia signed an agreement with the British Ministry effective on and after April 1 of this year, under which Great Britain pays the passage of British soldiers migrating permanently to that country. Similar agreements have not, so far been offered to other Dominions. Australia expects a normal flow of 70,000 immigrants annually, 40,000 of them from Great Britain. Twenty thousand from Britain is the Australian estimate for this year. It is estimated by Mr. Randles, of the Cunard Donaldson White Star Line, that 25,000 will be the maximum number of immigrants which can be transported to Canada from overseas this year.

Whether or not this estimate can be exceeded will depend on the success achieved by Mr. A. L. Jolliffe, the Canadian Director of Immigration, who a few days ago left for England where he will urge upon the British Ministry of Transport the desirability of a more generous assignment of shipping to the Canadian service.

Your Committee wishes Mr. Jolliffe success, for as stated above, so far this year the numbers of immigrants arriving in Canada is very disappointing, and particularly so within the classification of relatives. There are an estimated 15,000 persons in Europe for whom admission to Canada has been requested by close relatives within the degrees defined, who have signed the department's form of guarantee, and who have been found by the department able financially to discharge the obligations assumed, and so far only 275 of these proposed immigrants have arrived in Canada.

This practical failure of Canadian citizens to rescue unfortunate relatives in Europe is due to the requisition by the British Ministry of ships which would otherwise ply the Canadian route. The Cunard White Star Line has been endeavouring to procure return to its service of several of its passenger liners still requisitioned by the British Ministry. It was hoped that the *Ascania* with 850 passenger capacity, would be released this summer but so far the only ship in the Canadian regular service is the Canadian Pacific liner, *Empress of Canada*, which makes its first sailing from Liverpool on the 16th of July, supplemented by part-time assignment of the *Aquitania* a 46,000 ton former troopship, which has been on the Canadian route since the first of the year and is promised to remain until September.

Dr. Hugh Keenleyside, Deputy Minister of Mines and Resources, said recently that the total shipping space available for all passengers is sufficient for the accommodation of only 3,000 per month, and of these it is expected that only 200 to 300 per month will be immigrants.

This dismal prospect was considerably brightened within the past few days by an announcement that the Right Honourable C. D. Howe, Acting Minister of Immigration, had arranged with the North American Transport Company for the assignment of its ship, *Huascara* to the immigration service exclusively. The ship, in a damaged condition, was turned over to Canada by the Reparations Committee at a German port, and was promptly sold by Canada through the War Assets Corporation to the above company. The ship is now in Canada undergoing repairs and refitting and is expected to be ready for service sometime in September. It is a fast ship capable of a round trip every three weeks and will carry 600 passengers.

Some few immigrants have been fortunate in obtaining transportation to Canada via United States ports.

There has been talk of reconditioning cargo ships for passenger accommodation but this is said to be impossible by private companies without active government co-operation, because passenger ships must comply with the British Board of Trade regulations and this is impracticable. A government can disregard safety and other regulations and a private company cannot.

The cost of building passenger liners is several times in excess of pre-war prices, and the shipping companies say that such construction is economically impossible without government assurance of continued immigration, an assurance which so far has not been given.

Your committee approves the action of the government in broadening the regulations to include the families of those admitted on the ground of relationship. That is to say, the wives and husbands and the children of the sons and daughters and brothers and sisters of Canadians able and willing to receive and care for them. The committee also approves the increase in the age limit of orphaned nephews and nieces from 18 to 21 years. Your committee would go further, however, and recommends, that as soon as the main body of the classes as now defined are disposed of by admission or otherwise, the classes be further broadened to include cousins and their families and nephews and nieces of all ages and whether or not orphaned or married.

Your committee is of opinion that generally speaking the best immigrants obtainable are the relatives of persons who are already here and who have themselves made good to the extent that they are in a position to guarantee the success of the newcomer relatives from abroad. Such immigrants have a welcome awaiting them, and someone to aid, guide and advise them on arrival and during the establishment stages following. They have a family source from which to learn the Canadian way of life, how things are done in Canada, and how to be successful, and they have before them an example of success. Such immigrants are the most likely of all newcomers to develop into permanent Canadians and are the least likely by reason of loneliness, lack of ties, unsuccess, or otherwise, to make Canada a mere port of entry to some other country.

For these reasons we recommend the broadening of the regulations immediately, to include relatives of all degrees together with their families and without limit as to age.

Your committee favours the married immigrant over the unmarried man or woman. Freedom from responsibility may be a temporary convenience under some circumstances, but when permanent citizens are being sought the advantage of the family unit is very great.

In your committee's records there appears a statement by the Episcopate of the Province of Quebec expressing approval of aid by Canada to "those displaced and wandering populations of many European countries by allowing them to come and settle in Canada" but the reverend bishops warn of the "necessity of safeguarding the peace of our constitutionally Christian country and of basing the future prosperity of our country first of all in the family."

Your committee recommends that preference be given to family groups over unmarried men and women, and that efforts be made to bring to Canada in each instance the entire family group, so that the transplanting of the unit be complete and nothing remain in Europe to preserve a divided interest and loyalty.

We have had experience in this connection. Some years ago numbers of men arrived from European countries, intending to bring their wives and families to join them later when they had themselves become established and had earned the cost of transportation. The depression of 1930 followed and then the war, and the result is many families have remained separated through the years and are still separated. Such conditions are to be avoided.

It would have been better for these people and for Canada had it been made possible for all to come together to the new land of their adoption.

There has been an apparent tendency recently in connection with the immigration sponsored by the Labour department to favour single men and women. That policy should be reconsidered with a view to long term advantages rather than to immediate and temporary convenience. In those cases when single persons have been admitted, every facility should be given for the subsequent admission of spouses and families and fiancées.

The Secretary of State for Canada is giving attention to the problem of receiving and welcoming immigrants on their arrival in Canada. Representatives of his department have already been active in imparting information as to Canadian civics, and what is known as "the Canadian way of life". This is admirable, and your committee heartily approves the general principle of their plans, and bespeaks the co-operation of the provinces. It is important that immigrants be made into informed and loyal Canadians as promptly as possible.

There is some difficulty in laying down a general policy, and some objection to settling policies for months or years to come, but something of the kind is now required. Beyond the order in council that Canada will admit 5,000 displaced persons, as a part of her aid-

to-Europe contribution, and the presently defined classes of admissible persons; there is no settled policy in existence. One may assume what Canada will do, in this regard in the future, but there is no pronouncement upon which business men may rely. An immigration movement to be successful must be organized. Ships must be provided, and shipping companies will not build or re-design vessels for the immigrant service unless assured for at least a few years of continuous employment. Facilities for the reception of immigrants, their primary education and training and their settlement in rural or urban communities cannot be successfully provided on a short term or sporadic basis. What is needed is a steady flow of newcomers maintained over the years, and the first essential to the planning of such a movement is the governmental assurance that it will be permitted. Such a pronouncement of policy would take courage, but it would be worthwhile.

The defining by regulations of the classes of admissible persons has served the useful purpose of establishing priorities for those groups whom it was thought were most needy, most deserving and most desirable, but such rules, if too rigidly followed, may become straight-jackets. It is difficult to imagine anything more cruel than stereotyped phrases rigidly applied as determining who can come to Canada and who cannot. A rule differs from a law in that it may be broken with impunity when circumstances warrant, and should at times be broken. In recent months the rules of admissibility as laid down in the regulations have been applied in a manner reminiscent of the laws of the Medes and Persians, which altered not. Hardship in certain cases has resulted. For example, nephews and nieces who have attained 21 years of age have been flatly turned down. So too have the married children of sons, daughters, brothers and sisters. Can one imagine a father and mother with a number of children leaving one child behind because married. Grounds of excessive hardship or unusual circumstances are seldom or never considered by our immigration authorities because of the inflexibility of the regulations. Pleas for sympathy fall on deaf ears. This should not be, and it is not in keeping with the real character of our immigration officials, who are by inclination sympathetic, helpful and understanding.

This committee recommends that the government extend to its immigration officials a greater liberty of discretion in special cases, and it suggests that the officials themselves take courage to apply for special orders in council whenever circumstances warrant, so

that undesirable rigidity be avoided and the administration of the Act be made as humane and considerate as possible.

Your committee reports that its meetings have constituted a research into conditions relating to immigration which in its opinion has been exceedingly valuable. The oral evidence given, and the carefully prepared statements and briefs in considerable numbers, contain a vast amount of useful information. The material contained in the record is too great for even summary in this report, but it has enabled the committee to reach a number of general conclusions.

We are of opinion:—

(1) That there are within Canada natural resources sufficient for the support of a very much larger population than Canada now possesses, providing the resources are intelligently used for production, and not merely held.

(2) Industrial conditions in Canada are favourable at present for a considerable expansion in manpower both in primary industries and in manufacturing.

(3) The admission of a considerable number of immigrants to engage in farming, lumbering, mining, and shipping and, as well, those skilled in urban production, would not lower the standard of living in Canada, but rather would at present tend to improve it.

(4) A better balanced economy, the result of an expansion of industries other than farming, can be brought about only by increases in population.

(5) There are available in Europe numbers of skilled artisans, technicians and professional men, workers experienced in new trades and masters of various established arts, men having creative and managerial capacity capable of founding new industries or improving old ones, "entrepreneurs" and so forth. Such men should be welcomed to this country in all cases where there is a reasonable assurance that they will add to our knowledge, capacity or efficiency, contribute to our economy, or assist us in competition.

(6) In the camps for displaced persons in Europe there are great numbers of people who are suitable in accordance with the most exacting standards, for settlement as immigrants in this country.

(7) The success achieved in past years by immigrants of such national groups as Ukrainians, Poles, Greeks, Scandinavians, Germans, Italians, Hungarians, Roumanians, Austrians and others, as described in many weighty representations convinces us that the policy of admitting such people should be continued.

(8) Public opinion approves a carefully selective immigration in numbers not exceeding from time to time the absorptive capacity of our country, and industrial and economic conditions at present are favourable. The government should in consequence find some way to provide the necessary ocean transportation, the failure of which is the only physical bar now to a successful immigration movement.

All of which is respectfully submitted.

Standing Committee on Immigration and Labour.

JAMES MURDOCK,
Chairman.

THE SENATE

Friday, July 11, 1947.

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

Prayers and routine proceedings.

ROYAL STYLE AND TITLES BILL

FIRST READING

A message was received from the House of Commons with Bill 449, an Act to provide for the Alteration of His Majesty's Royal Style and Titles.

The bill was read the first time.

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: Next sitting.

SENATE AND HOUSE OF COMMONS BILL

FIRST READING

A message was received from the House of Commons with Bill 443, an Act to amend the Senate and House of Commons Act.

The bill was read the first time.

MOTION FOR SECOND READING

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: Honourable senators, this bill has received first reading, as will another bill authorizing the negotiation of agreements between the dominion and the provinces. I have asked two honourable senators to explain the bills, but as these gentlemen probably will not be here at the next sitting, I would request that the bills be given second reading today.

For the information of honourable senators, I may say that it seems unlikely that parliament can prorogue this week; therefore I intend to move at the close of this sitting that the Senate adjourn until Monday evening next.

Hon. A. B. COPP moved the second reading of the bill.

He said: Honourable senators, this is a very short bill and we all know the contents of it, so it requires very little explanation; but perhaps honourable members will not object if I take a few moments to make some reference to it. When I came to this chamber, twenty-two years ago, the government leader was the late Senator Dandurand, and I soon realized the heavy responsibilities and the great importance attaching to his office. It has often been said in private discussion that sooner or later the time would come when—

Hon. Mr. MURDOCK: May I ask why we cannot have a copy of this bill?

Hon. Mr. COPP: It has just come over from the other house.

Hon. Mr. MURDOCK: I am told that there are no copies here. I, as one member of the Senate, insist that we have an opportunity to read the bill.

Hon. Mr. COPP: The bill contains only one clause, and the Clerk could read it. Would that be satisfactory to my honourable friend?

Hon. Mr. MURDOCK: We are entitled to see the bill, and we are going to see it, I hope.

The Hon. the SPEAKER: I am informed by the Clerk that we have so far received only the original of the bill from the other house. We all realize that we are nearing prorogation, and that the Printing Bureau is not able to keep abreast of its present large volume of work—a condition that is not unusual in the last days of the session. The honourable senator from Parkdale (Hon. Mr. Murdock) has properly objected to our proceeding with second reading before copies of the bill have been distributed. On occasions this has been done by unanimous consent.

Hon. Mr. COPP: Honourable senators, I regret very much—

Hon. Mr. MURDOCK: Wait till we get the bill.

Hon. Mr. COPP: Can I not speak to the house?

Hon. Mr. MURDOCK: Not on a bill that is not before us, surely.

Hon. Mr. COPP: I am not speaking now on the bill. I was going to say a word in commendation of my honourable friend from Parkdale (Hon. Mr. Murdock). I realize his position. The honourable leader (Hon. Mr. Robertson) asked me to move second reading and make some reference to the bill, and as this is the last sitting which I shall be able to attend this session I thought that perhaps honourable members—including my honourable friend from Parkdale, whom we all hold in the highest regard—would agree to my explaining the bill this afternoon. Of course, if he persists in his objection, we shall not be able to proceed until the bill is distributed.

Hon. Mr. MURDOCK: I insist that we wait till the bill is before us.

The Hon. the SPEAKER: The bill is before us now and has been given first reading, but until copies of it are distributed we cannot proceed with second reading, except by unanimous consent. Whether copies will reach us this afternoon I do not know. I would suggest to honourable members that the motion for second reading stand for the time being; and if copies are received later in this sitting the motion could then be proceeded with.

Hon. Mr. MURDOCK: All right.

The motion stands.

DOMINION-PROVINCIAL TAX RENTAL AGREEMENTS BILL

FIRST READING

A message was received from the House of Commons with Bill 411, an Act to authorize the Government of Canada to enter into agreements with the governments of the Provinces pursuant to which, in return for compensation, the Provinces agree to refrain from levying certain taxes for a limited period.

The bill was read the first time.

MOTION FOR SECOND READING

Hon. Mr. ROBERTSON: Honourable senators, the objection of my honourable friend from Parkdale (Hon. Mr. Murdock) on the previous bill would not apply to this one, as copies of it have been distributed.

I have asked the honourable senator from Vancouver South (Hon. Mr. Farris) to move second reading of the bill.

Hon. J. W. de B. FARRIS: (for Hon. Mr. Robertson) moved second reading of the bill.

He said: Honourable senators, it sometimes happens that the more time one has to consider a matter the longer one delays attending

to it. I have done some general reading on the subject-matter of this bill. I secured the so-called "green book", and some weeks ago while at Niagara Falls, when not watching the falls, I read it. I cannot commend it to honourable members as holiday literature.

Hon. Mr. CRERAR: What is the "green book"?

Hon. Mr. FARRIS: I will refer to it later. For the present may I say that it contains the discussions at the plenary conference of the dominion and the provinces in connection with the question of taxation and subsidies to be granted to the provinces under the various proposals that have been made.

Hon. Mr. CRERAR: Does it include the 1941 conference?

Hon. Mr. FARRIS: No, it does not. Another book was prepared in connection with that conference, at that time Mr. Hepburn was Premier of Ontario and my good friend Mr. Pattullo was Premier of British Columbia. That conference, as I recall, was based on the Sirois Report, and was short-lived, lasting only three days. Objection was so pronounced from three provinces, particularly the two I have mentioned, that it ended rather abruptly. As for the "green book", I adopted that title because of the colour of the book and the fact that it was given that designation in the debate in the other house. It contains a record of the conferences subsequent to 1941.

Hon. Mr. CRERAR: I presume the book is available to members of this house?

Hon. Mr. FARRIS: I pushed the buzzer and asked the attendant for a copy, and he brought me the one I now have. I presume that every honourable member has a buzzer and can get a copy as I did. Perhaps my honourable friend is looking forward to a vacation this summer when he can enjoy himself reading this document.

Hon. Mr. CRERAR: I shall very much enjoy reading it. I was not aware that such a publication was in existence.

Hon. Mr. FARRIS: I am only sorry that I did not complete my reading of the document, so that I could entertain this honourable house by giving a full review of its contents. It would be better, however, if honourable members would read the book themselves. It does throw some light on the issues that must be considered in connection with this bill.

Complaints are made that the government's policy as indicated in this bill is a policy of dealing with provinces piecemeal, one by one; and it has been charged by the leader of the opposition and other men prominent in the

public life of this country that the government has not pursued the proper policy, that of co-operation with the various provinces. I suggest that honourable members who read this book will find that full and complete attempts were made to bring about unanimity and agreement between the provinces and the dominion; and my submission is that the course adopted by the dominion was the only practical one in the circumstances.

What is that policy? The government has from time to time modified its proposals. I am not going into them in detail; it was not my intention to refer to them even at this length; but as I recall it, the first proposal was on the basis of a minimum allowance of \$12 per capita. This amount has been materially increased, and although it is not now calculated on a per capita basis, it is very easy to work out the result in that form.

What happened? You will recall that the final conference took place in May, 1946, a little over a year ago, and you know why it broke down. The conferees were seated in this chamber, and many of us were sitting in the gallery watching them. On the last day of the session the Prime Minister of Quebec announced that he had other business to attend to, and left for Quebec to look after other public affairs. The result was that the conference was adjourned *sine die*; and since then the dominion government, of necessity, I submit has had recourse to negotiation with the provinces to arrive at agreement in respect of income tax, corporation tax, grants to the provinces, and the allowances which the dominion government should make if the provinces agreed to surrender for the time being certain rights of taxation. I would point out here that I have used the wrong word; a very important word: the proposal was, not that the provinces should "surrender" their right to collect succession duties and income tax, but that for the time being they should rent to the dominion more or less exclusively the field of income taxes and succession duties. Of course, the word "rent" is not of so much importance in the matter of the machinery of collection as in the implication that, so to speak, the provinces who own the rights to these taxes which have been rented are to be regarded as landlords, and that therefore, if one may carry the analogy this far, the rights of ownership remain as fully in the provinces as they remain in the owner of a house who grants a five-year lease.

Hon. Mr. ROEBUCK: Is not the simile that of a joint tenancy rather than of an ownership in fee?

Hon. Mr. FARRIS: That is true also. There is no question that the dominion has always had the right to impose income taxes. The expression used in Section 91 of the British North America Act is "any mode or system of taxation." I agree with my honourable friend (Hon. Mr. Roebuck). However, there is no merger of the two rights. The right of the dominion remains as it always has been; the thing that has been rented, and which is the subject matter of this so-called rental is only the right of the provinces, and not the entire right, which as my honourable friend has correctly put it is vested in both the dominion and the provinces.

So far as the machinery is concerned I attach little importance to the use of the word "rent"—I take it that that expression was deliberately used—but because of its significance it is of the utmost importance in that the implication arising therefrom, so far as the provinces are concerned, is that they have had the unqualified right of direct taxation, which includes the right to impose income tax. The right to impose the corporation tax, which generally speaking is a form of income tax, and the right to impose a succession duty, have always been rights that the dominion has exercised along with the provinces. When the rights of the provinces are rented for five years, there can be no question of the answer. The only conclusion is that at the termination of that period the complete and unqualified rights of the provinces are intact, and that this agreement has in no way impaired those rights.

With this somewhat longer explanation than I had intended to give, I now refer to the bill itself. I may say to honourable senators that in another place the Minister of Finance gave a most comprehensive and careful problem study of this whole subject matter. It appears in the House of Commons *Hansard* of July 9. My explanation here will not be an attempt either to repeat what the minister said or to compete with him in giving a full and complete explanation. Rather, I shall attempt in this warm afternoon to give to honourable senators a brief outline of the general subject dealt with in the statute.

The purpose of the bill is to authorize the government to enter into agreements with the provinces respecting their financial relations. That is not, however, a blanket authority under this bill. The terms of the agreement appear in Section 3 of the bill. Arising out of negotiations, the government will pay to the provinces compensation in amounts that are specifically limited in the document itself. I may inform honourable senators that

negotiations have been completed with all provinces in Canada except Ontario and Quebec. As regards those two provinces the bill imposes the same principles of negotiation and agreement as are imposed in connection with the other provinces. It not only authorizes the completion of agreements with the provinces with which successful negotiations have already been made, but with all the provinces. I am sure we all hope the time will come when Ontario and Quebec see their way to entering into agreements with the dominion.

The dominion will pay compensation in accordance with the terms set out in the bill. I shall refer to these terms in a moment. During the five year period the provinces must do certain things, the first of which is that they must refrain from imposing a personal income tax or a corporation tax, save for certain exceptions that are provided for in the bill. Secondly, the provinces will have to refrain from imposing succession duties and, of course, the concessions which the provinces are making are very important and drastic. It will be the duty of the members of parliament in both houses to consider how far the compensation given to the provinces is adequate. I think there should be some scrutiny to see if the dominion has given too much. It is not our primary duty to see whether it has given enough, because I think the premiers and finance ministers of each of the seven provinces which have expressed their agreement with the amount of the contributions being made may be relied upon to have determined that question for themselves, in so far made. I think we can accept that as *prima facie* if not conclusive evidence that the amounts of the grants are adequate in the circumstances.

There are certain provisos in this bill in regard to which I think I should mention the need of parliament refraining from doing certain things. I call the attention of honourable senators to section 3, subsection 2, paragraphs (a) and (b).

Paragraph (a) is a very important one. It is of particular importance in the province of British Columbia and will be so in many other provinces as well. It deals with certain income taxes imposed upon mining and lumbering operations. Honourable senators will see the object and purpose of it. The title to the mineral and timber lands in a province is vested in that province; these are its assets and when they are removed—when the minerals are taken out of the soil and the trees are cut—the province has lost those natural assets. The taxes on profits made by owners out of assets acquired from

the province are not strictly income tax; they are a portion of the return from the conversion of the capital assets, and so a sensible provision has been inserted into this bill making certain exceptions. I need not mention the details of them. The principle is the main point that I wish to call to the attention of honourable senators.

Paragraph (b) contains certain limitations with respect to corporation taxes, and provision is made whereby provinces may impose a tax of five per cent on the corporations and that the amount collected by the province may be deducted from the sums granted to it under the schedule of allowances.

Hon. Mr. BURCHILL: Would the honourable senator explain the need for that section?

Hon. Mr. FARRIS: My honourable friend must have read my mind, and observing that I was stumbling a bit over the section he has taken advantage of the situation. I asked Mr. Hart, the Prime Minister of British Columbia, about the section. I feel much like the student in the astronomy class who was asked one morning by his professor to state the cause of the aurora borealis. The student replied: "Well, professor, I did know that, but I have forgotten it." The professor then remarked: "It is most unfortunate that the only person in the world who ever knew the explanation has forgotten it." I cannot claim to be in quite that position, for I am not the only person who ever knew why this section was inserted in the bill. The details of the explanation were given to me by Mr. Hart, but are not fresh in my mind at the moment. I could secure the information for my honourable friend, though, from notes that are in my office.

Subsection 3 of section 4 of the bill sets out a schedule of the minimum grants to the various provinces. The subsection says:

The guaranteed minimum annual amount of compensation payable under an agreement with the government of a province shall not exceed the respective amounts and in respect to the several named provinces, as follows:

I do not need to read all the figures. The amount payable to New Brunswick is \$8,773,420. For Ontario, if that province entered into an agreement, the amount would be \$67,158,027; and for the province of Quebec, it would be \$56,382,127. The amount payable to British Columbia is \$18,120,124.

The provinces are not tied to those minimum amounts, because subsection (4) provides that each province shall have the right to receive, in addition to the specified minimum, an adjusted annual amount. This adjusted annual amount is not to exceed the

average of amounts for each of the three calendar years immediately preceding the fiscal year in respect of which payment is to be made. The amount for each such calendar year is to be based on a ratio of population and of per capita production. That is a little too complicated for us to attempt to study just now. Perhaps it would be sufficient to say that under this subsection any province which has an increase in per capita production or in population will receive an additional annual amount.

Hon. Mr. LEGER: Is that to be calculated every year?

Hon. Mr. FARRIS: Yes, as I understand it. It is called "the adjusted annual amount."

Hon. Mr. CRERAR: May I ask my honourable friend a question? In addition to the amounts specified in section 4, do the provinces receive subsidies and assistance that they have been getting in one way and another prior to the agreements?

Hon. Mr. FARRIS: In the July 9th *Hansard* of another place my honourable friend will find two tables of figures given by the Minister of Finance. The first table shows the guaranteed minimum annual amount, including statutory subsidies, payable to each province under the agreement; and the second table shows the adjusted annual payments to the various provinces. By subtracting the figures in the first table from those in the second my honourable friend will find the amount which it is calculated each province will receive in addition to the guarantee minimum annual compensation under the agreement.

The agreement provides that the government of the province may impose corporation income tax at a rate of 5 per cent, but there is a very sensible provision that any such taxes will be collected under machinery set up by the dominion. This will avoid the inequity of the old double system of collection of taxes.

There are certain provisions with respect to provinces that have not yet entered into an agreement. If the province of Ontario, for instance, finds it necessary to impose a provincial income tax in addition to the federal income tax, the persons who pay provincial income tax may deduct the tax up to 5 per cent on their income from the amount of their income tax otherwise payable to the dominion.

I have given a general outline of the bill, and I would suggest that honourable members desiring further details should read the speech made in another place by the Minister of Finance.

In short, the bill authorizes the dominion to give effect to the agreements made with various provinces. If the Senate were to reject the bill at this stage it would create complete chaos all across the country, and be a more serious interference with affairs than I think would be warranted. Of course, the Senate has a constitutional right to reject the measure, but to do so at this stage of the negotiations would be a most serious matter for the seven provinces that have already entered into agreements, and would impede the dominion's power to continue negotiations with the other two provinces. If honourable senators feel that the government has not exercised proper judgment, if they feel that the dominion has acted arbitrarily towards any of the provinces and has not attempted as strongly as it should to resume negotiations, they are free to voice their unqualified criticism. But I would most respectfully submit that that is as far as the Senate should go, and that we should not take any action that would interfere with what might be called a *fait accompli* between the dominion and various provinces.

Hon. Mr. VIEN: May I ask one question? Is there anywhere a comparative tabulation of the estimated revenue and disbursements applicable to the federal government?

Hon. Mr. FARRIS: I expect my honourable friend would be able to find that information in the speech by the Minister of Finance on the budget.

Hon. Mr. VIEN: I tried to find it.

Hon. Mr. FARRIS: This copy of the recent speech made by the Minister of Finance reached me only a short time ago, and honourable senators can understand the difficulty of going through it on short notice.

Hon. Mr. VIEN: May I be permitted another question that would seem to follow my previous query? If the dominion is required to return to the provinces an amount equivalent to the revenue from certain taxation, what is the advantage to the federal treasury? If the amount returned is not equivalent to the revenue, who stands to gain, the dominion or the provinces?

Hon. Mr. FARRIS: I should think the taxpayer stands to gain.

Hon. Mr. VIEN: I agree.

Hon. Mr. FARRIS: Only one tax on income is imposed and only one return has to be made. Honourable senators will recall that already there have been agreements in principle so far as the things my honourable

friend refers to. Since the early days of the war there have been agreements with all the provinces, and any taxpayer will bear testimony to the fact that to have only one income tax, imposed by one taxing authority, is a great advantage.

With an extensive post-war programme and a heavy burden of debt the dominion is faced with the problem of financing. If the dominion imposes a maximum income tax and the provinces are left to fend for themselves, very serious things may happen. Since income tax or any other tax must be uniform to approach fairness, some of the provinces would find their hands tied in any attempt to add another tax. Certain of the more wealthy provinces might be able to add another income tax. On the other hand, the whole financial system of the dominion would be greatly embarrassed by reason of the fact that the government would not know from year to year whether to levy an additional income tax, or how much might be imposed by any given province. From the standpoint of the dominion, the provinces and the public as a whole, it seems to me essential that some form of uniform agreement be reached between the dominion and the provinces.

I wish to deal only briefly with the objections to the bill, and in this respect I do not wish to enter into any political discussion, which one might easily do. Within the past week or so the newspapers have carried statements by the premiers of Ontario and Quebec which, even on a warm afternoon, might provoke one to make comments which could be interpreted as partisan. Without wishing to do that I may say that one objection that might be raised to this measure is that the grants under the formula are not fair and not enough are made.

The first answer to that objection would be that the provinces most in need of allowances have accepted an agreement; Ontario and Quebec have not. But I have not read anywhere in the speeches of Mr. Duplessis or Mr. Drew any complaint that the allowances to their provinces were inadequate. If I might read between the lines of their remarks, I would interpret them the other way. Within the last two weeks I read in headlines Mr. Drew's statement that Ontario was not for sale; and within the past few days I read in the *Montreal Gazette* a strong statement by Mr. Duplessis—as if it were necessary to proclaim it—that these two provinces were not for sale. The only inference one can draw is that there must have been high bidding to stimulate sufficient moral courage and self-restraint to resist an attempt to buy these two provinces. I repeat that the inference is that

the purchase price, if one wants to put it on that scale, must have been high or there would have been no need to proclaim that the provinces were not for sale.

But speaking seriously, honourable senators, in a debate in a forum such as the Senate, I think we can at once reject the suggestion that the government of Canada is dishonourably attempting to purchase any part of Canada. After all the Dominion of Canada is Canada, and the two great provinces of Ontario and Quebec are integral parts of Canada. It is hard to believe that anyone would seriously entertain the thought that the dominion as a whole was seeking to purchase the inalienable rights of any province in Canada.

An analysis of the speeches about the two provinces not being for sale, leads me to believe that if there is anything in them, it is the suggestion that for a mess of pottage these provinces are asked to surrender, not all, but part of their autonomy; and the further suggestion is made that by renting for five years the right to collect income and corporation taxes, these provinces would be surrendering their independence. It has been said many times, and of course it is true, that the right to tax carries with it tremendous controlling power; but, the providing of grants to the provinces out of moneys collected by the dominion has been a basic principle in the operation of the affairs of this country since Confederation.

Hon. Mrs. FALLIS: Before the honourable senator pursues that line of thought farther, would he permit a question?

Hon. Mr. FARRIS: Certainly.

Hon. Mrs. FALLIS: As I understand it, when the first agreement was entered into with the provinces it was to be for the duration of the war; and now when the war is over, it is proposed that it be extended for a further period of five years. What guarantee have the provinces that this will not continue indefinitely?

Hon. Mr. FARRIS: The provinces have the guarantee of their own right; they can take any position they wish when the time comes.

Hon. Mrs. FALLIS: Exactly. I think that what Ontario and Quebec object to is the rental of those rights without any guarantee that they will be surrendered when the time comes.

Hon. Mr. FARRIS: In five years time, provided our present form of government continues, the people of Ontario will be as free as any people can be to dictate the terms of any agreement they wish.

Hon. Mrs. FALLIS: My point is that the provinces were supposed to be free at the end of the war, but a new proposal is made, which results in this debate today. The same thing might happen again in five years.

Hon. Mr. FARRIS: Ontario has not accepted the proposal, but has demonstrated her freedom to reject it. If later on she should find it to her interest to accept this agreement, she will be as free as a landlord is at the expiration of a five year lease of his building to rent it to someone else. It may be more to his interest to deal with the old tenant than to seek a new one, but he is entirely at liberty to do the one or the other.

Hon. Mrs. FALLIS: Suppose Ontario accepts the federal government's terms for five years, as she did for the duration of the war, when the time comes to make another agreement she must either go through all these negotiations over again or permit the existing arrangement to go on and on.

Hon. Mr. FARRIS: Why should it not go on and on?

Hon. Mrs. FALLIS: Why should it, if Ontario does not consider it to her advantage?

Hon. Mr. FARRIS: If Ontario does not consider it to her advantage, she is free at the end of five years to say so, and to reject it.

Hon. Mrs. FALLIS: That is the position Ontario is in now.

Hon. Mr. FARRIS: Well, what is wrong with it? I cannot see any difficulty. It is easy to make general statements, to go on the platform and proclaim "We must be free". But I submit that not only must we be free, but we must be sensible, we must be realistic. We must recognize that the responsibility of carrying on the war rested with the dominion; that the postwar problems of this country impose burdens hardly less great than those which were carried during the war; and that the primary problem in Canada today is to maintain our financial stability in spite of the great burden of debt we incurred during the war and the heavy obligations we have assumed to our returned soldiers and to the citizens generally. In face of these tremendous necessities it is no use to sidetrack the question by raising imaginary threats to freedom—a freedom which has never been seriously interfered with, and in my opinion never will be.

Hon. Mrs. FALLIS: That is not the point

Hon. Mr. LAMBERT: Will the honourable senator, if he finds it convenient to do so, explain the contrast between the application of the arrangement to Quebec and Ontario

and its application to other provinces, having in mind the idea of double taxation in these provinces as compared with the others.

Hon. Mr. FARRIS: I am not sure that I understand my honourable friend's question. Does he mean that if these provinces do not come in they will incur double taxation?

Hon. Mr. LAMBERT: That is it.

Hon. Mr. FARRIS: That may be so. I have pointed out that a 5 per cent income tax may be imposed by these provinces on their citizens without subjecting them to double taxation; and no doubt there are other details of the proposal with which honourable senators will wish to become familiar. I have given them the reference to *Hansard* containing Mr. Abbott's speech, and I would urge them to read and consider it.

It may be that at another session, if it becomes evident that these provinces intend to remain permanently outside the agreements, the Minister of Finance will find it necessary to make other adjustments to meet that condition. Do not forget that no federal government can continue to exist in Canada if it treats with unfairness the two great provinces of Quebec and Ontario. But it must be assumed that the government, if they are giving any consideration to their political welfare, honestly believe that they are treating these provinces fairly; and it must be conceded that if they are seized of their responsibilities in the administration of this country, they will give appropriate relief if unfair and unjust conditions develop.

Hon. Mrs. FALLIS: Would the honourable senator answer a question regarding this matter of taxation? Even though Ontario and Quebec do not enter into agreements, will they not, through taxation, contribute to what the federal government pays to the other provinces? I ask this question merely for my own information.

Hon. Mr. FARRIS: I have explained that already provisions have been made which will relieve that situation to a very substantial extent. I have no doubt, and I am sure my honourable friend has no doubt, that if it becomes clear that these provinces are to remain permanently outside the range of agreements, and if it appears also that the reliefs already provided for in this connection are inadequate, a further revision will be made. This is assured for the two reasons I have already mentioned. The first is that no government in Canada would wish, even though it had not to pay the price politically, to continue the imposition of unjust taxation on a very large proportion of the population.

The second guarantee is that no government could survive politically were it so foolish and arbitrary as to persist in such a course of action.

So much on the question of interference with the independence of the provinces. I have been puzzled over the question of possible alternative policies. We in Canada have a burden of debt; we have a standard of expenditure imposed by the demands of the Canadian people. Canada has to raise the necessary revenue. If some scheme such as the dominion government has proposed is not to be carried out, what alternative is there which will guarantee to the provinces the autonomy and independence which the premiers of the two great provinces fear is being threatened? I have read in the newspapers their recent speeches, and I have not discovered any alternative. The headlines of Mr. Duplessis' speech the other day concerning this question announced that Quebec was not for sale. Mr. Drew, speaking two or three weeks ago, anticipated this slogan by stating that Ontario was not for sale. But can anyone here tell me offhand what alternative either of these gentlemen has offered to the terms proposed by the dominion and accepted by seven provinces? The only suggestion the two premiers have made, so far as I know, is: "You ought to have a general conference." As I have said, we must be realistic; and what assurance have we that a general conference would produce any more than the conferences we have already had?

In this same book I find the proposal which Mr. Drew's government made to the conference which met in 1946. It was that a dominion-provincial co-ordinating committee should be set up, and that it be given power to determine, from information supplied by the Dominion-Provincial Economic Board, the amount of the adjustment grants. I am not going into the details, but I invite honourable senators to read them on page 239 of the "green book". The proposals were made by Mr. Drew in good faith, and they are sensible proposals; nobody questions that. But when one examines them in the light of the principle of autonomy, they provoke the reflection that if today there is any interference with provincial or federal autonomy, it is through the autonomy of boards, organizations which are being set up all over this country to run public affairs outside the authority of parliament. I would sooner see the provinces subjected to some degree of domination by the dominion than be under the domination of another board. Honourable senators, I commend this bill to your favourable consideration.

Hon. Mr. HORNER: The honourable senator spoke of two remaining provinces. Nova Scotia did very well by holding out under a Liberal prime minister until just recently, and other provinces may follow her example.

Hon. Mr. FARRIS: I would be sorry to think that any province acted on the basis of how much it could chisel off.

Hon. Mr. HORNER: Nova Scotia did well.

Hon. Mr. HAIG: Honourable senators, it is my intention to speak on this bill but as there is a heavy programme ahead of us this afternoon, I shall move the adjournment of the debate.

The motion of Hon. Mr. Haig was agreed to, and the debate was adjourned.

SENATE AND HOUSE OF COMMONS BILL

SECOND READING

The Senate resumed the debate on the motion of Hon. Mr. Copp for the second reading of Bill 443, an Act to amend the Senate and House of Commons Act.

The Hon. the SPEAKER: Copies are now available of Bill 443, which was before the house for second reading on the motion of Senator Copp. We will now return to that motion.

Hon. Mr. MURDOCK: Can I be furnished with a copy? This bill which I have in my hand is a copy of the first reading form of the bill, not of the bill as passed by the House of Commons.

The Hon. the SPEAKER: If my honourable friend (Hon. Mr. Murdock) wishes to object on a technicality of this kind, I might inform him that I have a copy of the bill in the same form as the one he has. I also have a copy of the bill as passed by the House of Commons. The wording in both is the same.

Hon. Mr. MURDOCK: I do not care if it is.

The Hon. the SPEAKER: It is rather unfortunate that the honourable senator should object on a technicality of this kind.

Hon. Mr. MURDOCK: Mr. Speaker, it is not a question of technicalities but one concerning the rules. There will be plenty of time to consider this bill when it comes before the Senate in proper form.

The Hon. the SPEAKER: I have declared to the Senate that this bill is the same as the bill passed by the House of Commons, and signed by the Clerk and sent here to be dealt with; but if my honourable friend wishes to persist in the stand he has taken, as a member of this house he is entitled to do so.

Hon. Mr. MURDOCK: All right. I take that position.

The Hon. the SPEAKER: Very good. The motion for second reading stands.

PRISONS AND REFORMATORIES BILL
CONCURRENCE BY COMMONS IN SENATE
AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 377, an Act to amend the Prisons and Reformatories Act, and to acquaint the Senate that they have agreed to the amendments made by the Senate to this bill, without any amendment.

ARMY BENEVOLENT FUND BILL
CONCURRENCE BY COMMONS IN SENATE
AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 410, an Act to establish a benevolent fund for army canteens and other service clubs, and to acquaint the Senate that they have agreed to the amendment made by the Senate to this bill, without any amendment.

SENATE AND HOUSE OF COMMONS
BILL
SECOND READING

The Senate again resumed the debate on the motion of Hon. Mr. Copp for the second reading of Bill 443, an Act to amend the Senate and House of Commons Act.

Hon. Mr. COPP: Honourable senators, may I refer back to the question of Bill 443. I understand that one of the rules which was suspended the other day covers this bill, and that we are now in a position to carry on if the house wishes to do so.

The Hon. the SPEAKER: On July 9 a motion was passed suspending the rules with respect to the time which must elapse between the various stages of bills. The honourable senator from Parkdale (Hon. Mr. Murdock) objects to this bill being now read the second time, because he has only the first reading form of the bill. He persists in his objection in spite of the fact that the wording of the bill which he has before him is the same as that in the bill passed by the House of Commons, and certified to by the Clerk of that House. I am surprised that my honourable friend takes this position, for it is the practice of this house to proceed with bills only when they are in proper form.

Hon. Mr. MURDOCK: I have only been here about seventeen years and I never before heard tell of a bill being discussed and given second reading until we had it in the form as passed by the House of Commons. I understand that this bill has been passed by the House of Commons, but I maintain that I am entitled to have before me a copy of it as passed by that house; and I insist upon that.

Hon. J. J. BENCH: Honourable senators, it has occurred to me that what really matters is the text of the bill as adopted by the other house, and that, I understand, is accurately reproduced in the printing that is now on the desk of each member. I respectfully suggest to the honourable senator (Hon. Mr. Murdock) and to other honourable senators that what appears on the outside of the bill is not material. It would seem to me that if the Clerk in this house, in his capacity—

Hon. JOHN T. HAIG: May I interrupt?

Hon. Mr. BENCH: May I just finish my remarks?

Hon. Mr. HAIG: I would like you to comment upon what I say. Mr. Speaker, I should like to ask the Clerk of the House if he is in possession of a certificate from the Clerk of the House of Commons that this bill has passed that house.

The Hon. the SPEAKER: Yes, that is true.

Hon. Mr. BENCH: I was about to say that if the Clerk of this House, in his capacity as Clerk of the Parliaments, is in a position to certify that the printed copy which we now have before us is an accurate reproduction of the bill as passed by the House of Commons, surely that should be sufficient to enable us to proceed.

Hon. Mr. MURDOCK: The other day we did not suspend any rule that would enable us to proceed with a House of Commons bill without having before us a copy of the bill as passed by that house.

Hon. Mr. HAIG: What rule is that?

Hon. Mr. MURDOCK: I am not quoting any rule. I am insisting upon my right as a member of this Senate, to have a copy of the bill as passed by the House of Commons.

The Hon. the SPEAKER: I will have the Clerk's copy handed to the honourable senator.

Hon. Mr. BENCH: Let us proceed with the item.

Hon. Mr. MURDOCK: This is fine! This is the original bill that came over from the House of Commons. I presume that everybody else is without one.

Hon. Mr. COPP: Honourable senators, I should now like to continue with the few remarks I have to make in reference to this bill.

When the honourable senator from Parkdale (Hon. Mr. Murdock) registered his protest, I was saying that the late Senator Dandurand was the leader of the government here when I first came to this chamber. Although at that time I was more or less aware of the volume of work he did, it has only been during the past few years that I have come to realize fully the great amount of time and labour that his duties demanded of him.

The government leader in the Senate, whoever he may be, represents seventeen, eighteen or more cabinet ministers, who carry on the business of this country.

For a few weeks in the present session, while I was acting as leader of the government in the Senate, I realized just how much work attaches to the office. The leader has to attend cabinet meetings, which are held almost daily during the session and at frequent intervals during the parliamentary recess. He has to confer with the chairman of various committees and the Chief Clerk of Committees in arranging for committee meetings. And there are consultations with the leader of the opposition in regard to matters more numerous and varied than most of us have ever imagined.

A good many years ago the other house voted a special indemnity for the leader of the opposition in that chamber. I cannot recall just what year that was.

Hon. Mr. HAIG: It was 1905, when Sir Wilfrid Laurier was Prime Minister.

Hon. Mr. COPP: I did not think it was that long ago; I thought it was under Sir Robert Borden. In any event, a statutory allowance was voted for the leader of the opposition, an office which is a very important part of the parliamentary machinery in a democratic country. From time to time an extra statutory allowance has been suggested for the leader of the government and the leader of the opposition in the Senate, but this is the first time that definite action in that regard has been taken. Now the government has introduced a bill to grant the leader of the government here, in addition to his regular sessional indemnity, an allowance of

\$7,000 per annum, in order to help him to fulfil in a dignified and appropriate manner the duties and responsibilities of his office.

My remarks on the leader of the government are not restricted to any person in particular; they are meant to apply to the person holding the office at any time, now or in the future. Similarly what I have to say about the leader of the opposition is meant to apply not only to the present leader, but to his successors. The incumbent of this office also has to shoulder many duties and responsibilities besides those imposed upon the ordinary senator, and the proposal is that by way of compensation an extra annual allowance of \$4,000 be voted. I believe that we should recognize the fairness of the practice adopted by the other house many years ago of granting an additional indemnity to the leader of the opposition.

I commend this bill to the favourable consideration of honourable members.

Hon. R. B. HORNER: Honourable senators, because the two gentlemen who at present occupy the offices of leader of the government and leader of the opposition in the Senate are so amiable, I regret that I feel it impossible to refrain from objecting to this bill. Each one of us here has not only privileges, but duties and responsibilities to the people of Canada. I feel as keenly as it is possible for me to feel that this measure is unwise in the extreme. It begins by saying:

His Majesty, by and with the advice and consent of the Senate . . .

The bill has not been introduced by and with the advice of the Senate. Honourable members will recall that their summons to this chamber requires them to give advice based on their good judgment. My judgment may be at fault, but in view of the increased sessional indemnity that was granted not so long ago I do not feel that the additional allowances provided for in this bill are justified. I know that the leaders on both sides have more work to do than the rest of us have, but from my experience I have not found that there was any difficulty in getting senators to fill the offices. I can speak with some knowledge as to the leader on our side (Hon. Mr. Haig). I do not think there was any reluctance on his part to accept the position without any additional salary. I can assure the house that if this bill is defeated we shall find someone to carry on as leader on this side.

Hon. Mr. COPP: Whom would you recommend?

Hon. Mr. HORNER: I do not know that there is any object in prolonging discussion on the bill. I have no desire to place the Senate in an unfavourable light throughout the country by re-hashing what has been said many times about all the work we do here or fail to do. Perhaps it would be sufficient for me to urge with all the emphasis that I can that there should be a recorded vote on this matter. It seems to me that insult is added to injury when we are asked to deal with the measure today because some senators wish to go home after this sitting. If possible, I would like to adjourn the debate. But if that is not agreeable to the house, I certainly think that we should have a recorded vote. I want to record my vote against the measure, as I feel sure that in years to come that action will be highly commended throughout Canada.

Let me emphasize that because of the very amiable, capable and likeable gentlemen who at present occupy the positions of leaders, I deeply regret having to take this stand.

Hon. Mr. PATERSON: May I ask the honourable gentleman if he voted against the increase of \$2,000 in his own sessional indemnity?

Hon. Mr. HORNER: No, I did not, nor did I vote for it. I do not think that has anything to do with this case.

Hon. Mr. PATERSON: I felt that I was in a position to ask that question, because I voted against the increase.

Hon. Mr. HORNER: As a matter of fact, I was not in the chamber when the vote was taken on that matter.

In the past if a senator was requested to substitute temporarily for the leader of the government or the leader on this side, it was his duty to do so. But if this bill passes it may become necessary to call in a labour organizer and organize a union, so that every senator will know what fees he should charge if he is called upon to be an acting leader in the future.

Hon. JAMES MURDOCK: Honourable senators, the extra \$2,000 of sessional indemnity for senators was carried in this house by a vote of 39 to 11. I can scarcely agree with the kind of remarks that have been made about these two gentlemen who are to get this additional money but, from some experience in—shall I say, the underworld?

Some Hon. SENATORS: No, no.

Hon. Mr. MURDOCK: Yes, I will say in the underworld of Chicago and various other places, representing the under-dog who was

trying to get some reasonable compensation for his labour. That has been the real under-world of Canada, and for that matter of the world, for many years. Let me say that if this bill is passed, as of course it will be, it is the finest piece of communism—manufacturing argument that has been produced for many years.

Hon. Mr. HORNER: That is quite right.

Hon. Mr. MURDOCK: In addition, and second to it, is the \$2,000 senators granted themselves, by a vote of 39 to 11. What does the under-dog, the fellow in the backwoods, think about the Senate?

I have a statement here showing how many hours this august body has sat during the present session and here we are, in such a rush that we present and argue about bills before they reach us in proper form from the House of Commons. In the month of January this year we were in session one hour and thirty-five minutes.

Hon. Mr. SINCLAIR: Do the figures include the committee sittings?

Hon. Mr. MURDOCK: I will deal with that later. For the present I am talking about the hours the Senate has been in session.

Hon. Mr. SINCLAIR: Then the figures do not include the sittings of committees.

Hon. Mr. MURDOCK: No, of course not.

Hon. Mr. WHITE: Is it not a fact that this session started on January 30?

Hon. Mr. MURDOCK: Yes, and we sat for one hour and thirty-five minutes in that month.

Hon. Mr. FOSTER: Do we work by the hour?

Hon. Mr. MURDOCK: In the month of February the Senate was in session eleven hours and fifty minutes; in the month of March, twenty-four hours and five minutes; April, five hours and thirty-five minutes; in May, ten hours and thirty-five minutes; in June, seventeen hours and forty minutes; in July, up to the 9th, ten hours and forty-five minutes.

I am not offering any particular criticism about that, but I would like to call the attention of the Senate to what the underdog, the man on the street, the working man, thinks about it.

Hon. Mr. DAIGLE: May I ask the honourable senator if he is including the number of hours spent in committee during the same period of time?

Hon. Mr. MURDOCK: No. I know that members of committees, particularly of the divorce committees, sat long hours; but I am talking about the time we actually sat in this chamber. I have given the hours, month by month, from the time the 1947 session opened until July 9.

The other day the Senate passed the Old Age Pension bill, and from the standpoint of some other things it was simply appalling to see how little our old people are getting. If I had not been appointed to the Senate I would probably be an old age pensioner myself, being over seventy-five years of age, and I would have to live, or try to live on whatever the pension happened to be—\$35 or \$40 a month. The point I want to bring to the attention of this house, if I can, is that at the next election, whenever it is held the people will analyse fully what is being done by the bill now before us and what was done a little while ago when the Senate voted 38 to 11 to increase our sessional indemnities by 50 per cent.

I am sure that nothing I say will change the intention of the Senate to vote for this bill and pass along the additional money for these deserving gentlemen; but the future will show whether we were right or wrong. There will be an accounting some day—already it is developing on the 50 per cent increase in wages that we gave ourselves by a vote of 39 to 11.

That is all I have to say.

Hon. IVA C. FALLIS: Honourable senators, I had not intended to say a word on this bill, but I feel that I must answer one of the statements made by my good friend the senator from Parkdale (Hon. Mr. Murdock).

When I was appointed to this honourable body I was given to understand that senators were appointed to act in a judicial capacity in the government of this country. Does anyone stop to figure out how many hours in the day, week or year a judge of the Supreme Court or of the County Court sits on the bench? Is that the yardstick by which we should measure the value of the services of judges to this country? My idea of the way in which we should measure the value of the services of those who are appointed to act in a judicial capacity is this: Are they doing the work which they were appointed to do for the country? If they are, it does not matter whether they work one hour a day or twelve hours. If they are not doing what they were appointed to do, that is a different matter altogether.

If any statement is going out to the press from this controversy today as to the number of hours the Senate has worked, it should definitely include the number of hours worked in committees.

Some Hon. SENATORS: Hear, hear.

Hon. Mrs. FALLIS: During a previous session I was a member of ten committees; this session I have been a member of nine standing committees and two special committees. I wish I had an account of my working hours. I think it would be rather creditable. The committee appointed to investigate the Indian Act, of which I am a member, held 67 meetings. It sat three or four days a week, never for less than two hours, more frequently for four, and on many days it sat six hours—from eleven to one, four to six, and nine to eleven in the evening. If these hours were added together they would make an impressive total—and that is the work of the Senate.

Some Hon. SENATORS: Hear, hear.

Hon. Mrs. FALLIS: I do not consider that it is the duty of this chamber to spend hours threshing over old straw that has already been reduced to chaff in the House of Commons before it gets here. The purpose for which we were appointed, I believe, was to do work in committees and do it thoroughly. That, I submit, we have done.

I intend to support the bill.

Hon. Mr. LEGER: Honourable senators, I do not know where the honourable gentleman from Parkdale (Hon. Mr. Murdock) got his figures about the number of hours we have sat—

Hon. Mr. LACASSE: From labour unions.

Hon. Mr. LEGER: —but I wonder whether in that number of hours he has mentioned it would be possible for any man to utter all the words that comprise 666 pages of fine print.

Hon. Mr. MURDOCK: I got the figures by looking at the clock when the session started and looking at it when the Senate quit. I am one of those peculiar fellows who keep diaries; I have kept a diary for forty-five years, and I can show it to you.

Hon. Mr. LEGER: That does not prove anything.

Hon. Mr. WHITE: I should like to say a word or two in connection with this matter. It has been my pleasure and good fortune to be a member of this chamber for a good many years, during a fair portion of which I have had the honour of serving as party whip.

Therefore I feel that I have some knowledge of the amount of work which the leaders of this house accomplish. As the honourable senator from Westmorland (Hon. Mr. Copp) stated, the leader of the government, and also, I take it, the leader of the opposition, are required to become conversant with every bit of legislation which comes over from the House of Commons. In other words, the leaders here have to assume the responsibilities and duties of practically every cabinet minister who sits in another place. Therefore I feel, in supporting this proposal, as I intend to do, that our leaders are entitled to additional remuneration for the great services which they render.

The Hon. the SPEAKER: Is it your pleasure to concur in the motion?

Hon. Mr. MURDOCK: Can we have a recorded vote?

The Hon. the SPEAKER: If it is the desire of the Senate.

Hon. Mr. MARCOTTE: I would like to adjourn this debate. Owing to some statements which have recently been made in this house, I believe the subject deserves more consideration. I intend to support the bill, and I wish to present some arguments with relation to something which was said this afternoon. After all, it is not merely a matter of the number of hours we spend in this chamber.

Hon. Mr. MURDOCK: No, no.

Hon. Mr. MARCOTTE: Because, if that were all—

Hon. Mr. COPP: That has been well said already.

Hon. Mr. MARCOTTE: I am in my office every morning at eight o'clock, and I leave here in the evening at half-past ten or eleven. That is a long day's work. I have sacrificed my whole law practice to my duties here. Does anybody think it has paid me, financially?

Hon. Mr. MURDOCK: I was only talking about the hours spent in the Senate.

Hon. Mr. MARCOTTE: Yes, but the hours we spend here do not account for all the work we do.

Hon. Mr. MURDOCK: No.

Hon. Mr. MARCOTTE: What counts is the work we do in preparation for our sittings here and what we do afterwards, as well as the actual sittings of the house. I hate to refer to anything personal, but I can assure you, honourable senators, that if the only factor to be considered was the matter of pay, I would leave this chamber in two minutes and return

to my law practice, because every day I am here represents a financial sacrifice. But money is not the only thing; there is a duty to be performed; and it is because I want to bring forward some other reasons bearing on this matter that I move the adjournment of the debate.

Some Hon. MEMBERS: Question.

The Hon. the SPEAKER: Is there a seconder of the motion of Senator Marcotte?

Hon. Mr. MARCOTTE: I understand that another honourable senator wanted to adjourn the debate.

The Hon. the SPEAKER: There was a suggestion of an adjournment, but it was not followed through. Senator Marcotte has moved that the debate be adjourned. Is there a seconder?

Hon. Mr. HORNER: I second the amendment.

The motion of Hon. Mr. MARCOTTE was negatived.

The Hon. the SPEAKER: Is it your pleasure to concur in the motion for the second reading of this bill? The motion is carried.

Hon. Mr. MURDOCK: Could we have a standing vote?

The Hon. the SPEAKER: I would ask those in favour of the motion to 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: In my opinion the Contents have it. Carried.

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

MOTION FOR THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: Next sitting.

Hon. Mr. FOSTER: I move that this bill be now read the third time.

The Hon. the SPEAKER: It is moved that the bill be now read the third time. Is it your pleasure to concur in this motion?

Hon. Mr. HORNER: No. I move that it be not now read the third time, but this day six months.

The Hon. the SPEAKER: Is there any seconder?

Hon. Mr. MURDOCK: I am sorry I cannot second that motion. I do not want it to be delayed that long.

Hon. Mr. CRERAR: Mr. Speaker, I think that under the circumstances the third reading should stand over to the next sitting.

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. COPP: At the next sitting.

WESTERN PROVINCES: REFUNDING OF INDEBTEDNESS AND SETTLEMENT OF CLAIMS BILL

FIRST READING

A message was received from the House of Commons with Bill 451, an Act respecting the refunding and adjustment of indebtedness of the four western provinces to the government of Canada in respect of certain outstanding loans for relief and other purposes and final settlement of the claims of the provinces of Alberta and Saskatchewan in respect of natural resources.

The bill was read the first time.

The Hon. the SPEAKER: When shall the bill be read the second time?

Hon. Mr. ROBERTSON: At the next sitting.

CIVIL SERVICE SUPERANNUATION BILL

REPORT OF COMMITTEE

Hon. ARTHUR MARCOTTE presented the report of the Standing Committee on Civil Service Administration on Bill 415, an Act to amend the Civil Service Superannuation Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of June 24, 1947, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 3, line 22: After "Act" insert "if he elects to contribute in respect thereof."

2. Page 3: Immediately after subsection (3), add the following as new subsection (4):—

"(4) For the purposes of paragraph (c) of subsection one of this section, an officer or employee of a board, commission or corporation, listed in Schedule A to this Act or that is an agent or a servant of His Majesty in right of Canada, shall be deemed to be in the public service of Canada."

3. Page 4, line 36: After "Civil Service" insert "if he elects to contribute in respect thereof".

The Hon. the SPEAKER: When shall the amendments be taken into consideration?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

CIVIL SERVICE BILL

REPORT OF COMMITTEE

Hon. Mr. MARCOTTE presented the report of the Standing Committee on Civil Service Administration on Bill 413, an Act to amend the Civil Service Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of July 10, 1947, examined the said bill and now beg leave to report the same with one amendment.

The amendment was read by the Clerk, as follows:

1. Page 2: Insert the following as new paragraph (v):—

Some Hon. MEMBERS: Dispense.

Hon. Mr. MURDOCK: Please continue.

The Clerk, continuing:

"(v) being a Canadian seaman served during World War II as a member of the crew of a ship of Canadian registry on the high seas and has honourable discharge" and re-letter subsequent paragraphs accordingly.

The Hon. the SPEAKER: When shall this amendment be taken into consideration?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

GOVERNMENT BUSINESS

PARTICIPATION BY MINISTERS IN SENATE DEBATES—PROPOSED RULE

On the Order: Resuming the adjourned debate on the motion of Hon. Mr. Robertson:

That the rules of the Senate be amended by adding thereto as Rule 18A the following:

18A. 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.

Hon. JOHN T. HAIG: Honourable senators, I am not ready to proceed, and therefore I would move that this order be discharged and be placed on the Order Paper for Tuesday, July 15.

Hon. Mr. ROBERTSON: I may say to the honourable leader opposite (Hon. Mr. Haig) that I have discussed this matter with my colleagues, and, as some of them expect to leave here shortly, they are particularly

anxious that the discussion on this motion be completed today. If the discussion were to take too long a time this afternoon, with the consent of honourable senators we could sit this evening. I appreciate that I should not have left this matter to this late stage of the session; but as our numbers will be dwindling between now and next sitting, on behalf of those senators who would like to speak this afternoon, I would ask that we now continue.

Hon. Mr. HAIG: Honourable senators, in answer to my honourable friend (Hon. Mr. Robertson) I wish to say that I do not think that this motion can go to a vote. With the consent of the Senate I would be quite willing to stand down—if I may use that term—and let any honourable senator speak on this debate now if he wishes to do so. Then I would adjourn the debate, if the house would so permit.

Hon. Mr. MURDOCK: Once you give up your right you cannot get it back.

Hon. Mr. HAIG: If nobody objected, I could adjourn the debate.

Hon. Mr. FARRIS: What is your objection to going on now?

Hon. Mr. HAIG: I am not ready to go on. This matter has been discussed by the government party at several caucuses, and it was only yesterday that I had any opportunity of knowing what was being done. I was only informed of this matter the day before yesterday, and although that is perfectly proper and I offer no objection to it, I have had no opportunity of consulting with the members of my party. I would not presume to say what our party would or would not do. I have asked the advice of my colleagues individually, and some said they were agreeable while others stated they were not. The only thing that I can do is to call a caucus. If I had to go on I would ask my party to vote against the motion, which is something I do not wish to do.

Like the leader of the government (Hon. Mr. Robertson), I am most anxious to assist the House of Commons in shortening the sessions of parliament. However, I do not see how this proposal would facilitate matters. I recall at least one instance when a minister did come and address the Senate, but I do not believe that, as a general rule, ministers would consent to defend their legislation in the Senate, knowing that they would have to defend it all over again in the House of Commons. They may be willing to come to the Senate to sponsor non-political measures, but the trouble is that usually a minister would have difficulty in explaining a bill without

indulging in political remarks, and these he would be bound to repeat in the other house. Especially is this so when the government's majority in the House of Commons is small, as it is today. For instance, the vote on a government measure there the other day was 70 to 63. That is a very close vote. I am pointing out these things to show why I do not believe the proposed rule would result in expediting the work of the session.

I am certainly going to ask our group to vote against the motion, and if they agree with me I shall know that I am not wrong. I hope the Senate will permit me to adjourn the debate. I am quite willing to have any member intervene and speak now so long as I do not run the risk, as suggested by my honourable friend from Parkdale (Hon. Mr. Murdock), of losing my right to speak again.

Hon. Mr. MURDOCK: I would not insist on that rule against you.

Hon. Mr. HAIG: I hope you would not. I think it is only fair that I should be given an opportunity to consult with my party. Nothing could be done to give effect to the rule this session or before the commencement of the next session. It is likely that we shall meet some time in January next year, and after that the House of Commons will spend at least four weeks debating the address in reply to the Speech from the Throne. That would give us lots of time to consider this matter before a full house.

For myself I say to the leader of the government (Hon. Mr. Robertson), as I have said before, that I shall do everything to facilitate the shortening of sessions of parliament. If I can be convinced that this motion will bring that result, well and good. However, I say quite candidly that if I cannot be so convinced I will vote against the motion. As honourable senators know, I have not had an opportunity to discuss this matter with my followers. The underground-wire service advises me that our honourable friends opposite held several meetings about this matter and that committees were appointed to deal with it.

Hon. Mr. PATERSON: What bill are you speaking about?

Hon. Mr. HAIG: I am speaking on the motion. My honourable friend was at those meetings.

Hon. Mr. FARRIS: Is the honourable leader opposite suggesting that this matter should not be voted on at all in the present session?

Hon. Mr. HAIG: No, I am not suggesting that. I do not know what the attitude of my group is on this matter. I have reason to think that they may agree to it, but I cannot be sure before Tuesday.

Hon. Mr. SINCLAIR: To put it over till Tuesday will be to put it over till after prorogation.

Hon. Mr. HAIG: Oh, no.

Hon. Mr. SINCLAIR: If the motion were carried now the officers of the Senate would have an opportunity to revise the forms of procedure where necessary to conform with the new rule; but, if the motion is not passed today a good deal of time would be lost next session.

Hon. Mr. HAIG: Whether or not this motion is passed today, there will be plenty of time for the honourable leader to have a discussion with his cabinet colleagues next session during the month or so that the House of Commons is debating the Speech from the Throne. There is no question at all that a general election will be held in the fall of 1948.

Hon. Mr. MURDOCK: Is that a promise or a threat?

Hon. Mr. HAIG: It is a prophecy, based on many years of experience in public life.

Hon. Mr. LAMBERT: Did I understand the leader opposite to say that he is against this proposed new rule?

Hon. Mr. HAIG: No.

Hon. Mr. LAMBERT: I gathered that impression from something that he said in his series of remarks.

Hon. Mr. HAIG: No, I never said that. I tell you candidly that if you force a vote on the motion now I shall have to vote against it, because I have not had time to consult the members of our group.

Hon. Mr. LAMBERT: Did the honourable gentleman not say that he did not think ministers would come over to the Senate to explain their bills?

Hon. Mr. HAIG: I still say that, but of course that in itself is no reason why we should not adopt the rule. If the rule were adopted the leader of the government could at any time invite a minister to come here and explain legislation. The minister could refuse, but that is another matter.

Hon. Mr. ROBERTSON: What I had in mind was that if the motion were adopted this session I could approach ministers at the

beginning of the next session, while the Speech from the Throne was being debated in the other house and ministers were not as busily engaged as they would be later on in the session. If the motion is not passed before we prorogue and the whole matter had to be debated again next session, much time would be lost.

Hon. Mr. HORNER: Honourable senators, I do not remember that the leader on this side (Hon. Mr. Haig) ever consulted me about Bill 443, which was given second reading this afternoon. I cannot understand why he is so particular about consulting us on this motion.

Hon. Mr. HAIG: I rise on a point of privilege. My honourable friend from Blaine Lake (Hon. Mr. Horner) says I did not consult him on Bill 443. I did not consult anyone, or even think the thing out for myself. But I certainly shall consult him on this motion when we have a caucus. On the indemnity question the members of our group were entitled to vote just as they pleased.

The Hon. the SPEAKER: Honourable senators, the debate on the motion for adoption of Rule 18A was adjourned yesterday by the honourable leader of the opposition (Hon. Mr. Haig). Under our rules, he is not entitled to move a further adjournment.

Hon. Mr. HAIG: Mr. Speaker, I moved that this order be discharged and placed on the order paper for Tuesday, July 15. That is seconded by the honourable gentleman from L'Acadie (Hon. Mr. Leger).

Hon. Mr. SINCLAIR: I understood from a statement made by the leader of the house (Hon. Mr. Robertson) that we are to meet on Monday. Why should this order be put over until Tuesday?

Hon. Mr. HAIG: Some members of our group are away and will not be back until Monday night. I wish to consult them in caucus, but that cannot be done until Tuesday.

Hon. Mr. BENCH: Suppose the session is prorogued Monday night?

Hon. Mr. HAIG: There is not a chance of that.

Hon. Mr. BENCH: I understand there is a good chance of that.

The Hon. the SPEAKER: It is moved by the Honourable Senator Haig, seconded by the Honourable Senator Leger, that order No. 1 be discharged and placed on the order paper for Tuesday next. All in favour say "Content".

Some Hon. SENATORS: Content.

The Hon. the SPEAKER: All opposed, please say "Non-content".

Some Hon. SENATORS: Non-content.

The Hon. the SPEAKER: I think the Non-contents have it.

The debate is now on the motion of the Honourable Senator Robertson, that the Rules of the Senate be amended by adding thereto as Rule 18A, the following:—

Some Hon. SENATORS: Dispense.

Hon. Mr. ROBERTSON: Honourable senators, I feel very sorry in many ways that the debate has taken this turn. I can see the problem of the honourable leader opposite (Hon. Mr. Haig). Frankly, I do not attach as much importance to the proposed change in our rules as perhaps some senators do. I suggested that it was just a means which I hoped would prove effective in helping us to accomplish what I understood was the general wish of the house. I had noticed from reports of discussion in the past that leaders on both sides—the Right Honourable Senator Meighen and the late Right Honourable Senator Dandurand, and others—were in favour of such an amendment to our rules, and I was unable to find that there had been any disagreement with the proposal. There undoubtedly is considerable question as to whether or not the proposed new rule would be effective, and I frankly admit that I am not too certain about it myself. Any member who objects to the present motion is of course free to say so and to vote against it, but I felt that if the motion were adopted I could avail myself of the opportunity to approach ministers early next session, and that at that time there would probably be a good chance of seeing whether the rule could be made to work. Unless the motion were adopted there would of course be too much uncertainty about the whole proposal to permit of any progress being made.

Hon. ARTHUR W. ROEBUCK: Honourable senators, before this motion passes I should like to express a doubt that is in my mind as to its advisability. I do not wish to attack the idea horse, foot and artillery but I doubt that this proposal will accomplish what its advocates have in mind. I do not think that if passed it would relieve to any appreciable extent the pressure of work in the House of Commons.

Hon. Mr. LAMBERT: May I interrupt my honourable friend to say that I think he is out of order. He is speaking to a motion that was defeated.

Hon. Mr. HAIG: No, he is speaking on the original motion.

Hon. Mr. ROEBUCK: I was under the impression that the motion to set the matter over was defeated, and therefore we must go on with the substance of the motion.

Hon. Mr. HAIG: That is correct.

Hon. Mr. ROEBUCK: And accordingly I was speaking to it. I think a mistake was made in not putting it over, but I am not allowed to criticize the house for what it has already done. I believe it would have been wiser to have proceeded slowly. I am quite sure the house will carry the motion, but I wish to go on record as doubting the wisdom of it.

When I was interrupted I was about to say that I did not think this proposal would relieve matters in the House of Commons, because legislation of a contentious nature will provoke debate in the other house whether or not we in this house have passed it. Of course there are some things that we turn down and which never get to the other house, but it is not to be expected that we would turn down government legislation whether or not it was sponsored by a minister of the Crown. Such a situation would happen very seldom.

Hon. Mr. BENCH: Why?

Hon. Mr. ROEBUCK: My honourable friend has had some experience in these halls, as I have. I say it would be seldom that we would do that. Moreover, if in that way we saved some time for the House of Commons, it would accomplish little in the end.

The fact that we in this house sit fewer hours than they do in the House of Commons—and I am not by any means adopting the figures given to us—is due to two reasons. First, we have only 96 members as compared with 245 in the other place, and added membership means added debate. Allied with that is the fact that we are not making speeches for our constituents. In the second place the great difference is that we do the most of our work in committee and not on the floor of the house. The obvious answer is that the House of Commons should do more work in committee. It might well take a leaf out of the books of the United States Congress, where most of the debate takes place in committee. The House of Commons has no appropriations committee. Expenditures are determined by civil servants; the estimates that come down are practically never changed. There is no chance, except in the Public Accounts Committee, to question expenditures.

Hon. Mr. LEGER: What about the Finance Committee?

Hon. Mr. ROEBUCK: The Finance Committee hardly ever meets. For two or three years while I sat in the House of Commons the Public Accounts Committee did not meet; everything was done in committee of the whole with the printed amounts before us, and a minister who had two civil servants sitting in front of him telling what to say.

The House of Commons should have an appropriations committee before which civil servants with knowledge of particular divisions of accounts would appear and be asked why they wanted so much money and what they did with what they had received the previous year. The committee would then be in a position to recommend to the house that certain expenditures be made. The debate would be an informed one, and things would be done rapidly.

My feeling, and I emphasize it, is that this proposal will not do what those who are advocating it expect it to do. Some honourable senators may remember that in a debate of a similar nature two or three sessions ago I pointed out that the strength of this house lay in its disinterested character, that except one minister its members did not hold office of any kind and were totally dissociated from the executive. We know that the executive in the parliamentary system in England robbed all other jurisdictions of their powers. The Prime Minister, with his hand on the purse strings, robbed the Crown of all its powers, so that today it reigns but does not rule. The executive then turned its attention to parliament, and gradually gathered into its hands nearly all the powers of parliament. That may be a natural trend, but it is one that we in this house, to the utmost of our ability, should avoid.

Honourable senators will recall what took place at the famous convention of 1787 in the United States, when the question of the powers of the executive was discussed and that country framed its constitution. It provided that the executive should not have the right to sit in either house. Whether or not that was a wise procedure, the purpose in mind was to preserve the independence of parliament in its statute-making powers. The philosophy of England at that time and for a few years afterwards was to keep all patronage out of the house. The same thought was carried into the American constitution, and it separated the executive, administrative and patronage branches from the house which made the substantive law. That country determined that it would not allow a minister to sit on the floor of either house, and that the President must select his advisers from among those who do not sit in the house. The system of govern-

ment in the United States has no direct application to what is now proposed, but it throws a certain light on this measure.

The Senate of Canada has been strong and its advice has been listened to because it has been felt that its members were separated from and not under the control of the executive. Now you are stepping in the wrong direction. Only this afternoon we gave second reading to a measure to increase very generously the stipends of the two leaders in this house; and now we are proposing to rob them of their chief importance, to take out of their hands the work which they have been doing, and place it in the hands of members of the executive and bring them here.

Some Hon. MEMBERS: No, no.

Hon. Mr. ROEBUCK: Of course that is what you are doing. Do not fool yourselves, gentleman. In the past the leaders of this house—Senator Dandurand, Senator Meighen and others—brought forward and explained all the legislation which was passed; and they knew their work. They did not need to have civil servants sitting in front of them to tell them what to say, and they did not have a minister of the Crown sitting at their elbow to make the speech for them. They made it themselves, and explained the bill or whatever it was, and it was passed. Now what are you going to do?—bring a minister here, and allow the rest of us to be the audience? Is that it? We are to be instructed by a minister on what this house is to do; we are to be reasoned with and cajoled: he will explain his views, and with reasons answer you. I do not like it, I am very doubtful of it; I do not think we shall accomplish anything through it; and I think it will have a deteriorating effect upon the status and procedure of this chamber.

Hon. Mr. PATERSON: May I point out to the honourable member for Toronto-Trinity (Hon. Mr. Roebuck) that a few moments ago we listened to a real diatribe on the uselessness of the Senate and the short hours we put in. This is a real, honest, sincere effort to make the Senate more useful; and unless some alternative proposal is made, I am in favour of this suggestion.

Hon. Mr. ROEBUCK: That is why I expressed doubt, instead of attacking it. I know it is a sincere effort on the part of those who are advocating this measure to improve the situation; and all I have done is to express my doubt that they will succeed, and to say that I do not like it.

Hon. Mr. CRERAR: I do not share the apprehension expressed a few moments ago by the honourable member from Toronto-

Trinity (Hon. Mr. Roebuck). If the change in the rules of this house to permit a minister of the Crown temporarily to enjoy a seat in this house, to explain a measure, detracted in any way from, or lessened, or was likely to lessen the importance of the work which this house has to do, I think I should agree with the honourable member from Toronto-Trinity. But I maintain that that is not the result which we shall reach. Any person who studies the events which led to the confederation of the Canadian provinces cannot be other than impressed with the purpose in the minds of the founders of our nation as to what responsibilities the Senate should discharge. The Senate was to be essentially a revising body. It was to be a body—to quote as I recall them the words of Sir John A. Macdonald, with which I agree—which would have “a sober second look” at legislation which originated in the House of Commons. That to my mind is the primary function that this honourable house has to discharge in its place in the governing of our country. I do not anticipate that the passage of this resolution, which will amend our rules, will interfere with or lessen that function in any respect.

What happens? An opportunity will be given in the first instance for the introduction of measures, which I anticipate will be in the main non-contentious measures, on the floor of this house. The minister in charge will explain them; he will state the purpose of the legislation, the facts which led to a decision on the part of the executive to introduce them and make them part of the laws of this country. We shall listen to him if he comes, we shall ask him questions and then we shall consider the measure before us in precisely the same fashion as we would consider it if it had originated in the House of Commons and come to this chamber in the ordinary way. Our powers of taking a “sober second look” at the measure, our powers to revise it, are not in any way lessened or reduced.

I do think that on the positive side we may make a contribution to the more effective functioning of our parliamentary institution as a whole, because our parliamentary institution is comprised of two bodies, the House of Commons and the Senate. It should assist in expediting the legislative work of parliament, and to the extent that it did so I should think it would prove a distinct advantage. Therefore I do not share the apprehensions expressed by the honourable member from Toronto-Trinity (Hon. Mr. Roebuck).

There is a good deal of talk about the position of the Senate: indeed, some people in this country think that the Senate is a

sort of useless appendage to our law-making machinery. I said on one occasion before in this house, and I repeat it now, that the Senate, with the functions it has to discharge, is just as important a body in the law-making process as the House of Commons; and if there are any in this country who think that they could wipe the Senate out of existence without tremendous repercussions throughout Canada, they are very much mistaken. I am somewhat amused at times in reading the obiter dicta of some intellectual gentlemen who dwell on Mount Olympus and imagine that they are endowed with some sort of superior wisdom which enables them to organize the life of the nation. In my judgment that doctrine will never receive acceptance by the Canadian people.

I have just one thought more to add. There have been some suggestions in recent days that the Senate should be reformed. I shall not say where those suggestions originated. All of us are familiar with them. In the first place we should clarify our own thought as to what is meant by “Senate reform”; and in the second place, if any joint committee of the Commons and the Senate is to be set up to consider Senate reform, I for one want such a committee to consider not only Senate reform but parliamentary reform, and that includes reform of the procedure in the House of Commons.

Mr. Speaker, I may be skating close to the rules and I do not wish to say anything in criticism of what we sometimes euphemistically describe as the other place. In the other place this year the budget debate lasted for three weeks and over ninety speeches were made, most of which contributed nothing whatever to the welfare of Canada and were simply the propaganda of certain elements in the political life of this country. Therefore, if there is to be a joint inquiry into the reform of the Senate it had better take on a wider aspect and include an inquiry into the procedure of the House of Commons. I am satisfied that improvements could be made in both chambers that would place them in a more effective position to carry out the responsibility that parliament was created to discharge. In my judgment there is nothing more important than to maintain and retain throughout the great body politic of this country a high regard and respect for our law making institutions. It is the responsibility of members of parliament, whether they are here or in the Commons, to keep that thought before them at all times and

so order their conduct that they earn and retain the respect of the people who, in the last analysis, it is their duty to serve.

Hon. J. W. de B. FARRIS: Honourable senators, there are reasons why more should be said on this question than has been said so far. I personally regret having to be one of those who have denied the wishes of my honourable friend opposite (Hon. Mr. Haig), for I have received from him a great many personal courtesies during the ten years that we have been associated in this chamber.

It seems to me that this question does not need a great deal of further consideration from any experienced member in this house. The matter was fully discussed in 1934, at which time both Senator Dandurand and Senator Meighen expressed approval of the principle involved. My honourable friend opposite (Hon. Mr. Haig) knows—and he knows I know—that this proposal has been the subject of informal discussion in our offices, in the corridors and elsewhere around this building for a great many years.

There is no profound problem in this motion; and there is no finality to it. The matter will be disposed of in a few days and if, at any time in the development of this matter, any of the dire predictions that have been made really threaten us, they cannot fall upon us like an avalanche and wipe us out in one blow. They would first show symptoms and they could be corrected by repealing the amendment.

At the moment I am more concerned with the philosophy of the problem, the purpose that is behind this resolution and the criticisms that arise from time to time—and will arise in the future—as a result of what is being done here today. I therefore think it is necessary that some further discussion should be had. We start out with the principle, with which I am sure every senator is in accord, that in these times the work of parliament is increasing. No one is being done an injustice. When one looks around at one's associates one sees that they are some of the most experienced men in Canada. They represent all branches of activity in the country, and no group of men in the country is better equipped to assist in connection with legislation and all other matters that pertain to the problems of good government in Canada. All that is involved in this legislation is to see that the basic difficulty in the functioning of our governmental system in the Senate is removed.

What is the difficulty? I would say without any question that the basic difficulty is the fact that legislation does not come to the Senate early enough in the session.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. FARRIS: During the remarks made by the honourable senator from Parkdale (Hon. Mr. Murdock), in which he only touched the fringe of the subject when he should have said more, he indicated how little the Senate sat when the debate of the address in reply to the Speech from the Throne was in progress. That situation is not the fault of the Senate. The difficulty is that while speeches are being made in reply to the Speech from the Throne by members who have been elected to office, and who feel very properly that they must speak for their constituents, no legislation is being passed in the House of Commons. The result is that no legislation comes to the Senate for days and weeks.

One of the ideas in the minds of those who are pressing for this proposal—one that was strongly advocated in 1934 by Senators Dandurand and Meighen—is that, if contemporaneously with the Speech from the Throne legislation could be originated and considered by the Senate, much time and effort would be saved. It would also mean that our efforts could then be directed to the work for which we are here. I am still practising law and I find it a financial sacrifice, as does my honourable friend opposite (Hon. Mr. Marcotte), to come here under this set-up. Perhaps it makes no difference because the government takes most of our money away from us anyway. It is not a desirable situation that compels us to come to the opening of parliament from the city of Vancouver or from other places, only to find ourselves kicking our heels around here while speeches go on day after day in the House of Commons. Neither is it desirable to have to travel back and forth when adjournments take place. Surely if men are willing to sacrifice of their time and their private affairs to attend parliament there ought to be some method of dealing with legislation that would enable us to do our share in giving good government to Canada.

What is the real reason that prevents this being done? One reason, of course, is that legislation is not always ready in the other house; but if the ministers themselves knew that there was a place in which their legislation could be dealt with, there would not be the same excuse for delay. I say to honourable senators that it would be just as easy to introduce certain legislation into this house

on January 30 as it is at the end of the session. For example, I refer to the amendments to the Criminal Code that the Senate did not have an opportunity of considering in committee, until the other day, and to which no consideration could be given in the Senate chamber because our amendments to the bill had to go to the other house in time to be considered before prorogation.

Hon. Mr. HAIG: That is correct.

Hon. Mr. FARRIS: That situation applies to much other legislation. Honourable senators, from what I have heard and seen I would say that one of the main reasons why a minister does not have his legislation introduced here is that he does not wish to see it introduced by somebody else. That is only human nature. He does not want to have it discussed and passed through one branch of parliament, and perhaps have it receive much newspaper publicity, while all the time he has not had a single word to say either in defence of it or as to his policy in connection with it. That is the basic reason. For eighty years we have had that experience, and for seventy-nine years complaints have been made in this house and all over Canada that not enough legislation is initiated in the Senate. I think it is just about time that some attempt was made to meet that complaint.

My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) says he is afraid the proposed new rule will not work in practice. He may be right. But if it does not work, no harm will be done. No ministers will then be coming into this chamber to tell us what to do, and not a single one of the other direful predictions of my honourable friend will come to pass. But if the rule does work and ministers come into the chamber and recommend that we pass their measures, that will be only what the leader of the government in the Senate has always done. Like his predecessors, my honourable friend the present leader (Hon. Mr. Robertson) was not selected for his office by the Senate; he was selected by the Prime Minister. When the leader speaks to a bill in the Senate he is speaking for the government, just as surely as the minister responsible for the bill would be speaking for the government under the proposed new rule; and the leader's instructions to this house are just as mandatory as would be those of any of his colleagues. The point is, in my humble suggestion, that no instructions are given by the leader, and none would be given by any other member of the cabinet.

Let me remind my honourable friend from Toronto-Trinity that for a long time it has been the custom for cabinet ministers to come to our committees and defend their

legislation. Has anybody ever felt that the dignity of the Senate was impaired when a cabinet minister told senators in committee what he thought they should do? Has a single member of this house ever been conscious of the oppressive influence of a cabinet minister upon him at one of our committee meetings? I do not think so. And I believe that if my honourable friend from Toronto-Trinity gives further consideration to the matter he will agree that there is no more danger of oppressive influence being exercised by a cabinet minister in Committee of the Whole, or at a regular sitting of the Senate than in one of our standing committees. I predict that if a cabinet minister were to come over from the House of Commons and make a speech here in support of a bill, the members of this house would be on their toes to offer far stronger criticism and opposition than they ordinarily do under present conditions. I know of aggressive ministers, and if one of them sponsored some legislation here and it contained something I did not like I would enjoy attacking it more than if the measure had been introduced here by my most inoffensive and courteous leader (Hon. Mr. Robertson).

Having made those observations, I ask the indulgence of honourable members while I speak for a few moments on what I think are the fundamental questions raised by this motion. It seems to me that some harm may be done by speeches made in another place and inaccurate statements made in this house which will be spread all over the country.

It has been said many times that the great function of the Senate is to exercise independent second thought directed to protection of the rights of citizens, individually or in groups—racial, territorial or religious or other groups. I do not think anyone can dispute the statement, which has so often been made, that but for the establishment of the Senate there never would have been Confederation.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. FARRIS: My suggestion to honourable senators is that there are stronger reasons today for a body with the constitutional powers and limitations of the Senate than there has ever been before in the history of our country.

Hon. Mr. LEGER: Hear, hear.

Hon. Mr. FARRIS: I have heard it said that abolition of the Senate is a plank in the platform of the C.C.F. party. They claim that the Senate is not an elected body, that it does not represent the people and therefore does not accord with democracy. I know of no word in the English language that is more often

misinterpreted and abused than that good word "democracy." Any person who thinks that "democracy" means majority rule and nothing more has no correct conception of the word. I have given a good deal of thought to the function of the Senate, and on more than one occasion have made speeches about it to service clubs. I have not spoken as eloquently and effectively as my honourable friend from Lincoln (Hon. Mr. Bench), whom I am sorry to see I have driven out of the house.

Hon. Mr. WHITE: He is down at the far end.

Hon. Mr. FARRIS: He usually sits behind me, but he apparently could not take this speech of mine at short range.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. FARRIS: My conclusion is that the best definition of "democracy" was given by Abraham Lincoln:

Government of the people, by the people, for the people.

That is not government of the majority, by the majority and for the majority; it is government of the people, by the people and for the people—and that means all the people. The government in power is under obligation to see that minorities in the country get just as fair treatment as those who happen for the time being to be in the majority. Majority rule may be mob rule, if it is made the only basis on which government is conducted. The unbridled and unrestricted action of a majority may be, not democracy, but pure dictatorship. If by any chance there was in Canada a majority government, inflamed by class hatred and spurred on by lust for power, it would be as far from democratic government as anything that anyone could conceive.

The reason why I am emphasizing this matter just now is that the C.C.F. party says—I am referring, not to what has been stated in the other house, but to speeches and pamphlets that have been circulated throughout this country for years—that the Senate should be abolished, so that if that party comes into power it will have a free hand in giving effect to its policies. To my mind that attitude is not justified by the facts, and the proposal is a sinister threat to the rights of minorities. The Senate would never block any policy that it considered to be in the interest of the people, whether that policy was advocated by the C.C.F. or by any other party.

In his book on the British Constitution, Mr. Dicey, the great constitutional authority, devotes more than one chapter to the "conventions of the constitution". Most lawyers,

though not all of them, understand the principles of that doctrine, and many laymen who have studied the constitution understand the doctrine just as well. The doctrine is that certain things are done, as it were, by convention, without any specific statutory authority. For instance, if a ministry is defeated in the House of Commons it resigns. But there is not a word in any statute requiring it to do so. Ministers could not be taken into court and compelled to resign. That is one of the basic conventions of the constitution; it is one of the things that is not done. The duty of His Majesty the King in giving assent to bills is controlled largely by the conventions of the constitution, and so it is with the Canadian Senate.

I do know of no one who had a clearer conception of the functions of the Senate than Mr. Arthur Meighen. I have listened to him when he was leader in this house, analysing, criticizing and almost destroying by his forceful argument the reasons advanced for the introduction and passage of government bills. But if those bills concerned government policy and were representative of the sentiment of the people who elected the government, and no minority rights were being involved, Mr. Meighen would never go further than to protest the measures. Even when he commanded a majority in this house he recognized the conventions of the constitution.

That is the way the Senate will function, irrespective of the party in power. But any time that a government seeks to use its majority as an instrument of tyranny to deprive provinces, religious denominations, corporations or individuals of their rights; then under our system of government the Senate has a power that it must exercise. The government of the day, by an appeal to the people, always has the power of overcoming any obstruction the Senate might put up. No matter how serious the tyranny may be if the people back up the government, there comes a time when majority rule must take its course.

The people of Great Britain have had the finest conception of democracy of any people in the world. In working it out they have recognized the necessity for majority rule. I regard it more as an expedient than a justification of a principle. Somebody has to rule, and under the democratic system the majority must do it. The British people have also recognized that a majority, unrestricted and uncontrolled, may be as harmful as some great mechanical instrument which has no brakes or regulating influence to slow it down.

That, to my mind, illustrates the basic function of the Senate. Its service cannot be measured in hours, even if they were taken from a diary and showed the correct number of hours spent. I submit that the only way the service of the Senate can be measured is in the functions which required the creation of this institution, and demand its perpetuation. It is not in regard to the fundamental functions of the Senate that this amendment is proposed, but rather as regards what I call the secondary function of the Senate. We are here both to give service and to assure the people that fair play will be meted out. We know that as long as a policeman walks the streets there is not much danger of anything going wrong; but his absence might result in a great deal of harm. One cannot judge his service by the number of arrests he makes, and the service of the Senate should not be judged by the number of times it has had to step in and exercise its power, but by the fact that its very existence assures protection.

Let us now come to the second phase of the argument. I have said, and not in a boastful way, that we are a group of men of experience; we have been active in many branches of public life; we have had experience in professional and industrial fields, and are here desirous of giving service. The debates in the House of Commons take up a great deal of time and the demand on the cabinet ministers is so tremendous that it is affecting their nervous energy and physical health. I do not see how it is possible for men to sit in the house for the long hours that they are required to put in, and to hold cabinet meetings, receive delegations, go out in the country and make speeches, do the innumerable other things that cabinet ministers have to do, and still retain sufficient energy and vigour to enable them to think clearly. If we could do something to alleviate that situation, nothing could be more desirable.

My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) says that he is afraid the proposal will not work out. Maybe he is correct in his view; but I believe that if the scheme fails the responsibility will not be on this house but on the Dominion Cabinet.

May I read what the Prime Minister said in the other house yesterday? Since it is material to justify what we are proposing to do, I think I am entitled to refer to it. He is reported in *Hansard* as follows:

I would say to my hon. friend that I have had several conversations with the leader of the government in the Senate and with some of the senators as to the possibility of some im-

mediate reforms being made which would enable the Senate to play a more important and effective part in the business of parliament. As a result of these conversations I understand that there has been consideration by hon. members of the Senate of some of the matters raised and that at the present time they are receiving favourable consideration by members of the Senate.

I call honourable senators particular attention to the following words:

I might mention one question. I had suggested that I thought it would facilitate further co-operation between the two houses if ministers of the crown were granted permission to appear on the floor of the Senate chamber when important government measures were being presented and that they should have the right to participate in the debate and to answer any questions which might be asked. I believe that that reform would be most helpful and I have reason to believe that it is one which will be favourably entertained by the Senate.

That is the statement of the Prime Minister of Canada, and I think that my honourable friend is entitled to take him at his word. If this proposal is carried out it can only mean, as the Prime Minister said, that the ministers will send legislation to this house early in the session and have it introduced here. If that is done, honourable senators, one part of what we are seeking to do will have been accomplished.

My honourable friend from Toronto-Trinity has said that that would not solve the question as far as the other house is concerned. While that may be true, it does solve the problem to this extent, that while the other house is engaged in day-to-day discussion on the Address in Reply to the Speech from the Throne, and a similar discussion on the budget—and how much does that long discussion ever save this country?—new legislation can be introduced in the Senate. Once in a while something comes up, but for the most part the debate does not effect any saving of the time of the house, and it is not expected to do so; the speeches are for another worthy purpose—to send word to “the boys back home.”

Referring to this bill concerning dominion-provincial relations, my honourable friend spoke to me about it some weeks ago. I do not know whether it was ready then, but there was no reason in the world why it should not have been. It could have been ready long ago, and had it been introduced in the Senate we would have had an opportunity for a full discussion. Suppose that, in the first week of the session, the Dominion-Provincial Relations Bill had been introduced in this house, moved by my honourable friend the leader, according to his constitutional duty; then his colleague the Minister

of Finance, seated in one of these chairs, could have been called upon to present his argument in support of the measure.

What objection can there be to that proceeding? When the minister had been heard, other speeches would be made, and there would have been ample time for consideration of the bill either in committee of the whole or by one of the standing committees. An opportunity would have been available to Mr. Abbott, while speech after speech was being made in the other place, on the Speech from the Throne to appear before us at a time which would allow ample opportunity for full consideration. The main point to be emphasized is, not that the minister could deal with the matter any better than my honourable friend the leader of this house or many other honourable senators who might be assigned to do it, but that under the present system these honourable gentlemen do not get an opportunity to do it here. If by the present proposal we can correct that condition, we shall have done something well worth while; and if otherwise, the Senate will be then in a position to say, "We did our best; the Prime Minister gave us an assurance in the House of Commons that the opportunity would be afforded us; and the failure rests elsewhere, not with us".

There is another point to which I wish to call attention. We are told that if this change is made no time will be saved, because the work will be done all over again in the House of Commons. But does anyone suppose that so much time would be spent on these bills in the other house if they were thoroughly examined here? Bear in mind that the news value of legislation has an influence on the time spent in discussing it. When a bill has been discussed first in this house, and the "break of the news" has taken place from here, the chances are that there will not be the same motive for long speeches in the other house.

Apart from that consideration, we shall bring to an end a spectacle which to my knowledge has gone on in every session for the last ten years. I ask my honourable friend from Queen's (Hon. Mr. Sinclair), during the time he has been here if he has not witnessed a similar congestion of legislation, rammed through at the last minute, millions of dollars voted and all sorts of problems determined and rushed through the House of Commons by tired and jaded men, and tossed in here with the warning that "you have got to put it through this afternoon or you will hold up the whole House of Commons". That, to my mind, is one of the worst features, not of the Senate's work, but of the work of parliament. I say, honourable senators, without

any doubt that at least twenty bills with which we are called upon to deal this session could have been sent to us earlier, and no suggestion would arise that proper consideration was not given them. Many pieces of legislation are being tossed in during this hot weather, and more will be received in the next few days. This sort of thing has been going on—and it is no reflection on the Senate—for eighty years.

Today we are nearer to a solution than at any previous time, and I say to the leader of the opposition that the time to deal with it is now. My honourable friend says, "Oh, we can do it next session". But what we should do is to put it up to the government at a time when the government say they are prepared to consider it. If we do not pass this resolution now, the members of the government will be justified in saying, "You do not take this seriously; you do a lot of talking, but the trouble is, you do not want to do any work." If we want to accomplish something during the opening weeks of the next session, we should act on this proposal now, so that the government will know, in the period from now until next January, while they are preparing their legislation, that the way is open to bring in legislation without any loss of time. They will know more; they will know, too, that they are expected to carry out the obligation implied in the statement of the Prime Minister. I hope, honourable senators, that this resolution will carry this afternoon.

Hon. Mr. LEGER: Would the leader of the government accept a slight amendment of his motion? I suggest that after the word "may" in the fifth line, the words "with leave of the Senate" be added. I do not think the effect of the motion will be changed.

Hon. Mr. FARRIS: It will be, for this reason: a minister may say, "I am not going to introduce a bill here, because I shall not know until the time comes whether they are going to let me in or not."

Hon. Mr. LEGER: Well, it will always have to be done with leave of the Senate.

Hon. Mr. FARRIS: But if we give the leave in advance, the minister will know that he can come here; whereas if leave is to be given on each occasion, after the introduction of the bill, he will have an "alibi"; he will say, "I won't take any chances".

Hon. Mr. MARCOTTE: I do not want to add more than a word or two. When I proposed to adjourn the debate on a certain other matter, I had it in mind to speak along much the same lines as my honourable friend has

done, although not as eloquently as he has. The leader on this side has not asked the house to defeat the motion; what he has said is, "Pass it at this session, but give us until Tuesday to consider it." I do not think it will do any harm to wait until Tuesday.

Hon. Mr. FARRIS: I would like to vote for it while we are here.

Hon. Mr. MARCOTTE: We will be here then.

Hon. Mr. FARRIS: There is a rumour that we shall have finished on Monday.

Hon. Mr. ROBERTSON: With all deference to my honourable friend, whose position I quite understand, I feel that in the circumstances I must take the responsibility of asking for immediate action. Some of those who have spoken doubt the effectiveness of the proposal. I can see no harm in trying it, and if it fails to produce the desired results I shall be one of the first to admit the fact, and would be quite willing to entertain a motion to eliminate it. But I can see no particular harm in taking this action, and I should like very much to be armed with this permission. At the same time I recognize the viewpoint of my honourable friend the leader of the opposition, in expressing grave doubts of its effectiveness.

The motion of Hon. Mr. Robertson was agreed to on the following division:

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CRIMINAL CODE BILL

COMMONS DISAGREEMENT WITH SENATE AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons reading as follows:

That a Message be sent to the Senate to acquaint Their Honours that this house agrees to the amendments made by the Senate to the Bill No. 364, An Act to amend the Criminal Code, with the exception of the 2nd and 15th amendments to which this house disagrees for the following reasons:—

1. In the first case, the amendment which is sought to be made by the Senate in language which has already been rejected by the house and which for this reason the house cannot accept;

2. In the second case, that is their 15th amendment, the amendment extends the operation of section 260 of the act beyond what the House of Commons contemplated or is willing to accept.

The Hon. the SPEAKER: When shall this message be taken into consideration?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

ADJOURNMENT

Hon. Mr. ROBERTSON: Honourable senators, I move that when this house adjourns today it stand adjourned until Monday next at eight o'clock in the evening.

The motion was agreed to.

The Senate adjourned until Monday, July 14, at 8 p.m.

THE SENATE

Monday, July 14, 1947.

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

Prayers and routine proceedings.

HUDSON BAY MINING AND SMELTING COMPANY BILL

FIRST READING

A message was received from the House of Commons with Bill 452, an Act respecting the Hudson Bay Mining and Smelting Co., Limited.

The bill was read the first time.

SECOND READING

The Hon. the SPEAKER: When shall this bill be read the second time?

Hon. Mr. ROBERTSON: If the house is agreeable, I should like to have second reading now. It is a very short bill, and, I think, not a contentious one. I have asked the honourable senator from Churchill (Hon. Mr. Crerar) to move the second reading.

Hon. T. A. CRERAR moved the second reading of the bill.

He said: Honourable senators, this bill is somewhat unusual. I am informed that if the so-called labour code introduced in the Commons to provide for the investigation, conciliation and settlement of industrial disputes had been proceeded with, the clauses

in the bill now before us would have been part of that measure. However, when it was decided not to proceed with the labour code this year, the Hudson Bay Mining and Smelting Company found itself in a rather unusual position.

The company is operating in northwestern Manitoba; it has invested approximately 35 million dollars in power plant and mining works; it mines more than 5,000 tons of ore per day, and employs between 2,200 and 2,300 men. In 1929, when the company located its plant in Manitoba, the boundary line between that province and the province of Saskatchewan had not been defined at the particular point in question. Later, in 1936 or 1937, the boundary was defined, and after its demarkation the company found that not only was its mine partly in Manitoba and partly in Saskatchewan, but that the boundary ran right through a number of its buildings, with the result that some of its employees were working on both sides of the line—part of the time in Manitoba, and part in Saskatchewan—a situation which brought these employees under the labour provisions of the two provinces.

During the war the employees operated under Order in Council P.C. 1003, the provisions of which are carried on today under the Emergency Powers Transitional Act. The company is now asking that, in accordance with the provisions in the constitution, its works be declared a work for the advantage of two provinces. This request is supported by the governments of Saskatchewan and Manitoba and by the unions in the plant.

We have this rather unusual situation: the two provinces affected and the employees concerned have asked that when the new federal labour code finally becomes law the employees be brought under it, except in respect to workmen's compensation, which, by agreement of the provinces, the men and the company, is left outside the purview of federal control.

I have explained briefly the necessity for the legislation, and I do not see that there can be any objection to it. I hope the bill will not only receive second reading tonight, but also, if agreeable, third reading. I see no occasion for sending it to a committee.

Hon. JOHN T. HAIG: Honourable senators, naturally I know quite a bit about the mining operation referred to in this bill, as I had the pleasure of visiting the area in August, 1920, before there was a mine there at all.

Hon. Mr. CRERAR: I was there in 1917.

Hon. Mr. HAIG: My honourable friend will remember that there was scarcely a hole there in 1920—just a pile of material on top of the ground.

I am entirely in accord with what is proposed by this bill, and should like to call attention to an interesting feature with respect to this particular mining development. The ore was sent to American smelters and also to the British Columbia smelters, but no formula could be found for separating the mineral from the ore. The promoters of the mine then spent a million dollars on a pilot plant in order to discover how to separate the various minerals from the ore body, and they have been highly successful.

As my honourable friend from Churchill (Hon. Mr. Crerar) has said, the mine is located right on the boundary line between Manitoba and Saskatchewan, and a satisfactory arrangement with respect to workmen's compensation has been worked out between the two provinces.

I am heartily in accord with the proposals contained in the bill, and see no necessity for sending it to committee. Next year the labour code will come into effect, and of course this particular operation will come under it.

Hon. Mr. PATERSON: May I ask the honourable senator if this mine is near a place called Winnipeg?

Hon. Mr. HAIG: No, but some of its shares are held there.

Hon. Mr. ROEBUCK: It does seem to me a most extraordinary thing, in order to bring a company under the labour code, to declare it to be for the general advantage of Canada. I may be wrong; I have not followed the details of this bill; but if all that is required is to make this code applicable to the company, the terms of the bill should directly express that purpose, and there should not be this roundabout method of declaring it to be "for the general advantage of Canada"—with all the possible implications which, on short notice, I am unable to imagine. It sounds a little like burning down a house to roast a pig. Why not go at it the direct way instead of the roundabout way?

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

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. ROBERTSON: With leave of the Senate, now.

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

MILITIA PENSION BILL

FIRST READING

A message was received from the House of Commons with Bill 456, an Act to amend the Militia Pension Act (Disablement Pension).

The bill was read the first time.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

THIRD REPORT OF JOINT COMMITTEE

Hon. L. M. GOUIN presented the third report of the Joint Committee on Human Rights and Fundamental Freedoms, as follows:

Saturday, July 12, 1947.

The Joint Committee on Human Rights and Fundamental Freedoms beg leave to make their fourth report, as follows:—

To obtain a clearer concept of its duties, your Committee, as a preliminary step in its inquiry, resolved its Order of Reference of May 26 into three divisions, namely:—

(1) To consider the question of human rights and fundamental freedoms, and the manner in which those obligations accepted by all members of the United Nations may best be implemented;

And, in particular, in the light of the provisions contained in the Charter of the United Nations, and the establishment by the Economic and Social Council thereof of a Commission on Human Rights:

(2) What is the legal and constitutional situation in Canada with respect to such rights:

(3) And, what steps, if any, it would be advisable to take or to recommend for the purpose of preserving in Canada respect for and observance of human rights and fundamental freedoms.

The Deputy Minister of Justice was heard in regard to the legal and constitutional position in Canada in so far as human rights are concerned, while an officer of the Department of External Affairs gave evidence respecting the obligations assumed by Canada as a member of the United Nations.

The Director of the Division of Human Rights, Department of Social Affairs, United Nations, appeared and supplied information relative to the activities of the United Nations in the matter of human rights.

Contained in your Committee's minutes of proceedings and evidence are copies of documents relative to the subject-matter of the Order of Reference.

At the outset, it was apparent that at the present session only preparations could be made for a subsequent detailed study of human rights and fundamental freedoms. Consequently, your Committee has invited the attorneys-general of the provinces and the heads of Canadian law schools to furnish views and opinions on the question of the power of the Parliament of Canada to enact a comprehensive Bill of Rights applicable to all Canada.

It is recommended that early next session a joint committee be appointed to resume consideration of the task assigned to your Committee.

A printed copy of the minutes of proceedings and evidence is appended.

All which is respectfully submitted.

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

Hon. Mr. GOUIN: At the next sitting of the Senate.

FOURTH REPORT OF JOINT COMMITTEE

Hon. L. M. GOUIN presented the fourth report of the Joint Committee on Human Rights and Fundamental Freedoms, as follows:

The Joint Committee on Human Rights and Fundamental Freedoms beg leave to make their fourth and final report, as follows:

The subject-matter of Bill 133, an Act to amend the Criminal Code (Illegal Organizations), came before your Committee for consideration. Much of the attention of your Committee having been devoted to other matters referred to it in a prior Order of Reference, it became apparent that, at this late stage of the session, proper consideration could not be given to the subject-matter of Bill No. 133.

In view, however, of the fact that your Committee, in its third report, recommended the appointment early next session of a similar Committee, it is anticipated that it would be possible at that time to give consideration to the subject-matter of such a bill.

A copy of the relevant printed minutes of proceedings and evidence of the Committee—Nos. 1, 6 and 7—is appended.

All which is respectfully submitted.

The Hon. the SPEAKER: Honourable senators, when shall this report be considered?

Hon. Mr. GOUIN: At the next sitting of the Senate.

PRINTING OF PARLIAMENT

FIRST REPORT OF JOINT COMMITTEE

Hon. Mrs. FALLIS presented and moved concurrence in the first report of the Joint Committee on the Printing of Parliament as follows:—

Your Committee has considered the attached list of documents tabled in the Senate and the House of Commons during the present session and recommends that items 145A and 145B thereof be printed, and that none of the other items be printed.

Hon. Mr. MURDOCK: What are the two paragraphs that are to be printed?

Hon. Mrs. FALLIS: 145a and 145b.

Hon. Mr. MURDOCK: Read the two paragraphs that are to be printed.

The items were read by the Clerk, as follows:

145a. Return showing: Statement showing the total amount paid, since September 1, 1939, by the Government of Canada or any of its agencies or crown corporations by way of subvention, bonus, price aid or subsidy on any, or in respect of any commodity, the statement to show the commodities on which subvention, bonus, price aid or subsidy has been paid and the total amount paid in respect of each commodity during each fiscal year.

145b. Return showing:

1. What commodities in Canada received subsidies in the year 1946 and what was the amount of the subsidies in each case?

2. What amount in 1946 was estimated to pay the subsidy on milk and what was the amount of the subsidy actually paid?

3. What commodities are to receive subsidies in 1947 and what is the estimated amount of subsidy for each commodity?

The motion was agreed to.

SECOND REPORT OF JOINT COMMITTEE

Hon. Mrs. FALLIS presented the second report of the Joint Committee on the Printing of Parliament as follows:

It has come to the attention of your Committee that, with the considerable increase in the volume of work of the Printing Bureau during the session, the reprinting of members' speeches causes serious delay in the official printing of parliament and that, as a result, it has been necessary to "farm out" some of the latter at increased cost to the public. Your Committee, accordingly, recommends:

(1) That the official printing of parliament take precedence over the reprinting of such speeches as are ordered by the members individually;

(2) That in the reprinting of members' speeches the following rules be strictly adhered to:

(a) Each reprint of a speech or speeches, ordered by a member shall be an exact replica in context of the report as printed in the Debates of the Senate, or the House of Commons Debates, without any deletions therefrom or additions thereto;

(b) Each reprint shall contain the speech or speeches of one member only in the same pamphlet;

(c) Such reprints shall contain no subheadings, photographs, or illustrations, and only such subject-matter or main headings as appear in the official reports;

(d) No special cover shall be used and no covering letters shall be added to or included in the speeches so reprinted.

All which is respectfully submitted.

The Hon. the SPEAKER: When shall this report be considered?

Hon. Mrs. FALLIS: Next sitting.

BUSINESS OF THE SENATE

Before the Orders of the Day:

Hon. Mr. ROBERTSON: Honourable senators, I wish to make a suggestion to the house which might facilitate the business of the Senate. As there are many items on the order

paper, it is possible that we shall be unable to deal with them all tonight. Therefore I would ask the Senate to consent to having two items that are close to the end of the order paper moved forward. I should like to have item No. 9 called at once. It is my intention to move that we insist upon our amendments to the Criminal Code bill, and if the Senate supports that motion a message will have to be sent to the House of Commons and another message will have to be returned here asking for a conference. This would be followed by a motion to appoint managers for the conference.

After order No. 9 has been dealt with, I should like to have the Clerk call order No. 4, for the second reading of Bill 451, the Western Provinces Treasury Bills and Natural Resources Settlement Act. My reason for desiring to have this order called second is that I had asked my honourable friend from Queens-Lunenburg (Hon. Mr. Kinley) to move the second reading and explain the bill, and he finds it necessary to be away tomorrow. I should very much like to avail myself of his services, and it occurs to me that he could explain the bill, and that any other honourable senator who desires to speak on it might move adjournment of the debate, so that we can proceed with the remainder of the order paper.

Next, I should be glad if the house would consent to the calling of item No. 7, consideration of the amendments made by the Standing Committee on Civil Service Administration to Bill 413. The honourable gentleman from Queens-Lunenburg (Hon. Mr. Kinley) is particularly interested in this subject and would like to have it dealt with this evening. After these three items have been disposed of, we could proceed with the remaining items, commencing with order No. 1.

I therefore move that order No. 9 be called first, order No. 4 second, and order No. 7 third, and that the remaining orders, beginning with No. 1, be then proceeded with.

The motion was agreed to.

CRIMINAL CODE BILL

INSISTENCE UPON SENATE AMENDMENTS

Hon. Mr. ROBERTSON: Honourable senators, it has been suggested that perhaps at this stage of the session a joint conference of managers of both houses might be successful in resolving differences of opinion regarding two of the Senate amendments to the Criminal Code Bill, which were not accepted by the other house. As a first step to this end I would therefore move:

That the Senate do insist upon its second and fifteenth amendments made to Bill 364, an Act to amend the Criminal Code, to which the

House of Commons has disagreed, and that a message be sent to the House of Commons accordingly.

The motion was agreed to.

WESTERN PROVINCES TREASURY
BILLS AND NATURAL RESOURCES
SETTLEMENT BILL

SECOND READING

Hon. J. J. KINLEY moved the second reading of Bill 451, an Act respecting the refunding and adjustment of indebtedness of the four western provinces to the Government of Canada in respect of certain outstanding loans for relief and other purposes and final settlement of the claims of the provinces of Alberta and Saskatchewan in respect of natural resources.

He said: Honourable senators, the members of this house, and, I am sure, most Canadians of mature age, remember the depression which overtook this country and a large part of the world in the thirties. In Canada the depression was especially bad in the western provinces, whose economy largely depends upon agricultural products of a certain type. The people out there were mostly growers of grain, and the grain price on the world market fell below the cost of production. Then there was a drought, accompanied by various scourges—such as hordes of grasshoppers—that usually result from any prolonged lack of rain. The western provinces therefore found themselves in a hopeless financial condition and had to appeal to the federal government for loans and for guarantees of loans. Their credit and financial independence were gone.

It was my privilege to travel through western Canada when the depression was at its height, and I must say that as I journeyed from Winnipeg to Moose Jaw, on to Regina and through to Calgary, I had the feeling that it must be a terrible country to live in. I am sure that all who remember the situation in those days will agree with me that the people there were in a bad plight indeed. Down in the Maritimes we never have very prosperous years, but neither are we subjected to the extremely bad years that some other parts of the country have. We usually do have a crop, and we try in so far as we can to maintain our economic independence, and in that regard I think that perhaps our western neighbours could take a lesson from us.

However, the situation that developed in western Canada as a result of the depression of the thirties could not be overcome by the people out there alone. The Sirois commission went into this matter, and it reported that the western provinces had completely

lost their financial independence. They said that during the whole period of the depression 60 per cent of the revenues of those provinces had to be used for relief; and at one time—in 1937—the cost of relief was 163 per cent of their total municipal and provincial revenue. It is not surprising, therefore, that the debt of the western provinces became very large. They made loans from the Dominion government in the following amounts:

Manitoba	\$24,734,451.82
Saskatchewan	80,361,852.44
Alberta	26,212,000.00
British Columbia	34,031,219.04
	\$165,339,523.30

This debt was in an unsatisfactory condition. No interest was paid on about 75 million dollars of it. At one time a loan was made to the province of Saskatchewan of over 10 million dollars for the purposes of seed. An arbitration committee which tried to settle this matter could not come to any agreement and the amount was refunded. Honourable senators can readily see what the position would be with respect to entering into dominion-provincial relations while these debts were unsettled and the people of those provinces felt that they could not afford to rent their privileges to the federal government because they were so heavily in debt to it.

About a year ago the former Minister of Finance came to an arrangement with the minister for the Saskatchewan government, which was the biggest debtor. After this, it was fairly easy to come to terms along similar lines with the other provinces.

There are two or three features about these arrangements to which I should like to call attention. The first is the question of the counterclaims of the provinces with respect to natural resources. The claim of the province of Manitoba was settled some years ago. A commission was appointed, and I believe the province got about \$4,485,000. As honourable senators know, Alberta and Saskatchewan were created provinces in 1905, but it was not until 1930 that their natural resources were handed over to them. Two royal commissions were appointed, one for Alberta and one for Saskatchewan, to decide what amount should go to each in respect of the period between 1905 and 1930. These commissions each made a finding that five million dollars was due to the province whose case it had considered. Alberta agreed to accept that amount. But in the case of Saskatchewan the commission investigating made a minority report which recommended payment of \$58,242,691. This amount was out of the question, and the government of the day sent an official note saying what would be done under the circum-

stances. Then Alberta said: "Very good, we have agreed to accept a certain sum, but if more is paid to Saskatchewan we will expect to receive the equivalent." As a result no settlement was reached.

In the measure now before us we find that there is a settlement of the counter claims whereby each of the two provinces is given five million dollars, plus interest for a certain period, which brings the amount up to \$8,031,250. The total of the existing provincial treasury bills indebtedness to the dominion by the four western provinces of \$165,000,000 includes debts arising out of relief, for capital and ordinary governmental purposes.

The division is as follows:

	Treasury Bills for Capital and Ordinary Governmental Purposes	Treasury Bills for Direct and Agricul- tural Relief
Manitoba	\$13,855,100.66	\$10,879,351.16
Saskatchewan ..	13,414,440.93	61,221,227.44
Alberta	15,617,000.00	10,595,000.00
British Columbia	17,346,837.65	16,684,381.39
	\$60,233,379.24	\$99,379,959.99

The bill proposes that one-half of the debt due by each of these provinces in connection with relief be forgiven, and in addition that an amount of \$5,726,184.07 of capitalized interest on the Saskatchewan debt be cancelled. In other words, the bill proposes that out of a total existing treasury bill debt of \$165 million, \$55 million be cancelled, leaving to be paid approximately \$110 million; or to put it another way, the total debt of these four provinces to the dominion is cut by one-third. The total amount remaining to be paid would be approximately \$94 million, and is divided into two parts: (1) Debt for relief purposes, some \$50 million, refunded without interest and repayable over the next thirty years—that is to say, half the debt for relief purposes was cancelled and the other half was refunded without interest; and (2) Debt for capital and ordinary governmental purposes, some \$44 million, is refunded at 2½ per cent.

Today the sum \$165,000,000 stands against the four western provinces as a debt which they cannot pay and on which it is impossible to collect part of the interest. If it is not settled, negotiations in respect of dominion-provincial relations will be rendered very difficult. It is felt that the arrangement I have outlined is in keeping with the conditions which prevail in that area, and conforms to the advice contained in the Sirois report. It is also in line with the reports of the commissioners in relation to the counter-claims,

and I believe that if it is ratified, the western provinces will face the future with more confidence, and be in a position to play their part in our national development. For these reasons this bill is presented, and I trust and believe that it will meet with the favourable consideration of the Senate.

Hon. Mr. ROEBUCK: May I ask whether the western provinces will be satisfied with this arrangement?

Hon. Mr. KINLEY: Oh, yes.

Hon. JOHN T. HAIG: I shall not prolong the debate more than a minute or two. As I come from one of the western provinces, I am not inclined to look a gift horse in the mouth, but there is a point about this proposal which worries me quite a bit. Half the debt of the provinces for unemployment relief during the period 1930-35 will be cancelled if this bill is adopted; the other half will bear no interest. What disquiets me in regard to this whole settlement is that a large part of the expense occasioned by the drought was paid by the western cities. The Dominion government may quite properly take the attitude on this matter that the cities should deal with their respective provincial governments. But the problem is a difficult one. I do not know much about conditions at the coast, but to my knowledge Regina, Saskatoon, Calgary and Edmonton carried a terrific burden as a consequence of unemployment during this period.

Only those who lived in western Canada from 1930 to 1935 can understand what happened in those years. Apart from the consequences of the world depression, and general conditions in Canada, for two years grasshoppers swarmed in western Canada and ate everything up. They moved in like an army. The first year there was a dried-out condition; in 1935 there was a rusted-out condition. The wheat grew beautifully until about the 12th or 15th of July; then it was attacked by rust, which is a spore carried from Mexico by the warm air; it settles on the stem and bores a hole in the stem so that no more sap goes to the berry. The result was the total loss of the crop. Added to that misfortune was a lower demand from overseas. Europe was preparing in dead earnest for war, and remembering that it had been starved out in the first world war, determined to grow all the wheat it could. Italy and Germany imposed tariffs five times as high as anything known before.

My opinion with regard to this bill is that the government has done the proper thing. To people in other parts of Canada who may inquire they should be expected to pay a part

of this cost, I would say that it was occasioned not by ordinary unemployment relief but by a series of crop failures about five years in a row resulting in what was really a famine condition. I recall that during this period I travelled from Winnipeg to Saskatoon. The car I rode in was one of these Buicks which takes not too much gas and lots of water, and on the road between Saskatoon and Moose Jaw I sent the driver to a farm house, located a few hundred yards from the main road, to get some water for the engine. He came back without any water. I said, "What is the matter?" He said, "Mr., you had better go and get your own water at the house." I asked him why. He said, "The husband is away up in northern Saskatchewan cutting hay to try to carry the stock through this winter. His wife has little water which has got to 'make do' until he comes back, because it is an eight mile drive to the river to get any more." I did not get any water at that farm house. I drove half a mile to a filling station. Nearby was a beautiful half-section of land, and all that was growing on it was one weed, bright, red and prosperous. My honourable friend from Thunder Bay (Hon. Mr. Paterson) will understand what I refer to. I said to the man at the filling station, "Why don't you go and pull out that weed?" He said, "Say, mister, where do you come from?" I said, "I come from Winnipeg." "Well," he said, "that is the only green thing in this country, and I am keeping it there so I can remember what green looks like."

I shall vote for this bill.

Hon. R. B. HORNER: Did I understand the leader to say that he wished to move the adjournment of the debate?

Hon. Mr. HAIG: No, but if the honourable gentleman wishes to move the adjournment he may do so.

Hon. Mr. HORNER: I come from Saskatchewan, which has the largest area of agricultural land of any province in the dominion; an area larger than that of the Maritime Provinces, Quebec and Ontario combined. Some reference has been made to grasshoppers. I might remark that never in my experience have they attacked the whole of the country at once, although they have done great damage in many districts. This year a large section of northern Saskatchewan around Tisdale and Melfort, which never before knew drought, will suffer a crop failure.

My purpose in rising at this time is to object to the flippant manner in which the senator who introduced the bill read a lecture to the western provinces on maintaining their economic stability, and the comparison he

drew between the prairie economy and that of Nova Scotia. I wonder whether he has ever totalled the amount of the subventions which have been paid to his province in the past fifteen years, and the benefits it has obtained from free freight on feed going there in the past three or four years from western Canada. If the reports of the commissions whose statistics he quoted are examined, I think it will be found that the judge who presented the minority report on behalf of Saskatchewan made a very sound argument on behalf of that province. It can easily be proved by reference to the reports on alienation of natural resources before 1930, that Saskatchewan's resources were depleted by the federal government to a far greater extent than were those of Alberta. At that time capital development which was flowing from the East hit Saskatchewan like a plague of grasshoppers and "tied into" hundreds of millions of good timber that was easily accessible. I also know of an instance in which the federal government sold some farm land in Saskatchewan for a small cash payment. The farmer allowed the land to become polluted with weeds and subsequently retired to California. For twenty-five years no attempt was made by the federal government to realize on the natural resources on that particular land.

Honourable senators I doubt that it can be said Saskatchewan is really in debt. Our province produces more new wealth than any other in the dominion of Canada. In one year Saskatchewan produced three-hundred million bushels of wheat when it was worth a dollar a bushel. I would ask the honourable senator from Queen's-Lunenburg (Hon. Mr. Kinley) how long it would take Nova Scotia to produce that much wealth?

Hon. Mr. KINLEY: We would save the money for a rainy day.

Hon. Mr. HORNER: Saskatchewan paid twice that debt in duty on implements to farm this land. I just rose to remark that Saskatchewan is still the banner province of the Dominion of Canada, and that we do not need to be lectured by any honourable senator from the Maritimes on how to maintain our economic security. We will obtain it and I hope the Maritime Provinces will be able to do the same.

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

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of the bill.

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

CIVIL SERVICE BILL

COMMITTEE AMENDMENTS REJECTED

The Senate proceeded to the consideration of amendments made by the Standing Committee on Civil Service Administration on Bill 413, an Act to amend the Civil Service Act.

Hon. ARTHUR MARCOTTE: Honourable senators, on July 11, I presented the report of the Standing Committee on Civil Service Administration on this bill. I now move that the report be adopted.

Hon. WISHART McL. ROBERTSON: Honourable senators, because of the importance of this matter I feel that I should express my views with respect to the adoption of these amendments. I am sure honourable senators are familiar with the provisions of the veterans' preference, and are aware that veterans who qualify under the act will enjoy a preference in the civil service. The preference does not extend to all veterans, but is limited to those members of the army, navy and air force who served outside the western hemisphere. This is by no means a simple matter because once a preference is established for a particular group of veterans, whatever the yardstick may be, claims will be made from persons who do not come strictly under the established classification of eligible veterans. These men, particularly those who served outside the western hemisphere, feel that their cases should be considered and that, because they served their country during the war, they should be included in the veterans' preference.

In 1946 the Special Veterans Affairs Committee of the House of Commons gave a great deal of consideration to many problems, including that of the veterans' preference in the civil service. At that time representations of merit were made to show that certain classes of persons were entitled to receive veterans' preference. Among those suggested were men of the merchant marine, a group which played an important part in the winning of the war. Since then representations have been made on behalf of others who, although not veterans of the army, navy or air force, performed meritorious service overseas. I refer to personnel of the St. John Ambulance, the Fire Fighters and the Forestry Corps. During the late war, organizations such as these were subject to service anywhere, and sometimes, when not asked to proceed overseas, they performed relatively dangerous duties in Canada.

As time goes on persons who were engaged in very hazardous wartime occupations, such as the manufacture of munitions, may make

demands for preferential treatment. Requests may come from various border-line groups for a widening of the act. I can imagine that sections of some of these groups might be brought under the preference, in the same way that it is now proposed to include some merchant seamen. Ordinarily one's inclination would be to extend the benefit to all who had during the war served the country in one way or another, but of course there is a risk that you might so dilute the preference that it would cease to have much value.

In 1946, after a good deal of consideration had been given to this matter and a certain widening of the preference had been made in favour of various auxiliary services, it was evidently determined that there should be no extension outside a certain definite classification. Claims of the merchant marine and of various auxiliary services, such as the fire fighters, were not granted. As honourable senators know, there was no meeting of the Veterans Affairs Committee this year. The measure now before us extends the preference to such classes of veterans as it had been decided were entitled to it, and in our Committee on Civil Service Administration amendments were made to include merchant seamen, or at least those who were sailing on ships of Canadian registry. I imagine it could be argued that if merchant seamen are to be given preference under the act this amendment is not wide enough, as no similar limitation applies to veterans of the military, naval or air forces. Furthermore, advocates of preference for merchant seamen might argue that consideration should be given to length of service and other things. It seems to me that we could hardly make a simple amendment providing for extension of preference to members of the Merchant Marine, regardless of where or how long a man may have served.

Coming from the part of Nova Scotia that I do, I particularly do not want to be understood as opposing consideration of the case of the merchant seamen. In the last few months I have seen representations to the government for better treatment of merchant seamen, and in one or two instances I noticed that stress was laid on other matters than the veterans preference. I do not mean to suggest that the merchant seamen are not interested in veterans preference, but I do suggest that treatment of the merchant marine is a question that should be considered in relation to treatment of various other groups which rendered wartime service to Canada under more or less dangerous conditions. I think that when an amendment is being framed there should be an attempt to differentiate, as far as is humanly possible, between merchant seamen who are

entitled to the preference and those who, because of service of short duration or in waters that could not by any stretch of the imagination be called dangerous, are not entitled to it. I am not trying to belittle the importance of this question; I am merely pointing out some of the ramifications that need to be considered in relation to this amendment.

The bill came to us at a late hour in the session. As an amendment that has not received careful consideration might work injustice to those who are already enjoying the veterans preference, I think the matter is too important to be dealt with on such short notice as we have had. When the question was under discussion in another place, the Prime Minister definitely stated that he felt it should be referred to a special committee next session, and he undertook to advocate that that be done. In all fairness to those who are entitled to the veterans preference now and whose benefits will become less valuable if the preference is diluted, and to the merchant seamen themselves, who have asked for benefits in other forms; and bearing in mind that the proposed amendment would give preference to only a certain group of merchant seamen and might be a grave injustice to others, I suggest that honourable senators take cognizance of the Prime Minister's undertaking to advocate next session the appointment of a committee to deal with the matter in all its ramifications. I would further suggest that perhaps, in the circumstances, honourable senators might see fit not to concur in the amendments made by the Committee on Civil Service Administration.

Hon. J. J. KINLEY: Honourable senators, I am much interested in what has been said by the leader of the government (Hon. Mr. Robertson), and particularly as to the government's intention to have the whole matter considered next session. It is good to have that on the record, anyway.

Honourable senators, I was a member of the other house when the veterans' charter, as it may be called, having to do with this and other types of legislation coming before parliament from time to time, was in the making. I recall that on several occasions it was brought to the attention of that house that the men of the merchant navy were not included in many of the provisions which it had been expected they would share in. We were always told that it was going to be done in another way; but it was never done.

When this bill came from the other house I looked up the Commons *Hansard*, and I learned that the members did not have a chance to vote on it. The bill was submerged

by a point of order, and the ruling was that the committee could not be instructed to do something which it already had the power to do and had not done.

I am not questioning the ruling, which was sustained, on division, by a vote of 93 to 76; but if the decision applied in this house we could do very little with the committee report which is before us tonight. I would point out that such a close vote indicates the feeling of that house with regard to recognizing as veterans merchant seamen who served during the war.

The subject was discussed in the other house by such enthusiastic veterans as Green, Cruickshank, Brooks and Diefenbaker. I was glad to see that what I had in mind from my experience over there was also in the minds of these men. One member who spoke is reported in the Commons *Hansard* of July 8 as follows:

There was a complete misunderstanding in that committee from start to finish. Not until the last few days did the members realize that this matter was not receiving the attention of the Department of Transport, and that something more should be done. It was then too late for the members of the veterans committee to give it the attention it should have received.

The same gentleman concluded his remarks in these words:

I think we should give serious consideration to this matter, and this bill affords us an opportunity of giving these men at least some measure of justice until something can be done later on.

Honourable senators, that is the attitude I take; this amendment will give merchant seamen a measure of justice until some future time, when we can do more for them.

I proposed the amendment before the Senate committee on Civil Service Administration and therefore feel responsible for it. The amendment was carried in committee after a minister of the Crown had appeared before it and explained his viewpoint. After hearing the evidence the committee brought in the favourable report, which has been presented by the chairman.

Hon. Mr. GOUIN: I do not wish to interfere with the remarks of my honourable friend, but I understand that one is not permitted to describe the detail of the proceedings before a committee. This report was not carried unanimously, but by a majority of one.

Hon. Mr. KINLEY: I thank the hon. senator for drawing my attention to that matter, but I believe that after a committee makes a report it is then competent to discuss in this chamber the proceedings of that committee. I think I am quite in order in dealing with

what happened in committee. The chief criticism in committee was that men of the merchant marine were civilians, and therefore, for the purpose of the preference, could not be regarded as having been on active service.

I have before me an extract from a speech made in Halifax—and I am sure we all feel kindly towards that city tonight—

Some Hon. SENATORS: Hear, hear.

Hon. Mr. KINLEY: It was delivered by the Honourable Brooke Claxton, before the Rotary Club on June 14, 1947. The minister spoke, in part, as follows:

In World War II a threat to our very existence was launched against us on the high seas. Nowhere was there demanded a higher standard of constant courage and endurance. In the end the bridge of ships was the lifeline of victory. . . . It would be a long story to give the names and records of the officers and men who came from Halifax or vicinity.

I call particular attention to the following:

Since the control of merchant shipping was so vital a factor in the ultimate Atlantic victory, I can perhaps mention the name of Captain Dick Oland, the first Naval Control Service officer in Halifax during the last war, who did so much during the early desperate years to build the remarkable system which survived the savage attack the enemy was to make upon merchant shipping. . . . In 1939 world shipping totalled almost 70,000,000 gross tons. Enemy submarines sank one quarter of about 3,000 ships. In the dark days of 1942 the graph of ships sunk rose like a fever chart. Yet just how serious the losses were is not generally recognized even today. Month after month losses exceeded launchings. Had no solution been found, the end was inevitable and catastrophic. But an answer was found by the navies and air forces of the Allies, the line on the chart fell, we stayed in the fight and won the last round. At the beginning of the war the Germans had about 70 operational submarines. During the war 781 enemy submarines were sunk by the Allies and 286 were captured or capitulated at the end of the war. In the North Atlantic alone the Canadian Navy convoyed safely more than 25,000 merchant ship voyages, many of them starting from Halifax, resulting in the safe landing of more than 180,000,000 tons of goods from North America to the United Kingdom.

This speech, which was made only a few days ago, indicates that the subject of the merchant marine is something that should be brought to the attention of the people in the community.

It is said that these men are civilians. I have lived among these men, and know many of them. I recall that the government established a training centre for merchant seamen at Hubbard, between Lunenburg and Halifax. Men were enlisted all over Canada, brought there, and trained for an emergency. These men trained at Hubbard were expected to take their places in the merchant marine at

a time when casualties in that service were heavier proportionately than those in any branch of the armed services.

After a merchant seaman had seen three months' service on the high seas and in dangerous waters he received a badge issued by the government. It did bear the inscription "merchant marine," but displayed the letters "M.N."—meaning merchant navy—with a crown above. The badges were numbered, and the owner of one carried a permission card stating that the badge could not be replaced, and indicating that any unauthorized person found wearing the badge would be subject to a fine of \$500.

That seems to me to indicate the position of members of the merchant marine and demonstrates that they were "in the service." The fact that they were not in uniform is not a point at all, because it was the view of the government of this country that it was not proper to have them in uniform. Further, the seamen had an organization, built up over years, which it was felt could take care of the situation, and the merchant navy was regarded as one arm of the services. Every man who went on board ship had to sign a document prescribed under the Canada Shipping Act. It was a severe commitment; it constituted him a member of the crew of the ship, subject to discipline, and obligated him to serve as his officers required.

Hon. Mr. SINCLAIR: For that voyage only.

Hon. Mr. KINLEY: Yes, but these seamen had to join a pool, whose members committed themselves to serve or to be available for service until the end of the war.

Hon. Mr. SINCLAIR: On whatever ship they chose to serve.

Hon. Mr. KINLEY: Naturally, where possible, those in command would be happy to give the man the ship that he wanted; but when a seaman joined the pool he was bound to go to the ship on which he was told to serve.

We realize that the armed forces are entitled to a certain preference; but surely, when the Canadian Legion, through General LaFleche, invited these boys to join that organization, and accepted them as comrades, it would be no undue widening to include them in it. Surely it was to be expected that, having been given standing in the legion, they would receive favourable treatment at the hands of the country.

If one reads the definition of "veteran" in this bill one finds that it includes, first, and very properly, veterans of World War I; then, veterans of World War II; and then, under paragraph (iv) of section I, any man who has been—

—certified by the Under Secretary of State for External Affairs as having been enrolled in Canada by United Kingdom authorities for special duty during World War II in war areas outside of the western hemisphere, and who served outside the western hemisphere, and at the time of his enrolment was domiciled in Canada.

The government leader has said, the test is that of service outside of Canada. It is the test applied in the army, in the navy, and all along the line, and it is one under which the men of the merchant marine wanted to qualify, because naturally their service had to be outside Canada. When one turns to paragraph (v) one finds that "veteran" is defined as a person who—

—during World War II served outside of the western hemisphere with the naval, military or air forces of His Majesty raised in Canada as a "representative of Canadian Legion War Services Inc., The National Council of the Young Men's Christian Associations of Canada, Knights of Columbus Canadian Army Huts, or Salvation Army Canadian War Services," and who was authorized so to serve by the appropriate naval, military or air force authority and who, at the commencement of his service with those forces during World War II, was domiciled in Canada.

Now will anybody contend that these men, trained by the government and in receipt of a badge from it, particularly in view of what has been said in the House of Commons and all over this country about the quality of the services which they rendered during the war, are not entitled to preference just as much as members of the auxiliary service that are mentioned in paragraph (v) of this bill? Indeed, have they not a superior claim? In my opinion, as an auxiliary service the Canadian merchant navy should rank next to the armed forces, and ahead of the members of the organizations enumerated in paragraph (v) to whom this consideration has been granted.

Hon. Mr. MURDOCK: Were not a number of these men United States citizens?

Hon. Mr. KINLEY: I did not catch the question.

Hon. Mr. MURDOCK: What would happen if many of these men were United States citizens serving on a ship of Canadian registry?

Hon. Mr. KINLEY: Well, it seems to me, honourable senators, that the United States is well able to look after its own citizens. I believe that it does so.

This proposed amendment provides for the case of a man who, being a Canadian seaman served during World War II as a member of the crew of a ship of Canadian registry on the high seas, and has an honourable discharge. I so worded the amendment with a purpose: it is only a start. We were told that the veteran preference concession must not be too much diluted, and that if we dilute it too much it will be of no use to anybody. If we decide that men serving in Canadian ships should have the preference, I think we should be doing something for the nationals of this country. If honourable senators wish to make the provision more inclusive I do not know that I would object very greatly.

Some persons have objected because this amendment would not include personnel who served on ships of the Canadian Pacific Railway. Well, the C.P.R. boats—apart from a few on the coast—are not Canadian ships, but ships of British registry. Many in the crews are orientals, lower paid men, and no large proportion are Canadians either in times of war or times of peace.

I think we are now in a position to make a good start. If the amendment does not satisfy all of our friends, improvements can be made when this committee which we are told is to be appointed looks into the matter. In the meantime, our men would have their feet on the threshold of this preference in keeping with the services they have rendered. My impression is, that once this matter is closed, it will be hard to reopen it. The bill which is before us is here for adoption by the parliament of this country, and to reopen the subject later will be very difficult. It seems to me that the appropriate time to improve the situation is now, when members of the Senate are free to deal with it on its merits, and if they consider it in that spirit I am sure they will give this recognition to the merchant seamen. Remember that the seamen are not asking for a cent. It is not money they are seeking; what they want is recognition, and the right to equality as men who have given useful war service to their country. All they ask is that, if they are qualified and selected as the best persons applying for jobs in the civil service of the country, they shall receive the appointment. The amendment is not intended to give them jobs, but only the chance to apply for them. Down in Nova Scotia at the present time a man who served on the seas during the war cannot apply on a preference basis for a lighthouse job. Appointments in the Department of Fisheries are being made every day, but the men in the merchant service who did such good work have no chance, because they are not eligible for

the civil service preference. Every one who gave meritorious service in the war should have an equal opportunity to secure a position in their own country. That is the point at issue.

We are told that these men should not be given recognition because they received good pay. However, I do not think that argument will hold water when the pay of other services is taken into consideration. Take for example the salary of a navy captain whose basic pay is \$420 a month. In addition to this amount he receives a sustenance allowance of \$80 and, if he is married, a further \$30 making a total of \$530 per month. The captain of a ten-thousand ton cargo boat receives \$400 a month, plus a bonus of \$50 if he makes a satisfactory voyage. From these figures it can be seen that a captain in the navy receives \$6,360 if employed the year round, while the captain of a cargo ship receives \$5,400 for a similar period.

In addition to good pay a captain in the navy has a splendid opportunity for promotion, and he receives a pension. During the war men of the merchant marine had no separation allowance and had to pay income tax while afloat, whereas personnel of the Canadian navy were not subject to income tax when outside of this country. The employment of a merchant seaman was not continuous, because he had to wait for a ship, and his employment was not permanent. In some cases he was maintained in the hostels of the Navy League of Canada. During the war navy vessels would dock for refitting for a period of from six to eight weeks, during which their personnel would continue to draw pay. I am not criticizing; I am merely comparing.

It has been said that men of the merchant marine received bonuses. That is true, but everybody else in Canada got a cost of living bonus. It was part of our social legislation. Why were these men of the merchant marine given a bonus? Most business men know. I had some connection with the merchant marine, and I would say the reason was that the employers did not want higher salaries to become permanent. It is also a fact that there was competition from other sources and that men were given bonuses in order to compensate for the dangers of sailing. It is not proper to say that the men of the merchant marine were well paid merely because they received this bonus. I am aware of what these sailors received. During a good part of the war \$125 a month was considered a good wage.

Hon. Mr. PATERSON: I think the honourable senator is mistaken. I should like to furnish him with certain figures, because I am satisfied that his are away off the mark.

Hon. Mr. KINLEY: I know exactly what was paid to merchant seamen off the coast of Nova Scotia during the first part of the war. It is true that at the end of the war, when prices got higher, they received larger wages.

Hon. Mr. PATERSON: I paid wages myself.

Hon. Mr. KINLEY: The merchant shipping industry was a profitable one, and those interested in it did not do so badly. I think the men were entitled to the money they got. When they received good wages it made for better feeling.

Besides having to pay income tax the men of the merchant marine had to provide their own clothing and equipment. They could not wear their uniforms at all times, because they had to protect themselves in all kinds of weather.

Hon. Mr. LESAGE: You have said during your speech that seamen were not asking for money, but it would seem that your complaint is with respect to money.

Hon. Mr. KINLEY: All I am saying is that the objection has been raised that seamen should not get the veterans' preference because they were so well paid during the war. I say that, by comparison, seamen were neither better paid nor better treated than the other services, and that they deserve the recognition accorded them in the amendment.

Honourable senators know that the navy is very particular about sanitation. The sailors of the merchant navy often had to sleep with bed bugs.

Everybody has had a great deal of praise for the merchant navy and has acknowledged that they were necessary for the successful prosecution of the war. Let us not forget them now. This is not a matter of dollars and cents; but simply one of justice and fair treatment for these seamen when they apply for jobs in the Civil Service.

Hon. Mr. DAVIES: Are there any inspectors for the merchant marine? You have stated that these sailors have had to sleep with bed bugs. Are there no inspectors to take care of such a situation?

Hon. Mr. KINLEY: It has always been thus. There are inspectors, but they do not seem to be able to overcome this form of pestilence.

Hon. Mr. MURDOCK: May I ask the honourable senator a question, and I shall refer to his words? In another place a vote on a similar question was defeated by 93 to 76. Does the honourable senator (Hon. Mr. Kinley) feel that the Senate has a right to take a stand other than that indicated by that vote.

Hon. Mr. KINLEY: The honourable senator is labouring under an erroneous impression. There was no vote in another place on this measure.

Hon. Mr. MURDOCK: This amendment was discussed at great length in the other place, and to all intents and purposes the vote was on the exact wording of this amendment.

Hon. Mr. KINLEY: No. The vote was on a point of order, which submerged the main question. This meant that the merit of the suggestion could not come before the members of the other place.

Hon. Mr. MURDOCK: The Speaker ruled that it was out of order on the ground that a committee could not be instructed to do something which it had the power to do but had not done. That is what the vote was on.

Hon. Mr. KINLEY: The vote was on a point of order.

Hon. Mr. MURDOCK: The amendment is what was under discussion at great length.

Hon. Mr. KINLEY: They did not permit a vote to be taken on it, but the matter was voted on by the committee of this house and the amendment carried by a majority.

Hon. Mr. HAIG: What was the vote in the Senate committee?

Hon. Mr. KINLEY: Four to three. There is no complaint about the treatment of the merchant seamen of Canada during the war. They were assisted financially and were better treated than those of most other countries. I admit that merchant seamen got good treatment at that time, and so did all the other services. When certain measures were brought down for the granting of benefits, merchant seamen were consistently excluded, and we who protested against this were told that they were entitled to workmen's compensation and unemployment insurance. Well, workmen's compensation, which has been in force in this country for thirty or forty years, is paid for by the employers; and it was only because of the difficulty of controlling regulations beyond the confines of the country that its application to seamen was delayed so long. Unemployment insurance is paid for by employers and employees, and a contribution is made by the government. All classes of citizens are entitled

to it. Yet, when we advocate extension of the veterans preference to merchant seamen, we are told that they should be thankful because they already receive workmen's compensation and unemployment insurance; or, in other words, because they are treated the same as all other employees in the country. I will admit that if a merchant seaman is injured by enemy action, direct or indirect, he is entitled to a pension, just as is a member of the armed services who is wounded on duty.

Then we are told that merchant seamen get technical training. Under certain conditions they do, if they continue to go to sea; but a merchant seaman who wishes to get a general education is not entitled to the veterans preference that is given to members of the other services. Further, the merchant seamen get no gratuity. We were always told that the matter was going to be dealt with in another way. And now we have a bill which gives preference to members of various services and we find that the merchant seaman is not treated as well even as members of the auxiliary services. It seems strange that a man who has served as an engineer in the merchant marine is not eligible to apply for the position of superintendent of a dredge in Nova Scotia, and that no merchant seaman can apply for a job as lighthouse keeper, shipping master, harbour-master or fishery officer.

I felt that this amendment would give a start to the men of our Canadian merchant marine. It could be made to apply only to Canadian nationals who served on Canadian ships. Then if the matter were brought up next session, as my honourable friend tonight promised it would be, more favourable consideration could be extended to other groups of merchant seamen, and we would support that. But let the change that we are now proposing be charter legislation for the benefit of men who served in Canadian ships on the high seas. It is not necessary to require that a seaman must have served for any minimum period in order to be entitled to the preference, for there is no such requirement with respect to veterans.

I believe that ex-members of the armed forces would be glad if the benefits of the preference were extended to merchant seamen as suggested in the amendment, and I trust that honourable senators will use their good judgment and deal with this question on its merits.

Hon. L. M. GOUIN: Honourable senators, I desire to say a word or two in support of the suggestion by the leader of the government that the amendment made by the committee be not concurred in. My reason for doing so is that there is a fundamental difference

between merchant seamen and veterans of the navy, the army or the air force, or persons who served with the naval, military or air forces in any of the auxiliary services mentioned in paragraph (v) on page 2 of the bill. I wish to assure my honourable colleague from Queens-Lunenburg (Hon. Mr. Kinley) that every Canadian from coast to coast recognizes the heroic service rendered by merchant seamen during the war. Proof of that is found in the fact that we have given them benefits far in excess of those enjoyed by the merchant seamen of any other country. I know very well that if I refer to other countries I may be told that they are free to adopt any course which they may deem desirable, but still I wish to point out that neither in Britain nor the United States—nor, so far as I know, anywhere in the world—are merchant seamen accorded the preference that is proposed in the committee's report now before us.

I submit that seamanship is a trade. During the war the members of the merchant marine were of course subjected to terrible perils; and I wish to emphasize that I bow with the greatest respect in tribute to the heroism of our seamen. I do not say they have received too much in either wages or bonuses, for they could never receive too much for what they did; but I believe that a comparison of the compensation paid to the average seaman with that paid to the average private in the army, would show that the two were on an altogether different basis.

It must also be remembered that merchant seamen were not thrown out of their employment when the war ended, and that the war brought about a tremendous increase in their wages.

I should like to point out that the Veterans Affairs Committee passed a resolution to the effect that the preference as it now exists should not be extended, and that resolutions to that effect have been passed also by army, navy and air force veterans.

Merchant seamen were paid a basic rate of \$89.93 a month, to which was added a war-risk bonus of \$44.50. The honourable senator from Queens-Lunenburg (Hon. Mr. Kinley) stated that merchant seamen had to pay income tax, but the tax was imposed on the basic wage only, the war bonus and subsistence having been exempted.

Hon. Mr. KINLEY: I said that.

Hon. Mr. GOUIN: I wish to add that under certain conditions a special bonus of 10 per cent of gross earnings was paid, and that merchant seamen were made eligible to participate in benefits under the Veterans Insur-

ance Act. At the end of each year they enjoyed leave, and transportation was provided at a cost of one-third of the one-way fare to their homes. Also they had free transportation to their homes at the completion of their service.

If we wish to have the complete picture of the position of the men of the merchant marine before us, it is necessary to recapitulate the advantages so as to show how these good servants of our country were treated. During service members of the merchant marine, if incapacitated by sickness or injury, received the basic pay for a maximum period of twelve weeks. As stated by the honourable senator from Queens-Lunenburg, they were entitled under certain conditions to vocational training. In the government estimates there is an item of \$97,000 for that purpose. Under the Reinstatement in Civil Employment Act, these men had the privilege of returning to their previous employment. Under the Unemployment Insurance Act they received the special advantage that their service at sea was credited to them in any insurance employment they subsequently entered.

The men of the merchant marine were given the further advantage of special out-of-work allowances; they receive pensions for disabilities resulting from enemy action, and as pensioners are entitled to free medical care and allowances during hospitalization. They are eligible, under certain conditions, to participate in the benefits under the Veterans' Land Act. If a merchant seaman is prevented by reason of service during the war from continuing to follow his work at sea, he may obtain vocational training under the Veterans' Rehabilitation Act. In case of death his widow and dependent children receive a pension. An allowance is provided for a seaman and his dependents when he has been detained by the enemy. As to workman's compensation, I admit quite readily that it is only fair that it should include merchant seamen, and we all rejoice that through federal legislation they were included.

After all, I believe that my honourable friend from Queens-Lunenburg and I are not so far apart on the question of sympathy towards the merchant seamen; but I would point out that under present circumstances Canadian seamen are better treated than the seamen of any other country. In Great Britain, because they were paid throughout the war at industrial rates, they have not been given the preference granted to service men. We have had before us the recommendation of the House of

Commons committee on Veterans Affairs and in view of that, to class merchant seamen as veterans at the present time would, I believe, be unfair to the veteran, and to such people as the instructors in the air force who served in Canada but incurred tremendous risk. No preference is given to the men who heroically ferried the new planes across the sea, nor members of the Victorian Order of Nurses or the Fire Fighters.

Hon. Mr. PATERSON: May I point out to the senator that he has not mentioned the personnel of the St. John Ambulance or the Red Cross?

Hon. Mr. GOUIN: I am sorry for the omission, but the St. John Ambulance was mentioned by the honourable senator from Queens-Lunenberq.

Hon. Mr. KINLEY: It was always a bone of contention that the St. John Ambulance and Red Cross personnel were not included in the veteran class. I think they should have been.

Hon. Mr. GOUIN: My last word is that if we want the preference to remain effective it must not be enlarged too much, and if any change is to be made it must be made in such a way as to do justice to all. Assurance has been given in the other place that the government will be generously disposed toward future consideration of this problem. I think the experiences of the past are sufficient to warrant confidence in the future. The total expenditures made by Canada on behalf of the merchant seamen during the war and since is in excess of \$14 million.

Under the circumstances I respectfully submit that we should adopt the legislation before this house without the amendment reported by the committee.

Some Hon. SENATORS: Question.

Hon. WISHART McL. ROBERTSON: Honourable senators in order that the matter may be properly before the house, I would move:

That the amendments made to Bill 413, an act to amend The Civil Service Act, in the Standing Committee on Civil Service Administration, be not concurred in, and that the report of the said committee be amended accordingly.

The Hon. the SPEAKER: Honourable senators, it has been moved by Senator Marcotte and seconded by Senator Fallis that the report of the Standing Committee on Civil Service Administration, to whom was referred Bill 413, an act to amend The Civil Service Act, be now concurred in.

In amendment to the motion it has been moved by Senator Robertson, seconded by Senator Gouin:

That the amendments made to Bill 413, an Act to amend The Civil Service Act, in the Standing Committee on Civil Service Administration, be not concurred in, and that the report of the said committee be amended accordingly.

The question is on the amendment.

Honourable senators, is it your pleasure to concur in the amendment?

The amendment was agreed to.

THIRD READING

The Hon. the SPEAKER: Honourable senators, the bill is now ready for third reading. When shall the bill be read the third time?

Hon. Mr. ROBERTSON: I move that the bill be now read a third time.

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

CANADIAN BROADCASTING BILL

FIRST READING

A message was received from the House of Commons with Bill 453, an act to amend the Canadian Broadcasting Act, 1936.

The bill was read the first time.

CRIMINAL CODE BILL

CONFERENCE WITH HOUSE OF COMMONS

The Hon. the SPEAKER: Honourable senators, a message has been received from from the House of Commons reading as follows:

That a message be sent to the Senate respectfully requesting a free conference with their honours to consider certain amendments by the Senate to Bill 364 intituled "An Act to amend the Criminal Code," to two of the amendments to which this house has not agreed and upon which the Senate insists, and any amendment which at such Conference it may be considered desirable to make to the said Bill or amendments thereto.

Hon. Mr. ROBERTSON moved:

That a message be sent to the House of Commons to acquaint that house that the Senate has agreed to the free conference desired with the Senate for the purpose of communicating the reasons which induced the Commons not to concur in the amendments made by the Senate to the Bill (364) intituled: "An Act to amend the Criminal Code," and has appointed the Honourable Senators Robertson, Haig and Beauregard as Managers on their part at the said Conference.

And that the Managers of the Free Conference on the part of the Senate will meet in Senate committee room No. 262 at 10 a.m. tomorrow, the fifteenth day of July instant.

The motion was agreed to.

SENATE AND HOUSE OF COMMONS
BILL

THIRD READING

Hon. Mr. LAMBERT (for Hon. Mr. Robertson) moved the third reading of Bill 443, an Act to amend the Senate and the House of Commons Act.

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

IMMIGRATION

REPORT OF COMMITTEE

The Senate proceeded to the consideration of the final report of the Standing Committee on Immigration and Labour.

Hon. Mr. MURDOCK moved concurrence in the report. He said: Honourable senators, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) will speak to the motion.

Hon. ARTHUR W. ROEBUCK: Honourable senators, an extensive address in connection with this important matter is hardly required on this occasion, because the sentiments of the committee and myself have been expressed very fully in a fairly extensive report which has been before you for the last two or three days, and which, I assume, you all have read. At the same time I think some observations are in order.

In the first instance, I would like to assure the house that its committee on Immigration and Labour looked upon the instructions of this house to make the inquiry in question seriously, and that it industriously and earnestly made the inquiry. Since hours of sitting seem to be a matter of some importance today, it may be of interest to note that the committee held no less than twenty meetings of three and a half hours' duration, or somewhere in the neighbourhood of seventy hours of hearings. I know that that would not compare with the extent of the sittings of the Banking and Commerce Committee, or perhaps of some others, but it is a very impressive figure. As many as 49 witnesses were heard, together with the reading of 13 briefs. In the report—I wish to emphasize this—there is an expression of appreciation for the numerous witnesses who came before the committee. I would like to note that they came at their own expense, nearly fifty of them, and at very great cost to themselves in time and effort. It is also to be noted that all were in favour of immigration. There was no one in favour of the closed door. All favoured various forms of selective immigration and stressed the desirability of bringing to this country men of skill,

of industry and of character, the type of individual who would naturally be expected to contribute to the social, economic and political welfare of a democracy such as ours.

The subject of immigration, as appearing from the statements of all these witnesses and from our own knowledge, is particularly important and opportune to-day. I submit that there was never a time in the history of the country when immigration was more to the fore than it is at this moment. There was never a time in the history of Canada, at least in recent years, when the need for manpower was more pressing than it is now. At the present time there is a demand for labour on the farms, in the mines, in the lumber woods; and in the manufacturing and business life of our cities. There was never a time in the history of Canada when our power to absorb men in considerable numbers was greater than it is to-day. That, I think, has been already demonstrated by the comparatively few immigrants who have already arrived, and at once have been absorbed into our industrial life. There was never a time, I am sure, in the history of this country when a greater number of people urgently desired to bring immigrants to this country. That of course is the result of the disturbed conditions in Europe and also the economic conditions in Canada. It is a matter of some note that 15,000 people in Europe have friends or relatives in Canada within the definition of the regulations who have applied for their admission to this country; whose settlement conditions, as they are called, have been investigated—that is to say, their financial ability to satisfy the obligations which they propose to assume, to receive and care for the immigrants—and whose names have actually been sent overseas to our officers in Europe, with instructions that settlement conditions in this country are satisfactory, that the parties are admissible, and that if they pass examination they are to have visas.

Hon. Mr. DAVIES: Does that include the British?

Hon. Mr. ROEBUCK: Yes, those for whom the applications have been made. There are some British included. As I have said, 15,000 is a conservative estimate of the number of people for whom citizens of this country have applied. In addition, many applications have been received from Canadian industries, such as mining and lumbering establishments, and from individual farmers, etc. There has never been a time in all our history when so many people have been desirous of immigrating to Canada. That of course is explained by the fact that there are as many as 850,000 men

and women in the displaced persons camps of Europe who apparently have no place to go and are looking for new homes. It has also been reported that 300,000 persons in the British Isles have signified their desire to emigrate.

Other figures that have been published are more impressive than those I have just given. In spite of these circumstances there has never been a time when the number of arrivals in Canada has been so disappointing. The latest figures obtainable are for the first three months of this year, during which time 8,009 immigrants arrived here from overseas. Compared to that number, 12,738 immigrants arrived in Canada the first three months of 1946. In other words, 4,729 more immigrants were brought to this country in the first three months of 1946 than in the corresponding period of this year. The arrival of British immigrants is somewhat in the same ratio. The figures I have indicate that 8,694 immigrants came to Canada from Great Britain in 1946, whereas in 1947, this number sank to 5,262, or 3,432 fewer than in the previous year. The explanation is simple—a shortage of shipping space. In 1946 the British Ministry of Transport assigned ships to the duty of repatriating Canadian soldiers and citizens, and of transporting to Canada the dependents of our service men, war brides and their families. When that task was completed those ships which otherwise would have been assigned to Canadian routes, were sent on other duties. It should be realized that Great Britain has a million men under arms today and that they and their supplies and equipment must be moved from place to place. These troops are stationed all over the world, and so the ships that Canada so urgently needs are used in other quarters of the globe. The British Ministry has actually requisitioned the ships which would otherwise have been plying Canadian routes. The Canadian Pacific Railway Company's liner *Empress of Canada* is the only ship that has been engaged in the regular Canadian service, and it is to make its first trip from Liverpool on July 16. In addition to this vessel the *Aquitania* has served Canada since the first of the year, and it is promised that she will continue in the service until early in September. The *Aquitania* is a 40,000 ton former troop ship with a capacity of approximately 1,500 persons per trip. The Deputy Minister of Mines and Resources, Mr. Keenleyside, who is in charge of immigration tells us that the total shipping capacity to Canada during the concluding months of this year will be about 3,000 persons per month, and that only 200 or 300 of these persons will be immigrants.

To those Canadians who are interested in bringing people to this country, the one bright spot in the otherwise dismal picture is the enterprise of the Minister of Reconstruction and Supply—now acting Minister of Immigration—in obtaining the *Huascara* by way of a German war reparation. This ship has been brought to Canada and is now undergoing repairs.

The *Huascara* is a fast ship which can make the round trip in three weeks, and she can carry approximately 600 immigrants per trip. Under the auspices of Mr. Howe, arrangements have been made between the Immigration Department, and the present owners of the *Huascara* to equip her to handle Canadian immigration. Therefore, it is possible that by the end of this year the picture may be more favourable than it has been for the first three months of 1947.

Hon. Mr. DAVIES: Does the honourable senator know between what ports this ship will ply?

Hon. Mr. ROEBUCK: I do not. She may ply between Great Britain and Canada, or between European ports and this country. I think it is probable that she would call at European ports and touch at ports in the British Isles as well.

The committee members felt sure that Canada had not exhausted its enterprise in endeavouring to eliminate the shipping bottleneck. Today we are looking forward to the minister in charge of immigration to solve this problem. We do not know how he will do it, but we have confidence in his enterprise, ability and vigour, and are sure that if the bottle-neck can be broken he will do it. Of course, in the circumstances, during this past year people in Canada have been very impatient at the stalemate. And no wonder. The names of people in Canada who have made application for the admission of the 15,000 relatives whom I mentioned, and who are able and willing to assist them, have been sent to our immigration officers in England and other parts of Europe, but not more than 275 of those relatives have arrived in Canada. The remainder of the 15,000 are still awaiting transportation.

That is not good enough, and I am glad to note that Mr. Jolliffe, Director of Immigration for Canada, is now in England, where part of his mission is to impress upon the British Ministry of Transport the necessity of supplying to Canada a more generous assignment of shipping for immigrants. I know that the shipping has been well used: firstly, for the repatriation of members of our armed services, British war brides and Canadian civilians who were

abroad; and secondly, for bringing to Canada this year 4,506 Polish soldiers—2,876 from Italy and 1,630 from England. These men formed a part of the allied army, and today they are taking part in the economic life of Canada and, I presume, playing a real part in helping Canada overcome the world shortage of food and other supplies. There are 2,630 woodworkers on the way here. They will arrive, not all at once, but in the near future. Applications have been received by the Immigration Branch for a consignment of garment workers, domestic workers and others, and these applications are now being considered.

One of the rather delightful incidents of our immigration activities during the last year was the recent arrival in Canada of 998 immigrants from Holland; and we are told that more are coming. They are all men of substance, people who in years gone by farmed in Holland but in some way were displaced and are now unable to find locations in their homeland. I am told that everyone of them has a bank account, and is assigned to a farmer who has asked for his services. Accommodation is supplied for these men and they are filtered through our rural communities.

That is good, so far as it goes, but in the light of the fact that we have been able to transport 1,000 farmers from Holland and more than 4,000 Polish soldiers, one can appreciate the dissatisfaction of Canadians who have been unable to rescue relatives from abroad. I think there will be general agreement with my statement that the admission of 275 out of 15,000 relatives is not good enough. I am expecting and hoping confidently that we shall make a better showing in the next six months.

The government is to be congratulated on doing what it could to have the regulations modified over and over again since your committee made its report one year ago. In the years prior to the war our immigration was negligible. The reason for that is to be found not only in our economic conditions but in governmental obstruction. In these past years immigration was limited to British subjects, to American citizens coming from the United States, to the wives and unmarried children under 18 years of people in Canada who were able and willing to guarantee their support, and to agriculturalists who had funds with which to farm in this country. But during these past few months we have markedly widened the classes of persons admissible. On the 26th of May, 1946, an order in council was passed admitting the following classes of relatives of legal residents of Canada who are in a position

to receive and care for them and guarantee their success: the father and mother, the unmarried son and daughter, the unmarried brother and sister, the unmarried nephew and niece under 16 years of age and orphaned of both parents.

That order in council brought joy to many Canadian families, who looked upon it as a means of enabling them to rescue relatives who had passed through the hell of the last war. On the 30th of January this year the order was widened to include the widowed daughter and sister and their unmarried children under 18 years of age. That too was a humanitarian move on the part of the government. The age of the nephew was raised to 18 years. The order also provided for the admissibility of farm labourers and mining and lumbering men for whom employment on arrival was assured. While that order was welcomed throughout Canada, it was soon criticized for its restrictions, particularly its exclusion of married relatives. As I put it when speaking on the matter before, it excluded relatives who had committed the sin of matrimony.

On the 1st of May a further order in council made admissible the husband and wife, the son and daughter, the brother and sister, together with their husbands and wives and families, and their unmarried children, if any. There was no longer any age limit for children, but they could only be admitted if unmarried. I hope to see that restriction removed in due season. One can imagine a family in Europe contemplating coming to Canada—a father, mother and children—and their consternation upon being informed that one of their children must remain behind because he or she is married. That regulation is of course unnecessary. A girl should be allowed to bring her husband and a boy to bring his wife. The family unit should not be broken up because of any such regulation, and immigrants otherwise entitled to come should not be prevented from doing so because they do not wish to break the family circle. The committee has reported that it sees no reason for admitting only unmarried children. I am sure all honourable members will agree that it is better to bring to Canada the whole family units, so that none will be left behind to create a divided interest and possibly divided loyalty. Had that practice been followed more frequently in the past some regrettable incidents would not have occurred, and fewer immigrants would have made Canada a mere stepping-stone to some other land.

I do not propose to read much from the report, but I should like to draw attention to a particular passage contained in it. It is as follows:

Your committee is of opinion that generally speaking the best immigrants obtainable are the relatives of persons who are already here and who have themselves made good to the extent that they are in a position to guarantee the success of the newcomer relatives from abroad. Such immigrants have a welcome awaiting them, and someone to aid, guide and advise them on arrival and during the establishment stages following. They have a family source from which to learn the Canadian way of life, how things are done in Canada, and how to be successful, and they have before them an example of success. Such immigrants are the most likely of all newcomers to develop into permanent Canadians and are the least likely by reason of loneliness, lack of ties, unsuccess, or otherwise, to make Canada a mere port of entry to some other country.

For these reasons we recommend the broadening of the regulations immediately, to include relatives of all degrees together with their families and without limit as to age.

Your committee favours the married immigrant over the unmarried man or woman. Freedom from responsibility may be a temporary convenience under some circumstances, but when permanent citizens are being sought the advantage of the family is very great.

Your committee recommends that preference be given to family groups over unmarried men and women, and that efforts be made to bring to Canada in each instance the entire family group so that the transplanting of the unit be complete and nothing remain in Europe to preserve a divided interest and loyalty.

In support of that portion of the report may I say that we have had some experience in Canada along that line. Prior to 1920 quite a large number of men came to this country leaving their wives and children at home. They expected that once they had established themselves in this country and were able to pay the costs of transportation, their families would follow them. As we know, the terrible depression of the 30's followed, and after that the war. As a result, in Canada today there are many Europeans who are separated from their wives and children, and who are now looking forward to bringing them here when shipping is provided. We strongly urge that single men should give way to those who are married; and that if single men are brought here every facility should be provided to enable them to bring their fiancées, so that they may establish themselves as a family unit and really become part of our nation.

A step in the right direction has recently been made by the granting of landing rights in Canada to 5,000 of the depressed persons.

Hon. Mrs. WILSON: Displaced persons.

Hon. Mr. ROEBUCK: I thank the honourable lady for the correction, but either word would be correct. No one could listen to the

stories of hardships through which these people have passed, and the conditions under which they live, without being moved by an urge to do something to help them. So I congratulate the government of Canada on passing an order in council making admissible 5,000 of these displaced persons, irrespective of whether they have relatives in this country or not. I understand that a further order in council is contemplated, and will soon be passed, increasing the number to 10,000.

Is it not illogical, if displaced persons who have no relatives in Canada are permitted to come here, that others who have relatives here should be excluded, even though strictly speaking they may be outside the classes defined by the order in council.

In this connection I am pleased to announce that during the past week instructions went out to Canadian immigration officers to accept applications from those who have cousins, nephews or others outside the definition of relatives in the displaced persons camps. Applications will now be received for those for whom guarantees are given by relatives in Canada, and they will get the same preference as are given to those within the prescribed classes. That change in the regulations is a very important one, because it will affect thousands of people in Canada with relatives in the displaced persons camps who did not come within the restricted definition. I believe that as soon as this new provision becomes known the Immigration Department will receive a large number of applications from the relatives in Canada of the 10,000 or so displaced persons whom it is proposed will come to this country.

Those of us who have been in touch with immigration matters during the past year have been impressed with the rigidity with which the regulations have been followed. I referred to the department at one time as a slot machine into which you placed the right token and you got the same answer; if you did not have the exact size of token you got no answer at all. I am pleased to observe that of late months there has been a tendency to get away from slavish rigidity in the following of rules. We say in our report that a rule is different from a law, in that under certain circumstances the rule may be broken, and at times it should be broken. On many occasions during the past months applications have been made to admit poor lone people in Europe who, though, not under twenty-one, years, are, say, twenty-two years of age, who in each case are the sole surviving remnant of a once numerous family, and whose relatives here desire to rescue them, yet they were turned down completely because they did not quite fit into the defined classes. I am pleased

to note that a somewhat different attitude is being adopted by our immigration officials. We recommend that a greater latitude be given them to use their own judgment in many matters. We have also recommended that the officials themselves take courage to apply for special orders in council whenever the circumstances seem to warrant special procedure, the object being to make the administration of our Immigration Act as humane, as considerate, and as wise as possible.

I attribute some part of the change in the official attitude to two circumstances. First, our Immigration Branch during recent years was exclusionist; the heads had learned to say "no" much better than they said "yes", and it has taken them some little time to change their minds in this particular and to realize that circumstances in Canada today are very different from what they were in the hungry thirties. This change, I repeat, took time, but today there is a different psychology among them as a result of their applying their minds to the administration of a law more generous than it was their misfortune to have to administer in the past. The second reason, I think, is the courage of the minister in charge of immigration. I give a very great deal of credit to the Right Honourable C. D. Howe for his forthright thinking on immigration lines and his readiness to carry out what he thinks he ought to do, to judge cases on their merits and get away from this idea of following slavishly the rules as though they were a law of the Medes and Persians "that altereth not", and of regarding the chief duty of the immigration branch as being to keep people out.

I would like to devote a word or two to another matter of considerable importance, that is to say, the so-called enemy nationals. Honourable senators will recall that we recently passed and approved treaties with four countries—Italy, Roumania, Hungary and Finland. As honourable senators know, so soon as these treaties have been ratified by executive action these countries will be no longer enemy countries nor will their nationals be enemy aliens. They will then cease to be affected by a standing order in council which excludes enemy aliens from this country and makes them inadmissible, irrespective of other circumstances, to Canada, unless it can be shown, of course, that they are refugees or were opponents of the enemy governments. But, gentlemen, that leaves out two very important nationalities, that is to say Germany and Austria. The treaties with these states have not yet been approved by this house. So far as those treaties which are approved are concerned no one knows when they will go into effect. A treaty is a matter of executive,

not parliamentary, action. The executive, as a matter of courtesy and, of course, common sense submitted these treaties to our two houses for approval. But it is not our approval which brings the treaties into effect; it is the action of the Governor General in Council. It is obvious that the Governor General in Council will act in connection with these treaties only in concert with other nations; and it is not to be expected that we shall deliver our treaties prior to the time when the Big Four deliver theirs. All will be done together; and when that will take place, neither you nor I nor anybody, I suppose, knows. So perhaps a long delay may be anticipated, even in bringing to consummation the treaties with the four countries which we have approved; and when the other two will be finalized, nobody knows.

I therefore suggest to the government of this country that the substance of this concept of "enemy alien" is no longer applicable; it is a thing of the past. The war is over, and our immigration officials should be allowed to bring in men irrespective of their nationality, enemy or otherwise so long as the prospective immigrants did not play a part, and a reprehensible part, in the Hitlerite movement. I submit that it is time this order in council should be rescinded in full.

Now I must bring my remarks to a close. The committee wishes to commend the great activity which has been evidenced by our immigration officials. They have received applications to the number of many thousands. Their files are positively monumental. They have made 15,000 investigations as the result of applications by relatives. They have also investigated many thousands of applications from friends, mining companies, logging companies, industrial concerns, and others. As I have said, a new spirit of activity is evidenced in our department by the widening of the regulations and the better thinking of those in charge.

Honourable senators, I look forward with hope to the successful development of a reasonable and sensible immigration policy as soon as the minister breaks the bottle-neck of shipping, and I am confident he can do that.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CRERAR: Honourable senators, I beg to move the adjournment of the debate.

The motion of Hon. Mr. Crerar was agreed to, and the debate was adjourned.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Tuesday, July 15, 1947.

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

Prayers and routine proceedings.

CRIMINAL CODE BILL

REPORT OF CONFERENCE

Hon. Mr. ROBERTSON reported from the free conference as follows:

The Managers for the Senate met in conference the Managers on the part of the House of Commons on the Bill 364, intituled "An Act to amend the Criminal Code" and the amendments thereto and have agreed to recommend that the Senate amendments two and fifteen be amended to read as follows:—

1. Delete amendment number two of the Senate and substitute the following therefor:

"2. Delete all the words in Section 222B after the word "one", in line twenty-four, to and inclusive of the word "otherwise" in line twenty-eight and substitute the following:

"not being in a dwelling house, who causes a disturbance in or near any street, road, highway, restaurant, railway station, public library, tavern, billiard hall, theatre, shop or other place to which members of the public are admitted, whether as a matter of right or otherwise."

2. Delete amendment number fifteen of the Senate and substitute the following therefor:

"15. Delete paragraph (d) of clause 7, on page 3, lines twenty-four to twenty-eight inclusive, and substitute the following:

"(d) if he uses or has upon his person any weapon during or at the time of the commission or attempted commission by him of any of the offences in this section mentioned or the flight of the offender upon the commission or attempted commission thereof, and death ensues as a consequence of its use."

DIVORCE BILLS

REFUND OF FEES

Hon. Mr. HAIG moved:

That the parliamentary fees paid under Rule 140 with respect to the following petitions, viz: of Pierre Behocaray, of Sherbrooke, Quebec; praying for a Bill of Divorce from Catherine Behocaray.

of Elerick Montgomery Barton, of Montreal, Quebec; praying for a Bill of Divorce from Beatrice Mary Fraser Barton, be refunded to the petitioner in each case, less printing and translation costs.

He said: Honourable members, this motion has to do with two divorce bills which were passed by the Senate on the recommendation of the Committee on Divorce, but which were not passed by the House of Commons.

Hon. Mr. VIEN: May I ask the honourable senator if there is any particular reason why the fees should be refunded in these two cases?

Hon. Mr. HAIG: The amount to be paid back in each case will be only about \$15. The Chief Clerk of Committees informs me that in such circumstances it has been the practice to refund the fees.

Hon. Mr. VIEN: Is this a recommendation of the committee?

Hon. Mr. HAIG: This was not recommended by the committee, because we could not get a quorum.

Hon. Mr. SINCLAIR: The petitions were refused by the other house.

Hon. Mr. HAIG: The bills were rejected.

The motion was agreed to.

INDIAN ACT

REPORT OF JOINT COMMITTEE

The Senate proceeded to the consideration of the fourth report of the Joint Committee appointed to examine and consider the Indian Act.

Hon. Mr. TAYLOR moved concurrence in the report.

Hon. T. A. CRERAR: Honourable senators, I doubt the wisdom of the Senate concurring in this report at the present time. No opportunity has been given to examine the twenty-six recommendations made. Evidently it is the expectation of the Joint Committee that it will be reconstituted at the beginning of next session for the purpose of revising the act. Under these circumstances I suggest to the mover, who is joint chairman of the committee, that we should not be asked to concur in this report at the present time, but that the report be laid on the table so that an opportunity will be given to consider more fully the recommendations it contains. In any case, apparently the whole matter will again come before parliament at the next session.

I therefore move in amendment to the motion, that the report be not now concurred in, but that it be tabled. Probably that is all that is needed.

Hon. Mr. HAIG: That is all.

Hon. Mr. ROBERTSON: The point which has been brought up by the honourable senator from Churchill (Hon. Mr. Crerar) is, I think, very important. In asking for concurrence, probably the joint chairman who represented the Senate on the committee is following the usual procedure; but there is

considerable force in the observations which we have just heard. Our committees, both joint committees and others, have rendered great service in bringing before us a wealth of information on particular subjects, but either because of lack of time to study their reports, or for some other reason, it has been the custom to vote concurrence because no one has expressed any objection. It seems to me that the same effect would be more appropriately achieved by tabling the report for information, rather than requiring formal concurrence. Actually, those who have studied the report and are in favour of it in all its details should signify approval by concurring; those who are opposed to it in any respect should also register their opinions. It might be desirable to consider that procedure in relation to not only this particular case, but all inquiries of this character upon which general reports are made to the house. In saying this I do not doubt that the chairman, in moving concurrence, followed our established practice.

Hon. Mrs. FALLIS: I am not opposing the amendment of the honourable senator from Churchill (Hon. Mr. Crerar), nor do I really concur in it. The text of this report has been in the *Minutes of the Proceedings* since last Thursday, and anyone who is particularly interested in the subject-matter has had nearly a week to look over the recommendations. The committee has been sitting during two sessions; the evidence has been printed, and as it came from the press it has been submitted for our consideration.

However, if it is the desire of honourable senators to concur in the motion, I will not oppose it. I should like however, to say a word or two in connection with the report itself. My first reason for doing so is that, as a member of the committee, I have had a very deep interest in all phases of this subject. My second reason is the appearance in the *Toronto Globe and Mail* of Saturday, July 12, of a quite lengthy editorial dealing with the report. Even though honourable senators have not had time to analyse the report, it would seem that editorial writers on our newspapers were able to examine it in some detail between the date of its appearance, on Thursday, and the issue of the paper on Saturday.

While the editorial writer commended the committee for the very thorough investigation it had made, and for its obvious sympathy and sincerity in dealing with all aspects of this question, he expressed one or two criticisms; and it is because I believe that the criticisms contained in this editorial may also be present

in the minds of some honourable senators, as well as of other citizens, that I should like very briefly to answer them.

The first criticism was a very minor one, and expressed regret that the report was brought down so late in the session. The answer to that is very easy. There were so many witnesses who wanted to be heard that the committee was taking evidence until almost the end of the session, and all the witnesses had to be heard before the report was framed. It was therefore not possible to bring in the report any sooner. The second criticism was more serious. It was this: "We are left to wonder if it"—that is the committee—"has not been inclined to miss some of the fundamental issues involved, such as education and enfranchisement".

For the information of honourable senators who are not on the committee, I may say that when the committee was established last session the magnitude of the task confronting it was very apparent, and the work to be done was divided into three parts, extending over three sessions of parliament. The sessions of 1946 and 1947 were to be devoted to the hearing of witnesses—officials of the Department of Indian Affairs, representatives of all Indian bands and organizations from coast to coast, and representatives of the clergy of different denominations who carry on mission work among the Indians, or other interested bodies. During the 1947 session alone sixty-seven meetings of the committee were held, none of which lasted less than two hours. During this time 102 witnesses were called, and the evidence taken covered 2,500 pages. I think it can at least be agreed that the committee was not idle. Considering that volume of evidence, honourable senators can readily understand that it was not possible in the few days left before the close of this session to frame a report which would deal with all the matters that have to be settled before the Indian Act can be revised.

The report which is now submitted contains twenty-six clauses, embodying all the issues upon which the committee were in unanimous agreement. These clauses were thoroughly examined by the committee, and not a dissenting voice was heard when this report was presented to parliament. However, more contentious matters, such as education and enfranchisement, could not be dealt with in the closing days of the session. These matters will require a great deal of consideration, and will be the first part of the work of the committee at its sittings during the 1948 session. I might say that there is not only a division of opinion among members of the committee on these matters, but that there is also a very great

diversity of views among the Indians themselves. Consequently, all the evidence has to be sifted and gone into very carefully before we can bring a report on these matters.

Honourable senators may recall that a report brought in from this committee to both houses of parliament earlier this session contained a recommendation that the government should consider the granting of old age pensions to Indians. That report was unanimously adopted in both chambers. There was a great deal of discussion on the matter in another place, but members of all parties supported it, including—if my memory serves me correctly, some members of the government who had taken part in the discussion.

Hon. Mr. CRERAR: When was that?

Hon. Mrs. FALLIS: Earlier this session.

When the amendments to the Old Age Pensions Act were brought in we were disappointed that provision had not been made for the Indians. Particularly were we disappointed that the minister had not seen fit to extend the benefits of pensions for the blind to the blind Indians of this country. In the other house there was a spirited debate on this matter and great persistence was shown, but the minister was adamant and would not bring the Indians under the amendments. I quite understand the attitude he took. He said the whole matter was under review by the committee and that in due course the government would give consideration to the broad aspect of additional medical and social services for the Indians. I do not doubt that for one moment; but we all know that great bodies, especially great government bodies, move slowly. In the interval between now and the time which the minister described as "in due course"—whenever that may be—a lot of people are going to suffer, blind people in particular.

I know something about the conditions of the blind Indians in the reserves in my district, where the Canadian National Institute for the Blind is giving them assistance in the way of food, clothing and medical supplies. But for that assistance they would be in very straitened circumstances indeed. I personally am very much disappointed that the government could not see its way clear to extend the one clause pertaining to the blind to include the Indians. In answer to a question in the other house the Minister of National Health and Welfare stated that the number of white people eligible for pensions under this new act would be 9,000. I took the trouble to look up the figures. So, on the basis of population, the number of blind Indians who would have become eligible could not have exceeded 100. Surely it would not have been

a very great strain upon the national treasury of Canada or upon any taxpayers to have granted to these 100 blind Indians the relief which could have been afforded them, but it would have meant a great deal in the lives of these few individuals. It would have been an act of justice and mercy at the same time.

But as that was not done, the committee recommended, in section 26 of this report, that some statutory provision be made for the adequate care of aged, infirm or blind Indians. That is one reason why I personally would much dislike to see this matter left over until another session. The other house has already adopted this report, and we had hoped that if the Senate would also do so the government might take some action with regard to persons who are suffering and who might have to continue suffering for a long time if we begin next session to review this question all over again.

For these reasons I would ask the concurrence of the house in this report.

Hon. THOMAS VIEN: Honourable senators, I am sure we are all much indebted to the honourable senator from Peterborough (Hon. Mrs. Fallis), for the valuable information she has given us in explanation of the committee's report. I think that what she has said indicates the need for careful study of this report, item by item, and the advisability of adopting some other method of procedure for consideration of reports from important committees. The joint committee has done a lot of work in the course of its careful examination of the Indian Act. Likewise, the Standing Committee on Immigration and Labour, the resumed consideration of whose report is the next item on today's order paper, has done much work during the past two sessions, in reviewing the immigration question. The work of important committees like these should not be done in vain. Their reports should receive unusually careful consideration by the Senate as a whole, and I doubt if a motion for concurrence is the procedure best adapted to attain this end.

I am not raising a question of order, but I would suggest that if a motion for concurrence is the proper procedure for bringing a valuable report like this before the house for consideration, it would be well to refer the report to the Committee of the Whole, where honourable members would have an opportunity to discuss it item by item. Then after a lengthy discussion, which would be of interest to the public at large and would be recorded in *Hansard*, the recommendations would have greater weight than a simple concurrence in a report.

The remarks of the honourable lady senator from Peterborough (Hon. Mrs. Fallis) have been most interesting. They indicate that there was a division of opinion not only among the members of the committee but among the Indians themselves. It is my recollection that some of the submissions made to the committee and the press by some Indians who visited Ottawa indicated that there were subversive currents of influence among them. This is something which should receive careful consideration. Some of the Indians spoke rather lightly of our present institutions and of our methods of dealing with matters of interest to them.

Hon. Mrs. FALLIS: Would the honourable senator permit me to say a few words to keep the record straight? I fear that perhaps I did not make it clear that there was no division of opinion as to the twenty-six sections of this report. The division of opinion had to do with matters which have not yet been determined and which are not before us. The report is unanimous.

Hon. Mr. VIEN: I was referring to the social, religious, educational and other services to which some groups of the Indian population seemed to take exception. I agree entirely with the honourable senator from Peterborough (Hon. Mrs. Fallis) that blind and infirm Indians should be included in our social service programme. The Indian who is blind or infirm is entrusted to our care and even on purely humanitarian grounds, should receive the same treatment as is meted out to other people living in Canada.

Honourable senators, I suggest that at the beginning of the next session this whole matter be referred back to enable the committee to complete its study; and when the report is presented—which I hope will be early in the session—it should then be referred to committee of the whole, where it should receive our undivided attention. The report now before us represents a good deal of hard work which should not be regarded as "love's labour's lost".

Hon. JOHN T. HAIG: Honourable members, when I was a member of the Manitoba legislature, I had some some experience in handling matters of this kind. When the resolution proposing the appointment of this joint committee was presented, I was asked by the leader of the government in this house to name four members from this side to sit on the committee. I had confidence in the ability of those whom I selected, and I still have. I am therefore now prepared to vote for the report presented by them.

It is not possible for everyone to be familiar with the details of this subject, but I agree with the honourable gentleman from De Lorimier (Hon. Mr. Vien) that the best way to deal with the report is to refer it to a committee of the whole house. In that way it could be fully discussed by such honourable gentlemen as the Senate chairman of the committee (Hon. Mr. Taylor) and the honourable senator from Central Saskatchewan (Hon. Mr. Johnston), after which each recommendation would be accepted or rejected. A year or two ago the report of the Special Committee on Income Tax was referred to committee of the whole, and the debate on the report attracted so much public attention that pressure was brought to bear on the government, with the result that it adopted almost all of the recommendations made in the report.

We are now so near the end of the session that in the time left to us it is not practicable to discuss this important measure fully. I understand, however, that the other house has adopted the report, and I for one will vote for its adoption here. If time permitted consideration of the report in committee of the whole, I would favour following the suggestion of my honourable friend from De Lorimier (Hon. Mr. Vien); but as the recommendations in the report are unanimous and the session close to an end, I must ask the members on this side to vote in favour of the motion for concurrence.

The administration of the Indian Act is a very important matter, and no doubt the government will bring down new legislation concerning it. The work of this committee has been carried on at considerable expense—I am not complaining about that—and I think we should assist the government all we can by passing this report.

I can appreciate the attitude taken by the honourable senator from Churchill (Hon. Mr. Crerar), but I am hoping that after he has had an opportunity to again review these recommendations, he will agree to withdraw his amendment.

Hon. JAMES MURDOCK: Honourable senators, I am of the opinion that the government has already taken some action in connection with the inquiry that has been conducted into the Indian Act. I have before me a newspaper carrying an article under this headline:

Indians' T.B. rate declared 50 times that of whites.

I should like to read the article, which is short, because I believe it is explanatory. We read in the press recently of a boat that sailed

out of Montreal harbour headed for the far northwest carrying supplies and other necessities.

Hon. Mr. SINCLAIR: What is the name of the paper my friend refers to?

Hon. Mr. MURDOCK: The newspaper is the *Toronto Daily Star*; the date is July 11. The article is as follows:

A 15 per cent increase in expenditures by national health branch of the federal government, as provided in the supplemental estimates tabled last night, will bring a wide range of benefits to Canadians, but mainly to the Dominion's wards, the Indians and Eskimo.

Estimates of this branch of the Department of National Health and Welfare were up nearly \$68,000 in the original estimates and the supplementaries last night added another \$1,086,450.

Additional amounts were provided for a wide variety of services for child and maternal health work, for industrial health, for combatting venereal disease through the provinces, for mental health and blindness control, and the work of enforcing the nation's protective laws on food, drugs and the laboratory of hygiene.

Chief new grant, \$452,119, went to the Indians and Eskimo medical care, bringing expenditures in this category well above the \$5,309,000 mark.

They'll get new hospital, new equipment, new field workers, and all the benefits of science, for they have before them the warning of Dr. Frederick F. Tisdall, noted Toronto specialist, that Indians, with a tuberculosis death rate 50 times higher than the white man, "is a focus of infection which is of concern to you and me."

So already, in my opinion, there have been some useful results of the extensive work of the committee during the last two sessions of parliament. This year the committee held sixty-seven meetings, and as a result there are now the twenty-six recommendations before us.

Hon. J. E. SINCLAIR: Honourable members, I want to join the other honourable senators who have spoken a word of congratulation upon the intensive and good work it has done in carrying on its investigation with regard to our Indians. I think that the committee is to be commended for the patience and industry it has shown, and which is so evident in its report.

But when we come to consider how we should deal with a report of this kind, I cannot agree with some of the statements which have been made. Rule 87 of the Senate reads as follows:

Upon the presentation of a report no discussion takes place; but the report may be ordered to be printed, with the documents accompanying it; or it may be placed on the orders of the day for future consideration, or laid on the table.

Now this report has been printed, instructions having been given to the committee earlier in the session to print several hundred

copies; it has appeared in the *Minutes of Proceedings* and as an appendix to *Hansard*. It is available to everybody. Now we are asked to concur in the recommendations, which number twenty-six. In one paragraph disapproval is expressed of the fact that a recommendation which was made in an earlier report has not been acted on. That gives us warning to be careful before we concur in these recommendations, so that we may be able to support them when they come back to us; or, if they involve legislation, this house may be free to consider in a proper light the legislation which should be based upon them.

I am a little confused as to whether, under clause 9 of the report it is intended to set up a separate department for Indian affairs, under a minister, or to attach it, as at present, to an existing department; and as to what is meant by the recommendation in clause 10 that the director of the Indian affairs branch be raised to the status of deputy minister. Is it proposed that there shall be a separate department of Indian Affairs, under a minister, with a deputy and two assistants, or that within the existing department the director shall become a deputy, authorized to deal directly with the minister and not through the deputy head of the present department?

I have expressed my view generally. I submit that we should follow the rule that when a committee is not reporting on a bill, but upon an investigation of matters which have been referred to it by this house, the proper way to deal with the report is that which has been suggested by the honourable senator from Churchill (Hon. Mr. Crerar). In this case the committee are to be commended for the work they have done; and in adhering to the rule we do not detract from the value of the report or the work of the committee. The subject-matter is available to the government, on whom falls the responsibility of initiating any legislation which may arise from this report; and all this material is available to the government exactly as though it had been concurred in by this house. But if we should formally concur in it, we shall not be wholly free agents when the time comes to consider legislation which may arise out of the report and will be remitted to us for, so to speak, a second thought.

I therefore support the amendment made by the honourable senator from Churchill (Hon. Mr. Crerar).

Hon. Mr. DAVIES: May I ask the honourable senator a question before he resumes his seat? Supposing the report of this committee is not adopted, does that prevent the government from taking any action on it until after the next session of parliament?

Hon. Mr. SINCLAIR: Oh, no. It has no such effect. If it is laid on the table, it is available to all and sundry—the government or the department—to study it and take such action as they see fit.

Hon. Mr. DAVIES: Would the government take action if they were not sure that the Senate concurred in the report?

Hon. Mr. SINCLAIR: Well, they take action in a great many similar cases. I do not think concurrence or non-concurrence would have any effect in that regard.

Hon. Mr. HAIG: May I ask what happened to the report in the other place?

Hon. Mr. MURDOCK: It went through with very few words.

Hon. Mr. HAIG: It was adopted?

Hon. Mr. MURDOCK: Oh, yes.

Hon. Mr. HAIG: That is what I understood.

Hon. R. B. HORNER: As a member of the committee, I should like to say a word. I do not entirely agree with the argument of the honourable senator from Queen's (Hon. Mr. Sinclair). It has been my experience that reports have usually been concurred in, and I hardly agree that it would hamper us in any way to pass legislation based on recommendations contained in reports. Every senator would still be able to deal with the recommendations as he saw fit. I agree with the honourable senator from Peterborough (Hon. Mrs. Fallis), and I think that her statement is almost unanswerable. This report has been available for consideration for almost a week, and I think it is proper procedure to concur in it.

Hon. VINCENT DUPUIS: I do not know what the attitude of the house is with respect to this report. I am in favour of doing anything that will help any type of people in this country. I for one would not block this report or any other legislation if I thought it was for the good of the people of Canada. On the other hand, I do not want the report to pass until I have had an opportunity to study it. I do not know whether at this late stage in the session it is proper to allow a report to pass without due consideration. We are all interested in the Indians of this country. They claim that they are the masters of this land and that we are only immigrants.

Hon. Mr. LACASSE: Oh, oh!

Hon. Mr. DUPUIS: The honourable senator from Essex (Hon. Mr. Lacasse) is laughing. I am not joking. He is himself an immigrant to Ontario. The Indians have certain rights and convictions, and these should be

respected. These people may have been influenced by certain ideas introduced by those who today seem to want to control the world. That I do not know. However, this is a democratic country, and as the honourable senator from Churchill (Hon. Mr. Crerar) has said, these people even have the right to be wrong.

I must confess that although I am a member of this committee I did not follow it as I should like to have done because I was busy elsewhere. Perhaps it is for that reason I think we should be cautious and not decide this matter too lightly. I am much in favour of religion, whatever it may be, in this country. I am also in favour of people being taught something when they are young. I have seen too much controlling of youth, either for military or ideological purposes, and I would not like any part of our population to be controlled in that way. Let the young Indians of this country be free, and not controlled by any one idealism. I feel that the Christian ideology should survive in this country. Why should it be destroyed by those who claim to be the first and only owners of this country and who regard us as immigrants?

In conclusion I wish to say that if we concur in this report, our action should not be regarded as conclusive evidence that we are in favour of the report as a whole. If any legislation is passed next session it should be well studied and then be drafted according to the wisdom of those who know best.

Hon. G. LACASSE: Honourable senators, I have been made the target of a remark that I resent and will not stand for. If the remark was made in a jocular way, that justifies me in having laughed; but when solemn claims are made for the freedom of the Indians of this country, it must be remembered, I think, that white men should be allowed freedom to move from one province to another. I never thought I would see the day when the fact that I moved from one province to another would be taken exception to by one of my friends in the province from which I moved. I do not wish to make a big issue out of this; it has gone far enough; but I claim the same freedom that is being asked for the Indians. I claim the privilege of moving from one province to another because I consider that Canada belongs to all of us, and that boundary lines between provinces have been set merely for the purpose of facilitating better administration.

Hon. ARTHUR ROEBUCK: Honourable senators, after those remarks I hope that nobody will accuse me of being an immigrant. The honourable senator from Rigaud (Hon. Mr. Dupuis) is a member of the committee, and he has expressed sympathy

for the Indian. He also suggests that more time is required for the study of this report. I too have every sympathy for the Indian, and although I am not a member of the committee I do not feel that it would be proper and wise to give this well-studied report a black eye by refusing to concur in it.

Some hon. SENATORS: Hear, hear.

Hon. Mr. ROEBUCK: I know the details of the report less fully than does the honourable senator from Rigaud (Hon. Mr. Dupuis) and much less fully than those senators who attended the committee more faithfully than the honourable gentleman claims to have done. However, I see enough before me to cause me to refrain from opposing it. I see, for example, the recommendation that some statutory provision be made for the adequate care of aged, infirm or blind Indians, and in the meantime that rations to Indians be given in sufficient quantity and quality.

Hon. Mr. DUPUIS: Will the honourable senator allow me to ask a question? I do not want to be misinterpreted. I am not opposed to concurrence in the report; I merely reserve my decision. Suppose this report was concurred in today, would the legislation to which the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) is now referring, be passed before the end of the session?

Some hon. SENATORS: No.

Hon. Mr. ROEBUCK: Not at all.

Hon. Mr. DUPUIS: Then nothing would be done this session.

Hon. Mr. ROEBUCK: I thought the honourable senator from Rigaud (Hon. Mr. Dupuis) was going to question the statement made in this paragraph, but he has not done that. If he had done so I would have asked him why he did not attend when the report was being studied by the committee and make the correction before the report was brought here. Evidently the honourable gentleman agrees with what I take to be the necessary implication of this paragraph, namely, that the infirm and blind Indians are not now receiving adequate care, and that rations given to Indians are not of sufficient quantity and quality.

I have referred to only one clause. There are too many for me to discuss them all, but I will not be a party to voting against a humanitarian document of this kind. I have every confidence in the sincerity of the members of the committee, and I know the care

with which they have carried on their extensive investigations. Therefore I am going to vote for concurrence in the report.

Hon. JACOB NICOL: Honourable senators, I had the honour of being a member of the joint committee during the session preceding this one, but I found the work so exacting that I could not give it the time that it required, and I asked to be relieved. It was my privilege to attend some of the committee's sittings, where I observed the thorough work that was done by my colleagues. They have carried on their work to the present time and made the report that is before us. From time to time I received reports of the committee's proceedings, as I presume all members of this house did. Sometimes I read those reports and sometimes I did not, but my failure to read any of them certainly will not justify a vote on my part for non-concurrence in the present report.

I think the members of the committee have done a wonderful job. I heard some of the witnesses who appeared before the committee, and they stressed the urgency for prompt action. As we know, the committee has sat during the last two sessions. It seems to me that to vote against concurrence in their report would be equivalent to criticizing the committee for the splendid work it has done.

As I asked to be relieved from membership on the committee because of not having sufficient time to give to the inquiry, I certainly could not do other than vote to have the report of my colleagues concurred in.

Hon. J. FREDERICK JOHNSTON: Honourable senators, I think all who were privileged to serve on this joint committee did not attend many of its sittings before coming to the conclusion that we, as Canadians, had neglected our wards, the Indians. To my mind, the work that has been done by the committee during the past two years should have been undertaken years ago.

Some hon. SENATORS: Hear, hear.

Hon. Mr. JOHNSTON: Those who have followed the committee's proceedings will know something about the magnitude of the work that was undertaken. The report before us has been well thought out, by people capable of making a good report. Why should we move now that it be not concurred in? What the committee recommends is only what should have been done years ago by those who had the matter in hand. I suggest that refusal to accept the report at this time would be an affront to every member of the committee.

Hon. WILLIAM H. TAYLOR: Honourable senators,—

The Hon. the SPEAKER: If my honourable friend speaks now, he will close the debate.

Hon. Mr. CRERAR: No, Mr. Speaker; he is speaking to my amendment.

Hon. Mr. TAYLOR: Honourable senators, as chairman of the Senate section of the joint committee during this past session, I would first like to pay my tribute to all who have spoken today in favour of the committee's report. I find that members who attended the committee's sittings most regularly, and are familiar with the evidence that was submitted, are wholeheartedly in agreement with the report. I wish to express my thanks to all those members who were so faithful, and who sincerely did their best to find out from Indians and other witnesses what revisions should be made to the act in order to improve the condition of the Indians and, incidentally, to help the Indians help themselves.

I also wish to pay tribute to the former chairman of the Senate section of the committee (Hon. Mr. Johnston), who has just spoken. It has been, I think, some thirty years since the last general revision of the Indian Act, and I feel, as he does, that a general revision is long overdue.

As the report will indicate, in the session of 1946 the committee heard evidence from departmental officials. After that session ended, members of the committee were constituted a commission to visit Indian reserves in the Maritimes and eastern Quebec, and to take evidence from the people themselves as to what revisions they felt should be made in the act. The commission's report was tabled in another place the other day, and some time afterwards the report that we are now considering was also tabled there.

I had not expected it would be necessary for me to speak on this report. As the members of the committee who attend its meetings and heard witnesses were unanimously in favour of the report, I thought it probably would be concurred in by the house without much debate. It will be noticed that most of the committee's recommendations are for administration changes. It is hoped to have a revision of the act next year, based on the evidence that we collected; in the meantime the administrative changes that we have recommended should prove of some benefit to the Indians.

I did not make a note of the points raised by various speakers this afternoon, but I recall that the honourable gentleman from Parkdale (Hon. Mr. Murdock) quoted a news-

paper report as to the prevalence of tuberculosis among Indians. I would point out that clause 25 of the report recommends:

That the project of building a central governmental hospital in northern Indian agencies, with nursing stations in far outlying districts be proceeded with at once.

The honourable gentleman from Queens referred to a question that is covered by the recommendation in clause 9:

That the administration of all aspects of Indian Affairs should be under one ministerial head.

The subject mentioned by the honourable senator for Parkdale (Hon. Mr. Murdock) comes under a different minister. The Indian Affairs Branch receives assistance in respect of health and welfare from the national Department of Health and Welfare. It is important that the administration of the Indian Act be under one ministerial head.

Concerning old age pensions to Indians, the committee recommended in its third report that the government seriously consider such a measure. I believe it was considered, but under the Old Age Pensions Act provision is made for a contribution by the provinces towards the benefit received by pensioners. The provinces claimed that the dominion should bear the full cost of old age pensions for Indians and that the provinces had no responsibility for it.

Sections 11 to 23 inclusive in the report are for the most part recommendations from the Civil Service Commission, and have to do with improvements in the method of making appointments and the speeding up of matters of administration.

With respect to concurrence, I may say that the report was presented to and concurred in by the other house.

The members of the committee spent a great deal of time in attendance at the 67 sittings of the committee during this session and after considering the evidence placed before them they have submitted these recommendations. Every member of the committee worked faithfully and was in entire accord with the report. The government will decide whether or not to accept the recommendations; but as chairman of the committee I feel that the report should be concurred in.

Hon. Mr. SINCLAIR: May I ask the honourable gentleman why the important matter referred to in section 8 of the recommendations was left in abeyance?

Hon. Mr. TAYLOR: This represents probably one of the most contentious questions placed before the committee.

Hon. Mr. MURDOCK: Will the honourable gentleman read section 8, so that we will know what it is about?

Hon. Mr. TAYLOR: Section 8 reads as follows:

That the whole matter of the education of Indians be left over for further consideration. In the meantime, however, it is recommended that all educational matters, including the selection and appointment of teachers in Indian schools be placed under the direct and sole responsibility of the Indian Affairs Branch;

This country owes a great deal to the followers of certain religious faiths who pioneered in the wildernesses of Canada to bring some learning and religious instruction to the Indians. The churches have been able to secure teachers that the dominion government could not have secured at the salaries paid. These people were possessed with a missionary zeal and did their work for small returns. We found that in several places schools were closed because of the lack of teachers. The committee therefore recommended that the Indian Affairs Branch provide teachers, and that they be of the faith predominating in the community. The committee felt that the matter of the appointment of teachers to Indian schools should be made the responsibility of the Indian Affairs Branch until the matter can be gone into more thoroughly next year, and the act revised.

Hon. Mr. SINCLAIR: May I ask my honourable friend if the principle that is adopted now is to permit the religious bodies to secure teaching personnel?

Hon. Mr. TAYLOR: Where religious bodies can supply teachers, they do so; but in some instances they are supplied by the department.

Hon. Mr. DUPUIS: Where are the schools located that are supplied with teachers from religious bodies?

Hon. Mr. TAYLOR: I think my honourable friend will find them in all provinces. Evidence on that subject was given before the committee, and I only wish my friend could have heard it.

Hon. T. A. CRERAR: Honourable senators, for almost ten years I had the responsibility of an active direction of the Indian administration of this country. I may modestly claim that during that time I acquired some little knowledge about the problem.

The amendment which I moved, and which I will presently ask leave to withdraw, was not based primarily on the consideration that there were recommendations in this report that should not be adopted. As a matter of fact, most of the recommendations have no

more value than the wind that blows around the corner, so far as their active implementation at the present time is concerned. I dislike to see recommendations put forward which are little more than window dressing.

May I direct your attention, honourable senators, to some of the recommendations in the report? Item 9 is something that could be carried out by the government under its power to transfer duties from one department to another. Item 10 cannot be acted upon until a new Indian Act is drafted and provision made for the recommendation. The tenth recommendation proposes the appointment of a director with the status of a deputy minister. There is no provision today in the Indian Act for giving such a status. It is suggested that there be two assistant commissioners: that proposal cannot be acted upon until the Indian Act is revised.

I pass on to recommendation No. 12:

That when the director of Indian Affairs becomes aware that an Indian agent will shortly be leaving the service, he should, in ample time before the said agent retires, request that the Civil Service Commission select and appoint a successor to the said agent . . .

It may be, as the honourable senator from Norfolk (Hon. Mr. Taylor) has said, that that recommendation will be acceptable to the civil service commission; but this, again, cannot be implemented today under the law, because the law provides that when an official retires from the civil service he is on six months' leave and draws his salary for that period; consequently a successor entitled to the salary cannot be appointed until this period has expired.

Take No. 15:

That in view of the fact that Indian reserves are widely scattered across Canada, and in view of the diversity of the problems . . . regional directors be appointed to look after and to determine such matters as appropriately fall within their particular regional jurisdiction;

That may be a desirable change, and if it is, let it be incorporated in the Indian Act when the act is revised. But it cannot be made today. As I understand it, one of the duties placed upon the joint committee is to revise the Indian Act; in other words, to prepare the draft of a new bill. Under those circumstances I fail to see the purpose of making a recommendation which at the moment has no validity whatever, and asking this house seriously to adopt it. The same consideration applies to other sections I could mention; for instance, No. 18, which requires that when promotion within the staff of an agency is not feasible the field of competition for applications from the general public should be made wide enough to ensure the selection and appointment of a fully qualified person. I

have found out more than once, that the veterans' preference in the law runs directly contrary to such a purpose. If provision is to be made for this the necessary changes must be made in the Indian Act itself.

There is a recommendation as to hospitalization. What is spoken of is "a central governmental hospital". Is it the recommendation of the committee that one hospital be built "in northern Indian agencies", that is in the northern areas, to service all the country? I may claim with all modesty that when I was in the department we made a start with several of these Indian hospitals. I do not know just what is meant by the present proposal.

Hon. Mrs. FALLIS: Will the honourable senator permit me, with reference to his last statement, to say that that matter was fully discussed in committee, and it was recommended that one large up-to-date hospital be established in a central point and that smaller hospitals—one may call them feeders—would operate in the outlying districts; the one large hospital to have equipment not provided in the smaller hospitals, to serve certain cases which would be brought there for treatment.

Hon. Mr. CRERAR: I am grateful to the honourable senator from Peterborough (Hon. Mrs. Fallis), but I remain unconvinced as to the wisdom of that step, although I would not wish to take the time of the house in giving my reasons—

Hon. Mr. MURDOCK: Go ahead.

Hon. Mr. CRERAR:—particularly when we have so much work to do. But this matter of hospitalization of Indians is one into which I personally went somewhat actively ten years ago, when we laid the foundation of tuberculosis treatment for the Indians. To create a large central hospital and have feeders to it, will be, I think, very expensive, and will not meet the need. Moreover, unless the medical authorities of this country, who advised us against such action less than ten years ago, have changed their opinion, I doubt if it would have their approval.

Hon. Mr. TAYLOR: May I advise the honourable member from Churchill (Hon. Mr. Crerar) that Dr. Moore, the head of the branch, told the committee that through the establishment of a properly supervised hospital in that area, we probably could save two or three years in the treatment of the tubercular Indian. He said that in hospitals which are not adequately equipped, a course of treatment which under favourable conditions would require only one or two years might take as long as five years. The plan which was instituted ten years ago, to bring down Indians

from the north to the settled areas and give them proper treatment in hospitals in southern Canada, is not satisfactory to the Indians, and is not recommended by the government's advisers.

Hon. Mr. CRERAR: On that point, I do not know whether the committee had before it any of the authorities on tuberculosis, men who are thoroughly experienced in the treatment of this disease. At any rate, they are the type of medical man whose advice I took when I was dealing with this question. Remember that there is a great deal more involved than the mere building of a big central hospital.

However, I do not wish to take up the time of the Senate. I will conclude with a word or two about No. 26, the care of aged, infirm and blind Indians. On this subject we have heard from the honourable senator from Peterborough (Hon. Mrs. Fallis) and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck).

I do not quarrel with that proposal; in fact a measure of care is now being given to these people, unless there has been a change, and I do not think there has been. But I would point out that it is impossible to go further than the administration are doing today except through the expenditure of more money. That implies a statutory provision, which you cannot have this year, nor, in fact, until a new Indian Act has been adopted.

Hon. Mrs. FALLIS: These are recommendations to that end.

Hon. Mr. CRERAR: That is all right. If they are put forward so we may talk about them, they may be of some value, but as I understand it, the joint committee which is to be set up next year will have the responsibility of drafting a bill, and what is recommended here can be incorporated in that measure and discussed at that time. But whether we pass this report or not does not make a particle of difference so far as the powers of the Indian administration are concerned.

I apologize, Mr. Speaker, for having spoken at such great length. I had not the slightest expectation, when I moved that the report be tabled—which simply meant that final consideration of it would not be given at this time—that I was going to stir up a sort of hornet's nest of debate; and since the house has expressed itself pretty clearly, there can be no particular harm in adopting these recommendations. As a matter of fact, if we do so we will merely be adopting something which, in the main, the administration of Indian affairs or the government itself cannot put into effect until the new bill is drafted.

I therefore ask leave to withdraw my motion.

The Hon. the SPEAKER: Honourable senators, the senator from Queen's (Hon. Mr. Sinclair) has drawn to our attention Rule 87, which deals with reports of special committees. I think it will be found from a reading of that rule that the report has followed the usual course: the committee reported some days ago; that report has been printed; it is now on the order paper, and comes today for discussion. The honourable senator from Churchill (Hon. Mr. Crerar) has asked leave to withdraw his amendment to the motion for concurrence. Is it your pleasure that he be allowed to withdraw his amendment?

Hon. SENATORS: Agreed.

The amendment was withdrawn, and the motion for concurrence was agreed to, on division.

PRIVATE BILL

CONCURRENCE IN COMMONS AMENDMENT

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill O12, an Act to incorporate the Catholic Episcopal Corporation of Laborador, and to acquaint the Senate that they have passed the said bill with one amendment, to which they desire the concurrence of the Senate.

When shall this amendment be taken into consideration?

Hon. Mr. ROBERTSON: With leave of the Senate, next sitting.

IMMIGRATION

REPORT OF COMMITTEE

The Senatè resumed from yesterday the adjourned debate on the motion of Honourable Mr. Murdock for consideration of the final report of the Standing Committee on Immigration and Labour.

Hon. T. A. CRERAR: Honourable senators, I appear to be monopolizing a good deal of time this afternoon but I shall endeavour to do penance for my sins by being as brief as possible in the remarks that I have to address to this report.

The motion to adopt this report is one that I can whole-heartedly support. I have not the slightest reservation about it.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. CRERAR: At this time I should like to say a word of thanks to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) who, more than anyone else, has

carried the responsibility of assisting the chairman in guiding the committee and arranging for the appearance of witnesses.

As was indicated last evening in the remarks made by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), a great deal of evidence was submitted to the committee. Unfortunately, in the arrangement of the business of the house, it is unavoidable that two or three committees sit at the same time, and therefore I did not have an opportunity of attending all sessions of the Committee on Immigration and Labour. However, I have read practically all the evidence that I did not hear, and I would suggest to honourable senators that they take the report home with them during the recess and read it if they have not already done so. I should also like to express commendation to the government for the relaxation of the regulations, particularly since our committee terminated its labours a year ago.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. CRERAR: Whether or not it was because of the deliberations on the report of the committee a year ago that the government was influenced I cannot say, but I do feel that the government is to be commended for broadening the regulations and for what I would describe as a more liberal interpretation of them.

I need not remind this house of what I have said on one or two previous occasions with regard to the opportunity this country could provide for people who still want to make their independent way in the world.

Hon. Mr. HAIG: Hear, hear.

Hon. Mr. CRERAR: There can be no cavilling at that statement. I am persuaded that there is urgent need for more immigration to this country for reasons which I shall briefly allude to. If we were to eliminate what we consider to be the waste regions of Canada, the habitable area in this country would probably be one-third of the total area. On that basis, on the habitable area our population, at the outside, would not be more than ten people for each square mile. Contrast that estimate with a country such as India where the population is 1,250 people to the square mile. Also contrast that situation to the one that exists in many European countries where there are anywhere from 300 to 600 or 700 people per square mile. I am among those who believe that we cannot permanently retain an estate of the value of our Canadian estate if we seek to confine our population to what might come from natural increase; and having regard to the long future,

the important thing is to develop the resources of this country and to bring people here who will accept our way of life and who will contribute to the production of our wealth. I think it has been found that many people from European countries are assimilable in Canada. I have spoken before of the Ukrainians, Germans, Poles and other racial stocks from Europe—

Hon. Mr. HAIG: What about the Scotchman?

Hon. Mr. CRERAR: —who have come to Canada and who have made outstanding successes. Of course, honourable senators, I will at once admit that the foundation to the success that followed later was made by Scotchmen, and if my honourable friend the leader opposite (Hon. Mr. Haig) gets any comfort out of that he is quite entitled to it.

It is known from evidence we have heard that in the displaced persons camps in the American and British zones of Germany are large numbers of people with special skills and knowledge. They are not riffraff nor are they useless people. We also know from experience that we have had in Canada already that these people could make a useful contribution if they were allowed to come to Canada. That is why I welcome the relaxation that has been apparent in recent months in the government's immigration regulations.

There are two main reasons why a broad policy in immigration is desirable. I am not among those by any means who believe that no immigrants should be brought to our shores until we have a job ready for them. That would narrow immigration altogether too much, and it is contrary to the experience of this country in the past. We have a moral obligation in this matter, particularly to those unfortunate but good, educated and law abiding people whose only crime in life is that they would not submit their freedom to nazism or communism. That was their only crime, and I submit it is a solid basis for a useful contribution to Canada's development. I think that this country, with all its vast resources, has a moral obligation in this respect.

Also, I think that Canada needs these people for another reason. We hear a great deal about taxation, and gross national production, which we shall be discussing shortly under another bill. We have seen our social services expand greatly, and our debt grow to enormous proportions, and we are conscious that the economic obligations on the governments of Canada are much greater today than anyone ever dreamed of a few years ago. If we are to maintain our national production and

increase our wealth, it can only be by the application of labour and capital to the natural wealth of the country. In the last analysis all wealth comes from old mother earth, and it is the application of labour and capital to old mother earth that produces wealth. The production of additional wealth in this country would tend to raise our gross national income and lighten the burden of taxation upon every Canadian.

Therefore from both a moral and an economic point of view we should give due consideration to this matter. Some people are concerned lest our standard of living be reduced if we admit immigrants from European countries. Well, I should like to know how a standard of living is to be defined. I know that when the Ukrainians came to this country fifty years ago they had a low standard of living, but I am equally sure that by their efforts, by the development of their farms, they have added very substantially to our yearly production and to our total national wealth; and in so doing they have contributed to raising the standard of living throughout the country. Consequently, I am not greatly worried about this thing called the standard of living. After all, we have a really high standard of living in this country. In my judgment no country, not even the United States, has a higher standard, if it is measured by any of the indices ordinarily used as a basis of comparison. But if we put too narrow a construction on these regulations with regard to standards of living and so forth, it may militate strongly against our getting many desirable immigrants.

I apologize to the house for having taken up so much of its time.

Hon. JOHN T. HAIG: Honourable senators, I wish to say only a few words. First I congratulate the honourable gentleman from Parkdale (Hon. Mr. Murdock), as the chairman of the committee which brought in this report. I have only one complaint to make against him—that he persistently dogged the members of the committee to attend its sittings. Because of other duties I was able to be present on only four occasions, and the number would have been less but for his constant pursuit of me. I also want in the same breath to congratulate the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) upon his untiring work as a member of this committee. I regard the committee's report as one of the two or three highlights of my twelve years in this house. The contribution made by the committee last session and again this session has been of great value to many thousands of Canadians in helping them

to decide in their own minds what ought to be done about this important question of immigration.

I am not going to make a speech on the subject now. I say without hesitation that I agree 100 per cent with the address just made by the honourable gentleman from Churchill (Hon. Mr. Crerar). Certainly he expressed the view of the part of Canada that we come from.

Hon. Mr. CALDER: Hear, hear.

Hon. Mr. HAIG: That is the view of our part of the country. We do not think that immigrants will lower the standard of living or the opportunities for employment of the rest of the people. On the contrary, we think that the more good immigrants we let in the higher our standard of living will go and the greater will be the opportunity for employment. Those of us who are getting a few gray hairs and can remember back to 1897 or so, recall that the government of that day inaugurated an immigration policy which it was prophesied would have dire consequences. But that policy led to the great expansion of a large part of Canada.

There is one point that was not made by my honourable friend from Churchill. In the present advanced stage of transportation and intercommunication, I do not believe that twelve million people can very long hold the richest land on earth from greedy people elsewhere. If we refuse to allow more immigrants to settle here and become part of our national life we are only inviting trouble for ourselves. We might as well face this thing realistically. Whether we like it or not, some countries of the world today regard themselves as have-not countries, and they consider that we are one of the have countries. So considering the thing on the lowest level, that of self interest, we should do what we can to facilitate the settlement in Canada of desirable people from abroad. I can speak with a good deal of authority as to Ukrainian and Polish people who came to the West in years gone by. They form a solid part of our population and contribute to every aspect of our life.

I have much pleasure in supporting the motion for concurrence in the report.

Hon. RALPH B. HORNER: Honourable senators, as a member of the committee I should like to say a few words. One of the committee's recommendations is that all immigration be supervised by the government. I was wondering whether that was intended as any criticism at all of the Mr. Dionne, the textile manufacturer in the province of Quebec who brought some two hundred girls from displaced persons camps in Europe to work in his factory.

Hon. Mr. ROEBUCK: No, it was not.

Hon. Mr. HORNER: Possibly not. However, to make myself clear, I want to say that I have no criticism whatever of Mr. Dionne's action. I commend him warmly. To friends whose religious faith is different from that of Mr. Dionne and who complained to me about what he did, my answer is, "Get busy and ask for the same privilege." Criticism of the wages paid the girls is, I think, not properly founded. If they formerly were in need and living in camps, surely now that they have been brought over here and given good care and nourishing food the question of their wages for the next two years is a relatively small one. By that time they may have become valuable citizens. No doubt Mr. Dionne will be highly commended by his church for making sure that the girls whom he employed were of the Roman Catholic faith; but, after all, that is the faith of most of the people in the community where they are to work. To persons of my own and other religious faiths who are inclined to be critical of Mr. Dionne I say, "Go and do likewise."

I wish to join in congratulations to the chairman of the committee (Hon. Mr. Murdoch) and the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck) upon the good work done by the committee and the valuable report presented to us. The government should be complimented upon lightening the immigration restrictions, but I must confess that when I consider the few concessions that have been made I feel a sense of frustration. The admission of a few thousands of people instead of some millions indicates a mere nibbling at the whole question. It is true that the government has an opportunity now to do far more.

I was pleased to hear the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) say that he hoped we would soon have a peace treaty that would not leave us under the handicap of referring to certain people as enemy aliens. This classification has kept some very good immigrants out of this country. Honourable senators may have noticed by a press despatch that some 30,000 Germans recently stole away from the Russian occupied zone to avoid being taken to Russia as slave labour. Surely those are displaced persons of the first order. I would strongly recommend to the government that Germans of that type be classified as displaced persons, and be permitted to come to this country.

Some time ago I received a letter from a 22-year-old German lad in England whom I had previously met at Regan, Ontario. At the outbreak of the war he was a boy of fifteen,

with no political views. While in Canada he gave entire satisfaction to the farmers who employed him in western Canada and to the lumber camps in Ontario where he worked. He liked farm work and lumbering, and wanted permission to come to this country. I could guarantee work to several boys of that type, and this country ought to give permission to bring them here.

I agree entirely with the remarks of the honourable senator from Churchill (Hon. Mr. Crerar). For forty years I have lived in a community settled entirely by Poles and Ukrainians. They had no money to start with but timber was available and they built their own houses. Perhaps their first houses were without floors, but today they have beautiful homes and many of their descendants have gone to universities. They have paid their way one hundred per cent. The honour roll of our country shows that many of the boys rendered valiant service during the war.

May I point out that we have not today the same privilege of training men and families that we had in days gone by. Opportunities are available, but development is retarded by dependence on someone else. Today we have the baby bonus, and of course my honourable friend suggests that we bring whole families here. In the days I speak of we depended on a man's work, and did not think that the government was responsible for taking care of him. We believed that the building of his home and his general advancement depended entirely on a man's own efforts. I know of men today with three or four children who are sitting down spending the baby bonus instead of getting out and hustling. I say that is a handicap.

The Committee on Immigration had before it a number of people who talked about the standard of living and the country's capacity to absorb immigrants. I asked several witnesses what they meant by standard of living, and how they could force a man to maintain a certain standard of living and still permit him to retain his freedom? I was never able to get a satisfactory answer to that question. My own belief is that an individual in order to maintain his freedom, must learn from his own mistakes and be rewarded by his own industry.

I grew up under conditions that might have got my parents into a lot of trouble. Perhaps I should not have been allowed to go in my bare feet, and that sort of thing. While talking recently with a successful and well-to-do lawyer in western Canada he said that he was from the Ottawa valley. He remarked how nice it felt when the frost was on the ground

in the morning to jump from spot to spot where the cows had lain and warmed the ground at night.

I submit that the best people are not those who have everything handed to them; they are the people who must work to succeed. I believe there are a million people who could come here and make a living, and who would add greatly to the wealth of this country.

Hon. CAIRINE R. WILSON: Honourable senators, as you all know, I have for many years been struggling against rules which prevent certain people coming to this country. I am now gratified that some relaxation has recently taken place, although it is very slight in view of the tremendous suffering of people in Europe whom we could secure as immigrants.

I have here some interesting figures which I should like to place on the record. They relate to the applications of various firms to have people come to this country. The information was given in reply to a question of Mr. MacInnis in the House of Commons. The question and the answer is as follows:

Sessional Paper No. 67-N

Thursday, July 10, 1947

Mover: Mr. MacInnis, M.P.

Question:—

1. Have any Canadian industries made application since January 1, 1946, to the government for permission to bring to Canada persons from the displaced persons' camps in Europe?

2. If so (a) what are the names of such industries; (b) how many persons were asked for in each case?

3. Have any permits been granted to such industries; if so, to whom?

4. Have any representatives of industrialists received permits from any department of government to visit displaced persons camps for the purpose of selecting such immigrants?

5. If so, who are they?

6. Have any contracts covering wages and working conditions been submitted to the government in connection with such applications?

The attached information has been received by the Secretary of State of Canada from the Department of Mines and Resources.

Answer of Department of Mines and Resources

1. Yes.

2. (a) Canadian Lumber Industries on behalf of:

1. Abitibi Pulp and Paper Company (b) 500.

2. Spruce Falls Power and Paper Company (b), 600.

3. Grant Lakes Paper Company Limited (b), 400.

4. Brompton Pulp and Paper Company (b), 400.

5. Driftwood Band and Timber Company (b), 50.

6. Gillies Brothers and Company (b), 70.

7. Hammersmill Paper Company (b), 25.

8. Kalamazoo Vegetable Parchment Company (b), 150.

9. Pembroke Shook Mills Limited, 50.

10. Staniforth Lumber Company, 25.

11. A. E. Wicks Lumber Company, 150

12. Kormac Lumber Company, 50.
 13. Nipigon Lake Timber Company, 150.
 14. Pigeon Timber Company Limited, 300.
 15. Mountjoy Timber Company Limited, 40.
 (a) Alberta Forest Products Association, 1,500 to 2,000.
 (a) Nick Kurian, Elmo, Manitoba, 57.
 (a) Harold Capp, Little Current, Ontario, 15.
 (a) John Macjan, New Glasgow, N.S., 38.
 (a) Dionne Spinning Mill Company, 100.
 (a) Atlas Coal Company, Calgary, Alberta, no specific number.
 (a) W. Benton Evans, Rockwell, N.B., no specific number.
 (a) Canadian Research Institute of Launderers & Cleaners, 400 to 500.
 (a) Circle Bar Knitting Company, 50.
 (a) Lingman Gold Mines Limited, 20.
 (a) Great West Felt Company, 15 to 20.
 (a) Hayward Lumber Company (cabinet makers), 6 to 8.
 (a) Superior Converters Limited, 50 to 75.
 (a) Canada Cabinets and Furniture Limited, 10.
 (a) John Duff and Sons, Limited, 25.
 (a) Essex Packers Limited, 30.
 (a) L. W. Freeman Company, 25.
 (a) Canadian Terrazzo and Mosaic Workers Association, 73.
 (a) DeSpirit Marble and Mosaic Company, 10.
 (a) Clothing Industries of Canada, undetermined.
 (a) Manitoba Sugar Company
 (a) Canadian Sugar Factories
 (a) Canada and Dominion Sugar Company
 (These three companies are not obtaining help under the bulk labour movement, but their requirements are being met by applications submitted by individual farmers in the respective sugar beet districts for relatives or friends, with the company guaranteeing employment. Such applications are investigated individually, and when approved, sent on to our European offices for immediate attention.)
 3 Yes; Dionne Spinning Mill Company Lumber Industries.
 4. and 5. Yes.
 (a) Mr. L. Dionne, M.P.
 (b) Andrew Opaski, Guy A. Kingston, Emile Tarnowsky, representing Canadian Lumber Industries.
 6. Yes; from Dionne Spinning Mill Company; Canadian Lumber Industries of Canada (the details of this latter contract have not yet been completed).

I was pleased that the last speaker alluded to the movement of displaced persons. Only last week I read that there are now 12 million of these expellees, people whose only fault was that a little German blood had been introduced into the veins of their ancestors seven hundred years ago. For that reason they have been forced to flee from Yugoslavia and other countries rather than be deported for slave labour.

Hon. JAMES MURDOCK: Honourable senators, I would not be playing fair if I did not say that the report on immigration standing in my name and now before this house is

largely the result of the careful thought and work given it by the distinguished senator from Toronto-Trinity (Hon. Mr. Roebuck). More than anyone else, my honourable friend is responsible for what the Immigration Committee was able to do both last year and this year.

Some of us are convinced that already the activities of that committee are showing favourable results. I hope that we may continue the good work next year.

Hon. CYRILLE VAILLANCOURT: Honourable senators, the problem of immigration is one not only of bringing people here, but of assimilating them. I read the following article in the *Montreal Standard* of June 12:

For instance, the United States government reports that more than 18,000 native-born Canadians crossed the border as immigrants between July 1, 1945 and June 30, 1946.

Figures for the year just ended are not yet available, but a recent United States government estimate said that more than 30,000 native-born Canadians would have emigrated to the United States by June 30.

Moreover, native-born Canadians represent only about 75 per cent of the people admitted to the United States as immigrants from Canada. The rest are foreign-born residents of Canada, many of whom have used this country as a stopping-off place while awaiting their chances to get into the United States under the American quotas for their countries of origin.

And to top it off, these figures still do not include the thousands of people who enter the United States from Canada illegally every year.

But just consider, for the moment, the emigration of native-born Canadians. From July 1, 1945, to June 30, 1947—just two years—48,000 went to the United States to live.

But in a period which was three months longer, from January 1, 1945, to March 31, 1947, just over 45,000 people, exclusive of war brides and returning Canadians, came to Canada from other nations of the world.

In other words, we lost 3,000 more people to the United States alone than our total immigration from the rest of the world.

I think that indicates another matter which our committee might investigate next session.

Hon. Mr. ROBERTSON: Honourable senators, before the question is put I should like to join with others in extending felicitations and thanks and an expression of appreciation to the honourable senator from Parkdale (Hon. Mr. Murdock), as chairman of the committee, and the other members of the committee, particularly the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I must confess as a member of that committee that it was not my good fortune or privilege to attend its sessions very regularly, but my absence was not the result of any lack of interest. I feel, in regard to this and other committees, standing and special, which have reported to the Senate and through us to the country, that

they have rendered a very great service. They have every reason to be proud of their work and to be encouraged to similar activities in future, because there is, in my opinion, a growing appreciation of the value of the services they have performed, and it is very noticeable how much comment has appeared this year in the press on the reports of this and other committees. I believe that the public response to their activities should encourage honourable senators to continue their work at the next session, and thereby assist in the development of public opinion. There remain some very great and important issues to which I would like to see the attention of the appropriate committees directed with the same energy, the same skill and the same faithfulness as has characterized the efforts of this and other committees which have rendered such excellent service.

The motion for the adoption of the report was agreed to, on division.

ROYAL STYLE AND TITLES BILL

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of Bill 449, an Act to provide for the Alteration of His Majesty's Royal Style and Titles.

He said: Honourable senators, the purpose of this bill is to delete the words "Indae Imperator" and "Emperor of India" from the style and title of His Majesty. As honourable senators are aware, a bill for the setting up in India of two independent members of the commonwealth, India and Pakistan, is now before the parliament of the United Kingdom and when this bill becomes effective the title of Emperor of India, which was added in 1877, will no longer be appropriate. In accordance with the recitals in the preamble to the Statute of Westminster, an alteration in the royal style and titles requires legislative action by each of the commonwealth parliaments, and for this reason the bill is being introduced into the parliament of Canada.

This bill, honourable senators, is relatively formal; yet I cannot but feel that the occasion is an historic one. Here we have a great development in the constitutional life of the commonwealth. To the accompaniment of what we may deem the smallest possible amount of trouble under the circumstances, three to four hundred millions of people are being given the same rights which we in Canada fought for in the past and now enjoy. As an evidence of the peculiar position we hold, we legislate as of right on the style and title of His Majesty. I believe that ours is

the first dominion that has taken this action; and for my part I welcome the fact and, in no mood of presumption, wish the new dominions every success. I have, indeed, no doubt of their success. The principle which has been followed by the United Kingdom in this regard is one of the great characteristics of British government; and whenever it has been invoked it has never failed to strike a responsive chord in the hearts of free men.

The motion was agreed to.

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. ROBERTSON: Now.

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

DOMINION-PROVINCIAL TAX RENTAL AGREEMENTS BILL

SECOND READING

The Senate resumed from Friday, July 11, the adjourned debate on the motion of Honourable Mr. Farris for the second reading of Bill 411, an Act to authorize the government of Canada to enter into agreements with the governments of the provinces pursuant to which, in return for compensation, the provinces agree to refrain from levying certain taxes for a limited period.

Hon. JOHN T. HAIG: Honourable members, this is a very important matter. Confederation was brought about through the difficulties experienced by the government of Canada of that day and brought about by a deadlock between Upper and Lower Canada. In both provinces opposing political elements were about equal in strength, the result being that the government would be in power for a year or six months, and then out it would go and a new one would come in. Finally the different political parties decided that the only hope of solution lay in a confederation.

I shall not trace the history of Confederation in detail. The four original provinces were Upper Canada, Lower Canada, New Brunswick and Nova Scotia. Subsequently these provinces were known as Ontario, Quebec, Nova Scotia and New Brunswick. After a great deal of negotiation among them a compact now known as the British North America Act was agreed upon and passed. There is no doubt in my mind that without the special terms contained in the British North America Act, the provinces never would have formed a union. For instance, I doubt that the Maritime Provinces would ever have come into confederation if provision for the Senate had not been incorpor-

ated in the act. I also doubt that Lower Canada, now known as Quebec, would have come under the articles of the union if it were not for the provisions in the act.

One has only to read the history of those times to realize what a problem it was to get these four provinces to form a union. The difficulties with regard to other provinces joining the union were not so great. Prince Edward Island, Manitoba, and British Columbia came into confederation a short time after 1867 and in 1905 the provinces of Saskatchewan and Alberta were incorporated into the union.

The minute the Dominion Government interferes with the fundamental understanding behind confederation, an inclination or trend is started in our country, and there is no use trying to avoid it.

Certain political parties have suggested that the Senate be abolished. If that were done none of us here would be affected, because whatever system was adopted we would be taken care of individually. Therefore I think we can speak on this matter without personal interest. I cannot imagine the Maritime Provinces ever agreeing to the abolition of the Senate. I say this because the Maritimes have one-fourth of the representation in the Senate, while in the House of Commons as it is now constituted, they have very little over a tenth—twenty-seven members out of a total of 265. I cannot see how the people of that part of Canada would ever agree to any change. To a lesser extent the same argument applies to the province of Quebec. I could understand Ontario and Quebec combining if they shared similar political views, because they would then have a majority in the other place and there would be little fear of their ever losing that majority. I can also understand how Ontario and the Western Provinces might combine and agree to the abolition of the Senate, because then they might always have a majority in the elected body. That would certainly be a possibility because in the other place there are some eighty Ontario members and seventy odd members from Western Canada, making a total of 150 representatives in a house of 255 members. That is the fundamental issue that is involved in this problem. When, owing to the "dark thirties", the question of the Canadian standard of living came up for discussion, some provincial governments urged the federal government to appoint a commission to investigate the problem. As a result, the Rowell-Sirois Commission was appointed, and this commission subsequently submitted a report to the effect that fiscal need should be the

basis of the part played by the dominion in dealing with the provinces. At that time the estimated fiscal need was \$40,000,000.

The dominion government, quite properly, called a meeting, and when three provinces refused to co-operate, negotiations broke down. Then the war came along and during that period certain taxing powers principally with respect to income and corporation taxes, were transferred to the federal government.

Let me deal for a moment with the result of that action. Under the wartime tax agreements the Dominion Government had to pay to the provinces \$117,000,000 in round figures. That amount was paid in lieu of the taxing powers that were taken over. The agreements provide that the Dominion Government can tax directly or indirectly as they see fit. That the Dominion Government can do that is clear under the statute. But the provinces themselves must have direct taxation, and ever since confederation certain fields of taxation have been left to them. It has been said—I heard it said when the committee was meeting—that the Dominion Government did not have to stay outside the smaller taxation fields such as those of electricity, *pari mutuels*, successibn duties and so on. That is true, but it has always been an unwritten law that the federal government would leave those fields to the provinces. However, owing to war emergency the Dominion Government entered into those tax fields, and now they do not want to get out.

During other sessions the Prime Minister has said that the right of taxation should belong to the people who spend the money. That means that if some outside authority has to tax to get the money, and Manitoba, for instance, spends it, there will be an inclination to spend the money much more freely. That is human nature in the individual, and it is human nature in municipal, provincial and dominion governments. It has always been so.

I shall return now to the figures. Forty million dollars was the estimate of the fiscal need according to the Rowell-Sirois report. During the war period the estimate was 117 million dollars, and in 1945 the government came forward with new proposals under which the estimate was 138 million dollars. Under the 1946 proposals the government gave the provinces 198 million dollars, and now this new legislation contemplates payment of 228 million. I make the prophecy that if this agreement is accepted by all the provinces, 228 million dollars will be the smallest sum the Dominion Government will ever pay. In fact, there are many within the sound of my voice who will see that amount doubled.

Once somebody starts to collect the money and somebody else spends it, the spending is very free. That is the history of such an operation.

The progressive figures show that the government paid 40 million dollars under the Rowell-Sirois report; 117 million under the wartime tax agreements; 138 million under the 1945 proposals, and 198 million under the 1946 proposals. Now it contemplates paying 228 million dollars.

It must be remembered that there has been practically no increase in the population of this country and that there is now a demand for a great reduction in taxation. With the exception of British Columbia, no provincial government in Canada could refuse to accept the offer of the dominion. I believe that by accepting that offer the province of Manitoba is \$5,000,000 ahead of what it could get by taxation at the same rates as those now being collected by the dominion.

I think that under this agreement my province will get \$5,000,000 more than it could collect by taxation at the same rates as imposed by the dominion government; and I presume Saskatchewan is twice or perhaps three times better off under this agreement than it otherwise would be. British Columbia is in a different position: it probably makes an even break; but all the rest of the provinces that have entered into the agreement are have-not provinces. I do not believe that any system which taxes one part of the country and turns the money over to another part can remain in existence long. It may be good politics to support these agreements because under them six of the seven provinces will get more money than they could collect in taxation. But I believe that ultimately the two provinces which are paying the piper and which can control the other house will not tolerate the system. I am as sure as I am standing here that unless the system is changed and the two great provinces co-operate, it will ultimately become impossible to carry out the agreements.

The government is throwing down the gauntlet to the people of Canada. It is inevitable that the agreements will be criticized in the two largest provinces, where there already is a strong challenge to centralize taxation. The honourable member from Vancouver South (Hon. Mr. Farris) admitted the other day—perhaps not in so many words, but in effect—that unless Ontario and Quebec were satisfied to enter into agreements, the federal government would have to watch the political consequences of its agreements with the other provinces.

I believe that the government should have kept trying to bring about a conference of all

the provinces. It was stated that when the last conference was held here the premier of Quebec walked out, claiming that he had other business to do, and did not return. But he would not have dared to do that had he not known that his people were behind him in his opposition to the government's proposals. I do not know the premier at all—I do not think I ever met him—but it is elementary that he would not have acted as he did unless he felt confident that the people of Quebec did not approve of the way the conference was being conducted. It is said that the premier of Ontario does not want a meeting, but he himself says that he does. You may say he does not mean that. I do not know whether he does or not, but I certainly would see that he had a chance of showing what he means. I would call a meeting and give him the option of attending or refusing to attend. I listened every day to the discussions at the 1946 conference, and I say candidly that I do not know why it broke down.

Coming from the province of Manitoba as I do, I would be misunderstood in that province if I did not vote for this bill, but I am as sure as I am standing here that the agreement which Manitoba has made will ultimately be a bad thing for the province. Just now we have a very careful provincial treasurer and I have not the least fear that he will be careless with the \$5,000,000 extra revenue under the agreement. But some day we may have an extravagant government there and the province may find itself back in the same position as before the agreement was made. But no one need tell me what the Saskatchewan government will do with its extra revenue. It will pay all the money out and clamour for more. The federal representatives from that province will be told, "Unless you get us more money, we will throw you out." If I were conducting an election campaign in Saskatchewan I would take the same attitude towards the amount payable to the province under the agreement as the C.C.F. members took in the other house with regard to the proposal to increase old age pensions to \$30 a month. They said the amount should be increased to \$50. Well, if I were running against a government supporter in a Saskatchewan constituency, I would say: "Under the agreement with the province the federal government pays a little over fifteen million dollars yearly. If you elect me I will see that the payment is increased to twenty millions." You may think that people would not listen to that argument, but it is only natural that they should. The increased payment would not take any money out of their jeans. They would know that Ontario and Quebec would have to pay the piper.

One of the most unfortunate features of these agreements is that within a few years they will inevitably lead to bidding campaigns by various provinces against one another. What happened while this deal was being made? Manitoba came here and made a bargain. Saskatchewan and Alberta did the same. Then along came British Columbia, which got better terms than the others did. The original agreement with Manitoba provided for revision in case any other provinces made better terms with the dominion, and so there had to be further bargaining. That was a form of bidding by one province against another. The bill provides that if Ontario makes an agreement it will be entitled to a minimum payment of \$67,158,027; and if Quebec makes an agreement it will get \$56,382,127. Well, if I were opposing a government supporter in Quebec I would say: "Why should Ontario get 67 million dollars, when we get only 56 millions? Why should these two great provinces not be treated on the same basis? Why should Quebec be discriminated against to the extent of 11 million dollars?"

Hon. Mr. NICOL: The payments are based on population.

Hon. Mr. HAIG: I know that, but there are other factors besides population that could be considered. For instance, it could be contended that the larger number of children per family in Quebec makes it necessary to have more money for educational purposes in that province than in Ontario.

Ordinarily if I were running an election campaign in Manitoba and advocated the doing of certain things that would cost a lot of money the people would ask me, "Where are you going to get the money?" I would say, "If you elect me I will tax you in order to get enough money to do these things that I say should be done." They might reply, "We do not want you." But the whole situation is changed by the agreement, and now a campaigner who advocates large expenditures can say, "We are going to tax those rich plutocrats who live in the province of Quebec, particularly in the city of Montreal. . . ."

Some Hon. SENATORS: Hear, hear.

Hon. Mr. HAIG: . . . and those plutocrats who live in Toronto.

What I am going to say next may not be good politics. I think that if we are to have unity in Canada all the provinces must be consulted and all must participate in any agreements with the Dominion, so that a situation such as now faces us will not be allowed to develop again. I do not care whether my

province differs with me or not on that stand. I think that only through co-operation of all the provinces with the Dominion shall we be able to carry out these agreements successfully.

Hon. Mr. MURDOCK: May I ask the honourable gentleman a question? Does he still adhere to the prophecy he made the other day?

Hon. Mr. HAIG: Yes, I certainly do. And this will be one of the issues.

Hon. Mr. LAMBERT: May I ask the honourable leader opposite (Hon. Mr. Haig) a question? Does he consider that from the points of view of geography and economics the provinces of Ontario and Quebec are the real beneficiaries of Confederation?

Hon. Mr. HAIG: They probably are. But, you know, the farmer who lives a quarter-mile from town thinks he should not pay higher taxes than the man whose farm is five miles away. Ontario benefits from its geographical position, and so does Quebec. I presume my honourable friend has in mind the fact that but for protective tariffs, certain goods that are manufactured in this country would be brought in from the United States.

I may be quite wrong, but it is my opinion that 147 members of parliament will not give way to 108 members. It is said that Ontario and Quebec are miles apart, but on a question like this they are by no means apart.

I have said that in my own province the present proposals would be difficult to carry out because they require the taxing of one group of people to keep another group. The Sirois report hit the nail on the head when it said that the fiscal need should be the standard. No other commission ever appointed served Canada as well as that commission. A distinguished gentleman from my own city, who has since passed on, gave most outstanding service as one of its members.

The amount estimated by the commission for the fiscal need was 40 million dollars. I think that recommendation could have been carried out had it not been for the war. The wartime tax agreements of 117 million dollars whetted the appetites of the smaller provinces, and the federal government by the 1945 proposals jumped the amount to 138 million dollars.

Hon. Mr. LAMBERT: Would my honourable friend agree that the purpose of the suggestion in the Rowell-Sirois Report was to create as far as possible an equitable foundation under all the provinces by a redistribution of the wealth of the dominion?

Hon. Mr. HAIG: The words used were "fiscal need" and on that basis the report was made.

Hon. Mr. LAMBERT: It involved a redistribution.

Hon. Mr. HAIG: After a very exhaustive examination the commission recommended that the provinces be paid 40 million dollars. I do not know what prompted it to make that finding, but I could pass on a number of reasons given by other people as to why the recommendation should not be adopted. Even the province of Nova Scotia, which accepted the agreement, is now kicking about it.

As to succession duties, I think it a terrible thing that the Dominion Government should step into that field. The dominion has no right as compared with the provinces to collect succession duties. I say candidly that it is done with a view to catching income tax evasions. In an application under the Succession Duties Act, the very first thing one is confronted with is a question as to income. I believe that estates are naturally within provincial jurisdiction.

In conclusion I wish to say that I heartily support the demands—and I use the word advisedly—of the Premier of Ontario and the Premier of Quebec, that a conference should be called again, and that it should continue until some satisfactory arrangement is reached. I hope that the ills which I have attempted to portray will not flow from an agreement reached in that way.

Hon. JACOB NICOL: Honourable senators, I had no thought that I would have anything to say on this bill. For two years I have been trying to familiarize myself with the fiscal laws of this country, and with respect to the bill now before us. It deals in figures of a magnitude that no one would have dreamed of a few years ago.

Canada became involved in large figures through her financing during the war years. As to war expenses, I repeat what I said to the honourable Minister of Finance when he came to Sherbrooke: "Since we are now raising money for war purposes you may ask for any amount you need." We wanted to win the war and we were prepared to pay the cost. We paid the taxes then for war purposes, but did not dream that after the war was over and victory was won this country would continue to be taxed as it was when the war was on. The budget figures for the dominion and the provinces, showing the amount the people of Canada are obliged to pay, are staggering.

As a student in Quebec I was secretary to the Provincial Treasurer of those days, and I well remember that the budget for 1902

reached the huge figure of five million dollars. I well recall the treasurer calling me in and saying: "Nicol, imagine the revenue of this province being five million dollars." That was the first time it had reached that figure.

In 1921 it was my privilege to become Provincial Treasurer for Quebec, and I placed my first budget before the house in 1922 in the amount of \$21 million dollars. That was the highest figure reached up to that date, and in that year the liquor commission brought in five million dollars. The budget of my province never exceeded 16 million dollars during the term of office of Sir Lomer Gouin, and he was regarded as a great premier who did wonderful things for the province. At the end of my term of eight years as Provincial Treasurer the budget was 30 million dollars, with a surplus in excess of five million dollars.

Does anyone believe that the people of this country have become so rich that they can afford to pay such amounts as the federal and provincial budgets require? Yet the spending by the dominion and the provinces goes on. This year the budget for Quebec will be 150 million dollars and for Ontario it will be more than 200 million dollars. Have the people of my province become so prosperous that in 1947 they can pay four times the amount of taxes they paid in 1930? I do not believe they can.

In my opinion the cost for both federal and provincial administration, as it effects the welfare of the people, has reached a danger point. I believe that those in authority should make an honest study of the situation and try to bring some relief to the ordinary working people, who after all have to pay the taxes.

The honourable senator from Churchill (Hon. Mr. Crerar) recently said, in speaking on another bill, that money was created by work and that no money was acquired except by sacrifice; that for every dollar collected by the federal and provincial authorities somebody sweated and worked. If that principle were kept in mind I think we would be more careful when called upon to vote millions of dollars of expenditures.

As to the bill now before us, my sympathies are somewhat divided. It was my privilege to serve my province in the provincial house for over twenty-five years. My mentality has been tinged somewhat by the provincial situation. It was my privilege to serve under such men as Sir Lomer Gouin, who was well known as one who believed in provincial rights. Later it was my privilege to serve under the Honourable Mr. Taschereau, who, as everybody knows, believed in the province of Quebec "sitting tight" on

the British North America Act and keeping every privilege and right granted through that Act to his province. Having served under those men, and having maintained that position, it is hard for me to come to the conclusion that the country needs now what we are asking the provinces to give. It is hard for me, knowing the province of Quebec as I do, to say that the province of Quebec at this stage of the development of Canada should put everything—its aspirations, its hopes, its ambition—in the background, look solely to the future of Canada and say, "We sacrifice what we think is the welfare of the province of Quebec to make a prosperous and united Canada."

I am not ready yet to say that. It is my belief that, but for war and the extension of wartime taxation into times of peace, the province of Quebec would have developed into the richest and largest province of the Dominion. The province of Quebec has been endowed by nature with wealth which it has not been possible for it yet adequately to develop, and now that the time has come when by legislation it can carry on what it had hoped to carry on, the central government says, "Stop, restrain your ambition for a while, and come and help to develop the provinces which the leader of the opposition has mentioned, and which may be in need."

Do not forget that half the water powers of this country lie in the province of Quebec. Do not forget that what thus far has been somewhat of a handicap in the development of the province—its north country, covered with snow and with forests—has become a source of great wealth. The waters which roll down from the north to the St. Lawrence are rolling in July and August; there is no dry season in that part of the province. And now, when the wealth of this country consists of "white power", electricity; when the industries of the world and of America in particular have to come to the province of Quebec if they want to get cheap power; now, when the coal resources are being exhausted and other sources of energy are becoming more and more limited, the province of Quebec is asked to relinquish certain fields of taxation, and to forgo certain revenues which could have been used to help the development of those natural resources. Quebec, because of its great potential wealth and the character of its people and its institutions is destined to become the richest and most populous of all the Canadian provinces. I do not like to pass a law which will make the province of Quebec, as far as its revenues are concerned, a subsidiary of another government.

I am not opposing the bill. I have not the vision to say whether this bill is absolutely necessary. I would have liked to see it held over. I would have preferred to have the people of Quebec given more time to go into this question, probably one of the most intricate and most difficult which has ever come before the parliament of Canada.

As the leader of the opposition has pointed out, confederation created much anxiety in Canada. The arguments and discussions which culminated in the act of confederation lasted several years. We found the solution. I believe that the present standing of Canada, the present situation of the dominion, should occasion in us more anxiety than our forefathers experienced when they brought about confederation. Let us make no mistake about it, Canada is now facing a divided path. Rightly or wrongly, certain provinces have been given money. They want more. Only two provinces can provide it. Others will contribute as much as they can, but the main burden will fall upon two provinces. Do you not think that under those circumstances it might be well to discuss the subject fully with these provinces, to bring them around a table to hear arguments for and against, and to proceed in a spirit of conciliation and comprehension, because we know that they cannot be forced into a deal if they believe it, even wrongly, to be unfair, unjust, or unnecessary.

I thought when this legislation was first proposed that it might directly affect in a financial way the province of Quebec. We were told that Quebec would have to accept it because it needed the 56 million dollars; but even in the short time since these proposals were made, events have proven that Quebec does not need this money. It is now raising more money than, in my belief, it is healthy for the province to have. If I had anything to say regarding the administration of the province of Quebec, if I were a partisan of the present Prime Minister, I would urge him not to raise so large a revenue, for the province does not need to spend 150 million dollars a year. It is not fair to ask a taxpayer, even a willing one, to contribute more than he should to the treasury. The people of this country have shown their patriotism. Quebec, which is sometimes criticized, came forward and did its duty. We called upon the people to pay money for a particular purpose, and from one end of Canada to the other they have paid it. We should now give them a respite. Do you not think it might be well to take a rest and say to these willing taxpayers, "You have done your duty. Keep some of your money now"? While I do not wish to criticize, I feel that I

cannot vote for this bill without first expressing my opinion. I did not express it at Quebec because I was not called upon to do so, but if I had I should probably have said what I am saying now. I wish to be brief, and will not cover all the discussions that have taken place in regard to this matter, but I do say that the passing of this bill would give too much money to the people of the province of Quebec.

Hon. Mr. CRERAR: I move the adjournment of the debate.

The motion of Hon. Mr. Crerar was agreed to.

At 6 o'clock the Senate took recess.

At 8 o'clock the sitting was resumed.

Hon. Mr. ROBERTSON: Honourable senators, I am advised that the adjournment of the debate by the honourable senator from Churchill (Hon. Mr. Crerar) before we rose at six o'clock makes it technically impossible for him to proceed now without consent of the house. I am to blame for having suggested to my honourable friend that he adjourn the debate. I think the correct procedure would have been for him to have begun his remarks and for His Honour the Speaker to have called it six o'clock and left the chair. In the circumstances I feel that unanimous consent will be given to my honourable friend.

The Hon. the SPEAKER: Has the honourable gentleman from Churchill (Hon. Mr. Crerar) consent to proceed?

Hon. Mr. HAIG: I have no objection.

The Hon. the SPEAKER: With consent, the honourable gentleman may proceed.

Hon. T. A. CRERAR: Honourable senators, I hope that some day I shall thoroughly master the rules of this house.

Hon. Mr. ROBERTSON: I hope that I may, too.

Hon. Mr. CRERAR: The bill we are considering is in my judgment one of the most important measures that the house has had before it during the present session. Eighty years ago the confederation of the then existing Canadian provinces was brought about, under conditions vastly different from those of today. The main occupations of Canadians at that time were fishing, lumbering and agriculture. The manufacturing industries which in later years have grown to such large proportions were then insignificant, serving only the needs of local

communities. Eleven years after Confederation was achieved, a very important departure was made in the trade policies of the dominion. I am not here to criticize it or to pass an opinion one way or another, but there is no question that the introduction of a protective tariff in our fiscal policies had profound effects on the development of Canada. The centres of population were then largely in Ontario and Quebec, and one effect of this new policy was to accentuate and increase a development which normally would perhaps have occurred in some measure. I think that the Maritime provinces rested under a sense of grievance because of that policy, and that certainly became apparent with the development of the prairie provinces in the late years of the last century and the early years of the present one.

We passed through that period, with our political battles ranging around tariff issues and development policies such as that having to do with the building of railways. We came on down to the war of 1914-18 and we survived very well the dislocations brought about by that war. Following that, as almost always happens after great wars, there was what was known as a boom. Values of almost everything went to high levels until, as also inevitably happens, the boom collapsed, bringing about wide-spread unemployment. During the depression years the country suffered another handicap through the worst drought in the history of the prairie provinces. The great burden of relief that had to be carried by those provinces and the Maritime provinces as well led to discussions as to whether or not it would be possible to find a way of overcoming such serious dislocations from depressions or at any rate of greatly mitigating them.

With that objective in view, in August 1937, the government of the time set up what was known first as the Rowell commission and later, following the illness that overtook Mr. Chief Justice Rowell during the course of the inquiry, as the Sirois commission. The purpose the government had in mind in setting up the commission was if possible to find a better balance and a better equity as between the various provinces. I can say with certainty that it was no part of the commission's mandate to disturb the existing powers of the provinces and the federal authority as defined in our constitution. After an extended inquiry that covered all parts of the dominion, and the receipt of representations from the various provinces, boards of trade and other organizations right across Canada, the commission brought in its report in 1940.

The commission found that under the existing economic set-up in Canada wealth tended inevitably to move to the central provinces. It is not difficult to understand the reason why this was so. Business concerns and financial institutions, almost without exception, have their head offices in either Ontario or western Quebec. The great banks, with branches scattered throughout the various provinces, do business all over Canada; but they have their head offices in the East. Big industrial concerns such as the implement manufacturing companies and other manufacturing concerns invariably have their head offices either in the city of Toronto or some other Ontario city, or in Montreal or some other Quebec city.

Hon. Mr. NICOL: Or in Sherbrooke.

Hon. Mr. CRERAR: The vast transportation companies also have their headquarters in eastern Canada, and the highly paid officials of these corporations and banks are located at their head offices.

The final result is that the provinces of Ontario and Quebec have, in addition to the corporations and companies, a large population of income tax payers to draw upon. In that way there has been a serious drain upon the other provinces, which contributed very largely to the business success of these financial institutions and manufacturing concerns but receive little from them in taxes.

The Sirois Commission found the situation as I have stated it to be. It made suggestions which, in the judgment of the commission, would correct to some degree at least what was regarded as a condition of unbalance and inequity.

Hon. Mr. HORNER: My honourable friend should include insurance companies.

Hon. Mr. CRERAR: Yes, of course. With the exception of the head office of one large insurance company in the city of Winnipeg, nearly all have been located in Quebec or Ontario.

The Sirois Commission in its report made several recommendations. I am not going to burden the house tonight with all of them, but I wish to refer briefly to four: First—a very important recommendation—that the dominion should have exclusive authority to raise revenue from income tax, corporation tax and succession duties; second, that the dominion should accept responsibility for the relief of the employable unemployed; third, that the dominion government assume the net provincial debt charges; fourth—and this also is important—that payments to be known as national adjustment grants on the basis

of a fiscal need be fixed periodically by a board on which the provinces would be represented. That simply meant that the dominion government would assume the responsibility for employable unemployed, thus ensuring uniformity of treatment for this problem from Halifax to Vancouver; that the giving of the corporation tax, personal income tax and succession duties to the federal government would bring about a uniformity of the tax burden across the country. The commission found that we had varying scales of income tax in the various provinces on both corporation profits and personal incomes. The same was true of succession duties.

These essential recommendations of the commission were widely approved in the press throughout Canada; a good deal of discussion took place, and the recommendations were widely supported throughout the whole dominion.

The work of the commission was then over. It had done its job, and I venture to say that in our eighty years of history there has been no more important state paper than the report of this commission. But what was to be made of it? Were these recommendations to be implemented, or were they to disappear into the limbo of forgotten things?

The government of that time, of which I was a member, thought that the report of the commission was sound and constructive, and in January 1941 a conference with the provinces was called, to take place in this city. Honourable senators are familiar with the results of that conference. I think it is fair to say that six of the provinces were in general agreement with the recommendations of the commission; three—Ontario, British Columbia and Alberta—would have nothing to do with it. I have always felt that considerations which were not disclosed may have entered into the decision made by each of these three provinces. It was apparent that there was no hope of reaching an agreement on the recommendations of the commission, and for the time being the matter was dropped.

But in April, 1941, when the budget was brought down to the House of Commons, it contained a provision for bringing into effect new agreements with the provinces for the duration of the war and one year thereafter. Under these agreements the federal government was to have exclusive use of corporation and personal income taxes and, also, as I recall, succession duties.

Hon. Mr. HAIG: No.

Hon. Mr. CRERAR: I believe my honourable friend is right; succession duties were out. In return, the provinces were to secure by way of grants from the federal government practi-

cally the amount of revenue which each had collected through these taxes in the year 1940 or the year 1941, I have forgotten which.

In 1945 the Dominion Government submitted new proposals to the provinces. These proposals were not based on the recommendations of the Sirois report. Personally I have always regretted that the Dominion Government at that time did not make at least one more serious effort to have the Sirois Commission's recommendations adopted. However, a different line was taken, and the taking of that line has led us to the position where we are considering a bill to ratify the agreements which the dominion has made with all but two of the provinces.

Hon. Mr. NICOL: May I be allowed a question? I have always understood that in the 1941 conference three provinces were for the agreement, three were against, and three did not commit themselves. I understood the honourable senator from Churchill (Hon. Mr. Crerar) to say that six provinces agreed.

Hon. Mr. CRERAR: Three provinces disagreed, and there were six who, in varying degrees, were in agreement with the recommendation of the commission. The new proposals were dealt with this afternoon by the leader of the opposition, and I do not need to retrace the ground he has covered. Briefly, as a result of various conferences, and also of the proposals made by the Minister of Finance a year ago, a new arrangement has been reached. But in the making of this new arrangement the principle of fiscal need of the provinces as recommended by the Sirois Commission has been abandoned; and today, if all the provinces were to accept the proposal, the amount of the grants to be paid by the federal government on the basis of national production this year, would be approximately 228 million dollars. A feature of the agreements is a fixed minimum of payments, amounting in the aggregate to 206 million dollars for all the provinces. The formula of national production as related to population is then brought into play; and on the basis of our national production for 1947, which figure I shall give in a moment, the payments will reach a total, as I have stated, of 228 millions of dollars.

Speaking to this resolution in the House of Commons the other day, the Minister of Finance presented, I think, a rather too rosy picture of the benefits which would flow to Canada if all the provinces came into this agreement. With your permission, I will read a paragraph from his speech. He said:

The purpose of the dominion in preparing these proposals was to endeavour to work out with the provinces a co-ordinated programme by

which the dominion and provincial governments could most effectively work together to maintain high and expanding levels of employment and national income such as had been attained in wartime, to provide a wide measure of economic and social security, and finally to give the Canadian people a less burdensome, more efficient tax system, which indeed was a prerequisite for attaining the other objectives.

Let me say at once that there is no question of the advantage of having one taxation authority so far as corporation taxes, personal income taxes and succession duties are concerned. But I cannot agree that if the provinces—I mean all the provinces—accept this proposal, all these other benefits will follow; and I would like to discuss that point for a moment or two. The total amount received from these taxes by the provinces in the last year they levied them was, according to the statement made by the leader of the opposition this afternoon, 117 million dollars. I thought it was a little more.

Hon. Mr. HAIG: That is what Mr. Abbott said.

Hon. Mr. CRERAR: Under the guaranteed minimum arrangement the federal government pays 206 million. It must be borne in mind that that amount is inclusive of the old statutory subsidies, which, as I recall, amounted for all the provinces to something like 17 million.

Hon. Mr. HAIG: Just about that.

Hon. Mr. CRERAR: In any case the dominion has been very generous with the provinces in the offer it has made. I have no hesitation in saying, for reasons which I shall elaborate in a moment, that it has been too generous. The total tax burden of the Canadian people today is enormous. The commitments we have made for federal purposes, including the service of our debt, family allowances, old age pensions, care for our soldiers, subsidies to the provinces, defence expenditures—which, from the present outlook over the world, I am afraid we shall have to increase—and other obligations which the federal government has undertaken, will impose on the people of Canada taxation of at least 2,000 million dollars a year. That, honourable gentlemen, is a very heavy burden. Remembering that the total taxes levied for federal purposes in the year prior to the war was around 550, million dollars, we can see what progress we have made in the direction of imposing additional taxes.

It is quite true that heavy taxation was essential during the war, and I say here that the financial policy of the government at that time was an outstanding success.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. CRERAR: There can be no dispute about that; it is generally conceded everywhere. Almost from the beginning of the war the policy laid down by the government was that, as the war progressed, Canada would pay as much of her cost as possible. In the waging of the most costly war that the world has ever seen, it was a splendid accomplishment that, at least half of the expense incurred by this country was paid out of the current revenue secured by the government. That achievement will stand as a landmark in the history of this country.

It is now peacetime, however, and we have to take some stock of the means by which we are going to carry these huge burdens in the future. If we could maintain a national production or national income similar to what we enjoy in this year of 1947, the burden would still be heavy but not unmanageable. But can we expect to do that?

I have here some figures on the gross national production of Canada which I am sure will be of interest to the house. In 1929, a year that was rated at that time to be pretty good, the gross national production of Canada was approximately five billion 750 million. In 1933, due to widespread unemployment and drought conditions in Western Canada, our gross national production had dropped to three and a half billion. Coming down to the year 1938, the gross national production was five billion and 75 million. In 1939 it was five billion 495 million; in 1940, six billion 628 million; in 1941, eight billion 335 million, and in 1942, ten billion 296 million. It will be observed that by this time Canada was getting into her stride in the matter of war production, and as a consequence employment was high all over the country. In 1943 the gross production of Canada had reached a total of eleven billion 124 million; and in 1944, eleven billion 771 million, the highest point attained in the period I have referred to. In 1945 there was a drop to eleven billion 478 million, and the preliminary estimate given for 1946 is eleven billion 129 million.

The point I wish to make is that if we can maintain a national production of, say, between eleven and twelve billions of dollars, the burden of debt will not be beyond our capacity to manage. However, when we contemplate the possibility of maintaining such a scale of national production I think there are some things which will give us cause for anxiety.

National production is the total of all wages and earnings received by individual Canadians for their labour. Agricultural production in

Canada last year, if I recall the figure correctly, amounted to almost one billion 700 million. Can we expect to maintain such a production in the future? I do not think we can, because inevitably, as has happened time and time again in the past, high prices for agricultural products are bound to decline.

Europe, which is now struggling back to its feet amid many difficulties, will become an increasing factor in the production of her own food; indeed, she is compelled to do so because of her lack of ability to get foreign exchange to buy food abroad. Much the same situation exists with respect to base metals such as copper, zinc, lead and nickel—Canada is today enjoying higher prices for those metals than she has ever enjoyed in the past. She is also enjoying higher wage scales and higher prices for the products of her manufacturing industries. There was a great void to be filled in goods and services, and the filling of that void has created a sellers' market.

But these conditions will not continue indefinitely. Let us look at the matter in another way. It is quite evident that the huge dollar credits which Canada and the United States wisely gave to Great Britain and other European countries are running out. By the middle of 1948 they will certainly have been pretty well exhausted. Only recently we have seen the steps taken by the British Government to curtail imports and to conserve the American dollars which they require for food and for other purposes. Someone may say that we have the so-called Marshall plan. I for one fervently hope that Europe can suggest a way to get back on its feet. We must realize, however, that there are many hurdles to climb before the Marshall plan becomes a success.

Honourable senators, the point is that we are taking a chance on the future that we would have been wiser to avoid. This all boils down to the elementary principle that governs the individual in his private business: if I spend lavishly and make no provision against a rainy day I shall eventually be in trouble. I think this same principle applies to governments; and if our national income should drop to, say, eight billion dollars, we would certainly be in difficulties.

I sincerely hope that I am wrong, but I feel that in all these commitments we have assumed an extremely heavy load; one which not only will make future tax reductions impossible, but may lead us into unbalanced budgets and all the evils that inevitably follow a departure from sound public fiscal

policies. No one need be under any illusion as to what that will mean. The lessons stand out in history crystal clear for any person who takes the trouble to study them.

I come back to the point I made. These agreements, in my judgment err on the side of federal generosity. This afternoon the honourable leader of the opposition (Hon. Mr. Haig) made a point with which I agree, namely, that in practice it is unsound for one authority to raise public money by taxes and pass it over to another to spend.

Hon. Mr. ROEBUCK: Hear, hear.

Hon. Mr. CRERAR: That often begets extravagance.

Hon. Mr. HAIG: May I interrupt my honourable friend? I do not want him to credit me with being the author of that remark. I got it from a statement by the Prime Minister of Canada.

Hon. Mr. CRERAR: Then the authority is all the better.

Hon. Mr. HAIG: I want to make it clear that I am not the author of the statement.

Hon. Mr. CRERAR: Well, you made the statement this afternoon.

Hon. Mr. HAIG: The Prime Minister made it before me.

Hon. Mr. DUFFUS: In what year?

Hon. Mr. NICOL: And the Prime Minister was not the first one who made it.

Hon. Mr. ROBERTSON: He was quoting somebody else.

Hon. Mr. HAIG: He was quoting Sir Wilfrid Laurier, I believe.

Hon. Mr. CRERAR: At any rate, I think the provinces which have entered into these agreements should walk warily. I believe that the province of Manitoba will.

Hon. Mr. HAIG: I agree with you.

Hon. Mr. CRERAR: I will be quite frank and say I do not believe the province of Saskatchewan will.

Hon. Mr. HAIG: I agree with you again.

Hon. Mr. CRERAR: The last budget of that province was by a wide margin the largest budget ever submitted to its people.

There is nothing for us to do but to ratify the agreements. They have been made in good faith by the provinces with the government, but I do feel that the dominion has been too generous in the terms that it allowed.

And no clear understanding has been reached with the provinces as to how money can be spent wisely for productive purposes in this country.

This afternoon we were considering the report of the Standing Committee on Immigration and Labour. One way in which we could spend money wisely is by bringing more people into Canada. We have got great resources, which the world needs, and the development of some of them would add to our national income. I will take one illustration. What I am about to say now is not a criticism of family allowances; far from it. The amount that the federal government will spend on family allowances in 1946 and 1947 will be, when the cost of administration is included, 500 million dollars. Let us think of it in another term. The expenditure of that sum would have built 20,000 miles of good hard-surface roads in Canada, at a cost of \$25,000 a mile, and would have trebled and quadrupled our tourist business from the United States; and the roads would have been a distinct asset to Canada. I use that merely as an illustration, and I repeat that it is not any criticism of family allowances.

I do say this, that there never was a time in the history of this country when the federal government and the governments of the provinces and the municipalities needed to watch their expenditures so closely and to be guided by the greatest possible wisdom in what they do with the money they take from the taxpayers' pockets.

Let me say this again: I hope that I am wrong, but I am afraid that in a few years' time many things that we are doing now—and these agreements may be included among them—will have to be reconsidered in the light of conditions at that time.

Hon. Mr. HAIG: Honourable senators, I should like permission to answer the question asked by the honourable gentleman from Peterborough West (Hon. Mr. Duffus). If he will look at page 316 of *Hansard* of another place for 1929, he will find that on February 21 that year the then Prime Minister, the Right Honourable W. L. Mackenzie King, said this:

I believe that everyone who has given any attention to public finance will agree that it is a thoroughly vicious system to have one body raise taxes and another body expend the money thus secured.

The same position was taken by the Prime Minister on April 3, 1930. My honourable friend will find what was said then by referring to *Hansard* of another place for that date, page 1237.

Hon. ARTHUR W. ROEBUCK: Honourable senators, I want to compliment the honourable senator from Churchill (Hon. Mr. Crerar) upon his excellent speech. I have no intention of making extended remarks at this time, but there are one or two observations which I think may be worth while. Each one has his own slant on big problems of this kind. I entirely agree with what was said by the honourable leader of the opposition (Hon. Mr. Haig) about the vicious system of one jurisdiction raising taxes and another jurisdiction expending them. The honourable gentleman says he was quoting a statement made by the Prime Minister, Mr. King, but it by no means originated with the Prime Minister: it has been stated frequently over the years. Some years ago I myself published an article in which I said that we should let every tub stand on its own bottom. I repeat that sentiment now as being most applicable to these agreements.

Hon. Mr. LESAGE: Was it after the war that the Prime Minister made the statement?

Hon. Mr. ROEBUCK: According to the honourable leader of the opposition (Hon. Mr. Haig) the statement was first made by the Prime Minister in 1929; but, as I say, it has been made at various times over the years. It is in line with one of the first thoughts that would strike one's mind when a system such as underlies these agreements is proposed. It is not so much that the system makes for extravagance in the jurisdiction that spends, but it is bad in principle. It is all wrong, it is cock-eyed, for one jurisdiction to raise taxes and another to spend them, and that system is bound to work badly and bring about evil results.

Hon. Mr. DUFFUS: Do municipal school boards not follow that principle?

Hon. Mr. NICOL: Not in Quebec.

Hon. Mr. ROEBUCK: In Ontario the school boards assume the responsibility of raising taxes from the very people who vote members of the board into office.

Hon. Mr. ROBERTSON: Do the boards get a subsidy from the province?

Hon. Mr. ROEBUCK: Yes, and that may be wrong.

Hon. Mr. LESAGE: Does your premier follow the principle you are advocating? Has he not raised gasoline taxes lately?

Hon. Mr. ROEBUCK: The premier of Ontario?

Hon. Mr. LESAGE: Yes.

Hon. Mr. ROEBUCK: Please do not call him my premier.

Some Hon. SENATORS: Oh, oh.

Hon. Mr. ROEBUCK: I suppose it is very difficult to hew consistently to the line of general principles. No doubt the raising of money from the province at large and giving it to local school boards to expend is a system that has its evil features. It probably would be better if each board were able to raise enough money to carry on its own work; but of course we run into the same situation among school boards that we do among provinces: some boards could not raise enough money to educate the children resident within their localities, and in those cases it is necessary that contributions be made from other sources. You cannot always hew strictly to the line, but nevertheless the principle stands that, as I expressed it, it is wise to let every tub stand on its own bottom.

But there is something more to this general picture than just a broad statement of general principle, and I should like to call attention to two phases in particular. First, there is the matter which the honourable leader of the opposition (Hon. Mr. Haig) stressed. This business of raising money out of the general taxes of Canada and distributing it in varying amounts to different provinces means that one locality pays while another locality spends; that each province does not get just what it pays; and so some provinces lean on others, and we have the struggle which has been described, and the spectacle of one part of the country trying to grab something from another.

The taxation methods employed by the provinces are not the same as those used by the dominion. This difference is very important. At the time of Confederation it was arranged that the provinces should raise money for local purposes by direct taxation, which meant such means as the poll tax. Income tax was not considered; when the legislators talked of direct taxation they had in mind the raising of money from the natural resources of the provinces. The form of taxation assigned to municipalities was a levy on real estate. This consisted of two divisions: first, a levy upon the house, which is constructed by human hands; and second, a levy on the land valuation created by the community. Another source of public revenue visualized by the Fathers of Confederation was the vast tracts of the then unappropriated farming, mining and lumbering areas. They saw this as a source of revenue sufficient to enable the provinces to carry on with the aid

of the small bonuses they were given at that time. Indirect taxation had to do almost entirely with customs tariffs.

What has happened in the interval since confederation? In the first place, trade grew and customs duties vastly increased, and the revenue of the dominion from that source expanded. The dominion later adopted the income tax method of raising millions of dollars.

But what has happened to the provinces meanwhile? The governments of the provinces, in return for patronage have given away public resources in a magnificent manner. This is nothing new. In Lord Durham's report we find that the government of that day handed out to its political favourites large sections of the public domain in return for the merest trifles, and in addition almost entirely exempted them from taxation. Since then the same system, though in not quite so extreme a form, has been carried on by all the provinces. Today the natural resources in the hands of the provinces have been reduced to a minimum, and almost the whole of Nature's gifts are in the hands of private owners who object strongly to handing over for public purposes any part of the present value of these gifts, regardless of whether that value was created by themselves or not. Rather than have the unpopular direct levy of a tax upon land values, they prefer to have the taxpayers subjected to indirect taxation by the dominion, which plucks the fowl without it knowing that it is losing its feathers.

That is the realistic view of the situation today. The provinces could raise the necessary revenues by simply taking the value the community has created and applying direct taxation. They would then not need to come to the dominion for hand-outs. The talk of the provinces being bankrupt is all tommyrot, for while any land values remain unabsorbed into the public treasury they cannot be bankrupt.

I believe that we should consider more than anything else the incidence of taxation and the effect of the steps we are taking. We are saddling upon the Dominion of Canada to a large extent the responsibility of supporting both the federal and the provincial governments by means of indirect taxation, such as are employed in the dominion jurisdiction, instead of taking advantage of the direct forms of taxation employed in the provincial jurisdictions.

The honourable member for Churchill (Hon. Mr. Crerar) has said that these arrangements, which have been devised with all our skill, will now have to be revised. I hope that in

providing for taxation, its incidents and results, succeeding generations will have a good deal more wisdom than we have shown. I believe that some wisdom is seeping into the public mind; but at the moment we in this house can do nothing but pass the agreements. We should analyse them as best we can, find out the real truth about them, and wait for a better day.

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

THIRD READING

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

Hon. Mr. ROBERTSON: Now.

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

CIVIL SERVICE SUPERANNUATION BILL

REPORT OF COMMITTEE

The Senate proceeded to the consideration of the amendments made by the Standing Committee on Civil Service Administration to Bill 415, an Act to amend the Civil Service Superannuation Act.

Hon. ARTHUR MARCOTTE: Honourable senators, the report of the committee on this bill was presented last Friday, and consideration of it has been set over from day to day. The amendments are not important, but as the bill is a government measure I think the honourable leader of the government should make any necessary explanation.

Hon. Mr. ROBERTSON: Honourable senators, I would move that these amendments be concurred in.

The motion was agreed to.

MOTION FOR THIRD READING

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

Hon. Mr. ROBERTSON: Now.

Hon. A. W. ROEBUCK: Honourable senators, on the motion for third reading I would move in amendment

That the bill be not now read a third time, but that it be committed to a committee of the whole presently.

Hon. Mr. HAIG: What is the object? Explain the amendment.

Hon. Mr. ROEBUCK: Perhaps I may say a word or two in explanation of the amendment and the purpose of it. In the committee's

report and in the bill are provisions to change the Civil Service Act in the matter of age of retirement of civil servants. In the past, compulsory retirement has come at the age of 70 and permissive retirement at the age of 65. When a civil servant attains the age of 65 he is permitted, although his health may be perfect, to retire on full pension. When he arrives at the age of 70 he must retire, unless of course, for certain reasons and under special circumstances, this requirement is set aside by order in council, as happened frequently during the crisis of the war. The bill which is before the house will reduce those ages and permit the civil servant to retire at 60, if he should so desire, and force him to retire at the age of 65.

My submission, honourable senators, is that no good case has been made out for this change. I submit that a man of 60, in the work done by the civil service, is in his prime; he is absolutely at the peak of his powers; and it is unfair to the Dominion of Canada, which has given him the opportunity to gain his experience, and probably spent money in the process, to dispense with his services at that age. I suppose that some of those who are listening to me have reached the age of 60; at least, as a friend remarks, it is impending; others are approaching it: and if that is so, I am sure you realize that your powers today are greater than they ever were before. Some of you may have gone further, and if so I invite you to ask yourselves what would have happened in your career if at the age of 60 you had retired; yes, or if at the age of 65 you had been forced to retire. I say it is not fair to the public which employs these men to train them and give them their experience, allow them to develop their powers, and then actually encourage them to leave the public service, it may be to engage in private business on their own account, or to go fishing, at 60 years of age.

To me the mere thought of such a thing is outrageous. These men are at the height of their usefulness, and it is not in the public interest to encourage them to loaf. It is true that any civil servant can leave at any time by resigning; but in this legislation we are actually paying him to loaf; we give him a pension and encourage him to step out of public service either to serve his own interest or to laze the rest of his life.

As for compulsory retirement at 65, I know of nothing so cruel as to take a man out of an activity in which he has been engaged practically all his life, and tell him, while he is still in excellent health, "From this time forward your time is of no value; you are

through; and all you have to do now is to await the call of the undertaker." I suppose everyone can recall out of his own experience the case of some person who has been active and has then been retired: you have seen such a one, as I have, walking the streets, wondering what he is going to do with his time. I pity the man in that situation. I have seen men who, having left farms where they worked hard all their lives, and gathered up a small provision for their maintenance, retired to town, and died within two years, because no longer bound to the judgment of long ago: "In the sweat of thy face shall thou eat bread." It is no kindness to take a man from his life's work. If I may risk another quotation, I would remind the house of the words of the Preacher: "Wherefore I perceive that there is nothing better, than that a man should rejoice in his own works; for that is his portion."

But the subject is a very serious one. The cruellest thing you can do is to deprive a man of the opportunity of using his creative ability; to tell him that, "From now on you are through."

And it is not necessary to lower the retirement age from 70 to 65. The provision which fixes the age at 70 has been in existence for many years, and in the interval medical science and the knowledge of right living have advanced. Today we know how to maintain our health better than did our fathers and grandfathers, and the result is that men are living longer and are retaining their faculties to an older age.

Some Hon. SENATORS: Hear, hear.

Hon. Mr. ROEBUCK: Thank you. We should be raising instead of lowering the age at which people are put on the shelf. I think this measure is inadvisable and I am strongly opposed to it. It is not in the public interest to lower the compulsory retirement age to sixty-five, and it is a cruel thing to impose retirement upon people in the sixty-five to seventy-years class. In committee it was said that the retirement of the older men made possible promotion all down the line; in other words, that the young men would push the older men out of their jobs. That is absolutely repugnant to my thinking. Moreover if the younger men are engineering this in order to get promotions, let them remember that—I am getting back to the Scriptures again—"... with what measure ye mete, it shall be measured to you again."

These young men must remember that in due time they themselves will be older men. People start getting older from the very day they are born, and young men do not realize

how quickly time goes by and how, in due season, they become seniors in their class. As I speak, the words of Macbeth pass through my mind, "This even-handed justice commends the ingredients of our poison'd chalice to our lips". Those are words that younger men should take to heart when considering this measure. I am opposed to it on all grounds, and if in their wisdom honourable senators see fit to go into committee, I shall move that we amend the bill so as to restore the retirement ages to those now provided in the statute. Under the present act the compulsory retirement age is seventy years and the permissive retirement age is sixty-five. The proposal is to lower these ages respectively to sixty-five and sixty. I do not agree with that.

Hon. WISHART McL. ROBERTSON: Honourable senators, one of my greatest difficulties in supporting government legislation arises from the fact that from time to time it is subjected to attacks from eloquent opponents who seek to attach to the subject an importance which, on cooler reflection, would seem entirely unnecessary or quite in excess of what was warranted.

The present act empowers the Governor in Council to grant a superannuation allowance to a contributor who at the date of his retirement has attained the age of sixty-five years. The proposed amendment will reduce this age to sixty years. This proposal is really nothing new. The lowering of the retirement age from sixty-five to sixty was recommended by the parliamentary committee in 1939. It was also recommended by the Royal Commission on Administrative Classifications in the Public Service, and by the Civil Service Superannuation Committee. It is believed that the option of retirement at age sixty will result in greater efficiency in the public service by enabling departments to effect needed reorganization in some cases through retirement of a contributor who has reached age 60, and the retirement at an earlier age of individuals whose efficiency and interest in their employment have declined.

The government is of the opinion that the proposed change in the Act will result in greater efficiency in the public service and enable certain departments to be reorganized. Under the bill if for one reason or another a man retires before sixty-five, whether voluntarily or at the suggestion of the department for which he works, he will not be thrown out, as it were, with only his contribution plus accrued interest, and lose a considerable amount of superannuation benefits that he would have received by remaining in service until sixty-five.

Hon. Mr. HAIG: Might I ask the honourable senator a question? I may have misunderstood the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), but I thought he said that this bill provides for compulsory retirement at sixty-five as well as the voluntary retirement age of sixty.

Hon. Mr. ROBERTSON: As I understand the matter, under the present law if a person retires before he reaches the age of sixty-five he will not receive any superannuation benefits.

Hon. Mr. HAIG: That is correct.

Hon. Mr. ROBERTSON: This bill lowers the permissive age from sixty-five to sixty. In the matter of the compulsory retirement age, I assume the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) is right when he says that it is lowered from seventy to sixty-five. He has painted a vivid picture of people being thrown out of work against their will while still at the height of their power. No one will dispute that there is a marked difference between people with respect to efficiency and desire to stay on the job. Generally speaking, the experience has been that there is no great rush to retire voluntarily, either at sixty-five years, as has been permissible in later years, or at sixty, which I understand was the age of voluntary retirement some considerable time ago. The reason is obvious. If a man retires at the earlier age he suffers, under the best of circumstances, a reduction of approximately thirty per cent in his income. When an employee is, as my honourable friend (Hon. Mr. Roebuck) puts it, at the height of his intellect and efficiency, and desirous of staying on the job, I think that in practice the department is anxious to have him continue in his position. As I understand it, all that the bill does is to enable an individual who voluntarily retires at an earlier age than sixty-five to receive his full superannuation, benefits, and not merely what he has contributed plus interest.

It is felt that while the proposed lowering of the retiring age would affect a relatively small number of persons it would materially improve the service and indeed be of great benefit to such individuals as from time to time become eligible to avail themselves of it. It has been estimated that, with a payroll of 60 million dollars, the extra cost arising from the change would be about \$40,000.

No doubt many honourable members are better informed on this subject than I am, but I repeat that this lowering of the retiring age has been recommended by a parliamentary committee, a royal commission, and the Civil Service Superannuation Committee. The gov-

ernment and the various departments feel that it will work no injustice to anyone, but that it will benefit some individuals and, in certain cases, lay the basis for a departmental reorganization satisfactory to all parties concerned.

There is a wide difference between such information as I have and the picture painted by my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck). So far as I am aware there has been no opposition by civil servants to the proposed change. I should think that in these circumstances we would not undertake to vary the relevant clause of the bill without first calling witnesses before a committee and making a careful survey of the situation; and I submit that is altogether impractical just now, with prorogation a possibility for tomorrow.

I oppose the amendment of the honourable gentleman from Toronto-Trinity.

Hon. Mr. WHITE: Can the honourable leader inform the house what attitude the Civil Service Association has taken?

Hon. Mr. ROBERTSON: I am unable to answer that question.

Hon. JOHN T. HAIG: Honourable senators, to my mind the leader of the government (Hon. Mr. Robertson) and the senator from Toronto-Trinity (Hon. Mr. Roebuck) are arguing on different points. So far as I personally am concerned I am willing to let any civil servant who so desires to retire when he or she reaches the age of sixty. Let us be clear about this. If that is all the bill does in this regard, I am not opposed to it, but I am afraid that the senator from Toronto-Trinity is right and that the bill does more than that. In the circumstances I would ask permission to adjourn the debate until tomorrow morning so that I may have time to study the legal meaning of the phraseology used in the bill. As I see it now, it appears that the bill would compel every civil servant to retire at the age of sixty-five, and I object to that.

Hon. Mr. ROBERTSON: My honourable friend thinks that the bill reduces the compulsory retiring age from seventy to sixty-five?

Hon. Mr. HAIG: Yes.

Hon. Mr. ROBERTSON: I am quite prepared to take the word of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) on that.

Hon. Mr. HAIG: That is a feature I do not like. For some months the Board of Transport Commissioners for Canada has been having hearings into the application of

all Canadian railroads for an increase of 30 per cent in freight rates. No one would ever charge our big railroad corporations with engaging pink-tea artists to represent them at such important hearings, and I want the house to know that the lawyer employed as chief counsel for the railways has passed his eightieth birthday.

Hon. Mr. ROEBUCK: May I make an interjection? Gladstone conducted the Midlothian campaign after he was eighty.

Hon. Mr. HAIG: I know that, but let us get back nearer home. The Board of Transport Commissioners has held hearings on this important case all over Canada and it has now resumed them right here in Ottawa; and the man who will appear again next Monday as chief counsel for the railroad corporations has passed his eightieth birthday. And, believe me, he is "some" counsel. If a man or woman wants to retire from the civil service at sixty years of age, I am all for it, but I am opposed to giving the government power to dismiss people at sixty-five. Before we vote I want to know what the bill does mean. The honourable leader thinks that retirement at sixty-five would be only permissive.

Hon. Mr. ROBERTSON: I did not say that.

Hon. Mr. HAIG: But you were not sure.

Hon. Mr. LAMBERT: May I draw attention of honourable senators to circumstances which might supersede the provisions of this act or any other act. It seems to me there are two points to be kept in mind. The bill provides for permissive retirement at sixty and compulsory retirement at sixty-five.

Hon. Mr. HAIG: I am afraid so.

Hon. Mr. LAMBERT: But what would happen in the case of individual civil servants who are indispensable in their positions and are specially requested by the government to continue working after sixty-five?

Hon. Mr. HAIG: They would have to get out at sixty-five.

Hon. Mr. LAMBERT: Do they have to get out at seventy now?

Hon. Mr. HAIG: Yes.

Hon. Mr. LAMBERT: I know, as does my honourable friend, of innumerable cases where civil servants have been retained beyond seventy.

Hon. Mr. WHITE: From year to year.

Hon. Mr. LAMBERT: Yes.

Hon. Mr. MURDOCK: We shall have before us tomorrow a bill to permit one of the members of the Board of Transport Commissioners to continue in office although he is now seventy-five.

Hon. Mr. HAIG: I can give a better instance than that. As we all know, in two or three sessions after the former Chief Justice of Canada had reached his seventy-fifth year we passed a bill extending his term of office. He finally retired some years ago at the age of seventy-eight, and he is still going strong.

Hon. Mr. DUFFUS: These are not typical cases.

Hon. Mr. HAIG: They are pretty typical. I have been in this house for quite a few years now, and I know that some people whom I see here tonight would not be present if senators were compelled to retire at sixty-five.

Hon. Mr. MURDOCK: Is my honourable friend looking at me?

Hon. Mr. HAIG: No, I was not looking at my honourable friend at all. It is principally the younger members who are staying here until the session ends; some of the older ones have gone home.

I move adjournment of the debate until tomorrow.

Hon. Mr. MARCOTTE: Before the motion is put, I would like to clear up a point mentioned by the honourable leader on this side (Hon. Mr. Haig). Under the present law the compulsory retirement age for civil servants is sixty-five, but thirty days before any civil servant reaches that age the deputy minister of the department may apply to the Governor in Council for permission to retain the employee in the service.

The Hon. the SPEAKER: Honourable senators, there is a motion before the house for adjournment of the debate.

Hon. Mr. MARCOTTE: I am perfectly willing to postpone my remarks until tomorrow, but it would save time if I were permitted to make a brief statement to clear up the point raised by the honourable leader on this side (Hon. Mr. Haig). If there is any objection, I will postpone my remarks until tomorrow.

The Hon. the SPEAKER: The honourable senator may proceed with the consent of the Senate.

Hon. Mr. MARCOTTE: Under this bill compulsory retirement will be at sixty-five, but in the case of a man who is physically fit, and who wishes to continue, the deputy minister

of his department may if he sees fit, before the date of retirement, make application to the Governor in Council to continue the man's services, and that man may be kept on for a further five years.

Hon. Mr. MURDOCK: Is that on a compulsory basis?

Hon. Mr. MARCOTTE: He will be carried on from year to year.

Hon. Mr. MURDOCK: Even though he wanted to retire at sixty?

Hon. Mr. MARCOTTE: No. He may retire at sixty if he wants to, but if he prefers to stay on his services may be continued for five years. Under this amendment retirement is to be at sixty instead of sixty-five.

Hon. Mr. GOVIN: That is voluntary retirement at sixty.

The motion of Hon. Mr. Haig was agreed to, and the debate was adjourned.

CANADIAN BROADCASTING BILL

SECOND READING

Hon. GRAY TURGEON (for Hon. Mr. Robertson) moved the second reading of Bill 453, an Act to amend the Canadian Broadcasting Act, 1936.

He said: Honourable senators, this is a simple bill, notwithstanding the fact that it provoked considerable irrelevant discussion in the other house with respect to the relationship between the Canadian Broadcasting Corporation and private broadcasting stations. The bill does not solve any of those problems and it does not aggravate them. By this proposed measure the revenue of the Canadian Broadcasting Corporation will be increased. The corporation will receive the total amount collected by way of licence fees for privately owned radios, and licences to private broadcasting stations.

As honourable senators know, under existing legislation the Canadian Broadcasting Corporation receives radio licence fees less 35 cents per licence, the cost of collection which is retained by the Department of Transport for performing the collection service. In future this will not be charged against the Canadian Broadcasting Corporation, but will be borne by the Department of Transport.

It was stated in the House of Commons that the Canadian Broadcasting Corporation in its operations for the current year faced a deficit of \$265,000. It is estimated that this measure will increase the revenue of the corporation approximately \$500,000.

It is not necessary to refer in detail to the general increase in cost of operation. I simply lay before the house the proposed amendment to the act, and give the reasons for it.

Hon. JOHN T. HAIG: Honourable members, I do not propose to speak on the bill itself, but may I say that this is one measure that should have been introduced in this house at the commencement of the session. We could have investigated the whole dispute between the Canadian Broadcasting Corporation and the private broadcasting stations.

I have no great knowledge of the subject of radio broadcasting, but I have always felt that one broadcasting body which is in competition with other stations should not be in a position to control them. I do not propose to raise that question now; but it is my belief that at the beginning of the session this house should have conducted an investigation in that field. Whether the House of Commons chose to listen to us or not, we could have reported the true situation to the people of Canada. As it is, I defy anybody to follow intelligently the recent discussion in another place.

I am quite willing that the motion be carried on division.

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

THIRD READING

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

Hon. Mr. ROBERTSON: Now.

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

MILITIA PENSION BILL

SECOND READING

Hon. Mr. ROBERTSON moved second reading of Bill 456, an act to amend the Militia Pension Act (Disablement Pension).

He said: Honourable senators, the purpose of this bill is to correct a drafting error in the amendment made to the Militia Pension Act in 1946, and which discriminated against certain disabled soldiers in the matter of pension rights. As the act is at present drafted it provides that a soldier to be eligible for pension must have served for more than ten years, and been a contributor to the pension fund, and he must have been rendered incapable of pursuing continuous gainful employment. This provision has not only been found impractical from an administrative point of view, but is regarded as wrong in principle.

It is proposed to alter the provision so that a soldier, if his disability prevents him from continuing his military career, will be eligible for pension regardless of whether or not he is able to support himself in some other occupation. The change will affect some thirty-six disabled soldiers who at present are unable to get their pensions. The scale of pension remains unchanged, at the rate of one-fiftieth of the soldier's average pay and allowances over the previous six years multiplied by the number of years of his service.

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

THIRD READING

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

Hon. Mr. ROBERTSON: Now.

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

PRINTING OF PARLIAMENT

SECOND REPORT OF JOINT COMMITTEE

The Senate proceeded to the consideration of the second report of the Joint Committee on the Printing of Parliament.

Hon. Mrs. FALLIS moved concurrence in the report.

The motion was agreed to.

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

THIRD REPORT OF JOINT COMMITTEE

The Senate proceeded to the consideration of the third report of the Joint Committee on Human Rights and Fundamental Freedoms.

Hon. L. M. GOUIN moved concurrence in the report.

He said: Honourable senators, this subject of human rights and fundamental freedoms is so important that I believe I should offer a few words of explanation. I do not think that this is the proper time to enter into any detailed examination of the problems which were referred to our joint committee; but it was very clear from the beginning that it will be impossible for us at the present session to do more than work of a purely preparatory nature. The members designated by the Senate to serve on the committee were appointed on June 3. We have simply laid the foundation of a further study of these very important questions, and our practical conclusion is to recommend that early next ses-

sion the committee be appointed again to resume consideration of the task contained in the terms of the order of reference.

Our inquiries should have covered three points: first, our obligations in the matter of human rights and fundamental freedoms under the charter of the United Nations; second, the legal and constitutional situation in Canada with respect to such rights; third, the steps which it might be advisable to take for the purpose of preserving in this country such rights and freedoms.

An officer from the Department of External Affairs gave evidence before our committee respecting our obligations as a member of the United Nations; the director of the division of human rights, department of social affairs of the United Nations, gave us information concerning the activities of the United Nations in this matter of human rights; and the Deputy Minister of Justice was heard in regard to the legal and constitutional position in Canada.

A very interesting documentation was collected. Invitations were sent to the attorneys-general of the provinces, and also to the heads of each of our law faculties, to express their views on the subject of a federal bill of rights.

The work already done will, I trust, be useful; but as I said, it was impossible to do more in the present session.

I believe that all of us have faith in human rights and fundamental freedoms, and regard this land of ours as essentially a land of liberty. We are anxious to show the world that we want to cooperate with humanity at large in this very interesting field.

The motion was agreed to.

FOURTH REPORT OF JOINT COMMITTEE

The Senate proceeded to the consideration of the fourth report of the Joint Committee on Human Rights and Fundamental Freedoms.

Hon. L. M. GOUIN moved concurrence in the report.

He said: Honourable senators, I have only a few words to add. Special reference was made to our committee of the subject-matter of a certain bill, No. 133, introduced in the other house. I am not sure that a copy of it has yet reached us. It is entitled "An Act to amend the Criminal Code (Illegal Organizations)". Introduced by Mr. LaCroix, it proposes to enact in a different form section 98 of the Criminal Code, to include the communist party of Canada. I mention this only to explain to the Senate that it was impossible for us to proceed with a study of the bill. For the reasons I have

already given, we had first to prepare the ground for our work, and we thought it necessary to begin with a general introduction to our subject. Our recommendation, as in the other report, is that the subject-matter of a bill of this nature be referred to a committee, to be constituted in the same way, at the beginning of the next session.

The motion was agreed to.

SENATOR L. M. GOUIN

FELICITATIONS UPON HIS APPOINTMENT TO THE LEGION OF HONOUR

Hon. Mr. ROBERTSON: Honourable senators, before the house adjourns, I should like publicly to draw your attention to the great distinction which has been conferred upon our esteemed colleague the honourable senator from De Salaberry (Hon. Mr. Gouin) in having been made a Chevalier of the Legion of Honour of France.

Hon. SENATORS: Hear, hear.

Hon. Mr. ROBERTSON: I am sure we are all gratified that the honourable gentleman has received this mark of honour. The senator, son of an illustrious father, bears a famous name; and the prestige he enjoys among us is enhanced by his great personal charm. We are happy to have the opportunity of congratulating him upon this great honour, which I am sure his services richly merit.

Hon. SENATORS: Hear, hear.

Hon. Mr. GOUIN: Honourable senators, you have taken me completely by surprise. It is only with great emotion that I can thank our leader most sincerely for his very kind remarks.

BUSINESS OF THE SENATE

Hon. Mr. ROBERTSON: Earlier in the evening I was advised that legislation in the other place had been making relatively good progress. The Redistribution Bill has passed its second reading, and it is expected that the third reading will be proceeded with at an early stage tomorrow morning. I do not think that any great amount of legislation remains. I do not know how long it will take to dispose of the remaining estimates. Being in doubt whether we should resume tomorrow morning, I asked another senator to inquire as to the progress of business elsewhere. I am now informed by the senator from Queen's (Hon. Mr. Sinclair) that it is not necessary for us to have a morning sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 16, 1947.

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

Prayers and routine proceedings.

CRIMINAL CODE BILL

CONCURRENCE IN CONFERENCE AMENDMENTS

The Hon. the SPEAKER: Honourable senators, a message has been received from the House of Commons, in the following words:

That a message be sent to the Senate to acquaint Their Honours that the amendments agreed to in the Free Conference with the Senate to Bill 364, An Act to amend the Criminal Code, have been agreed to.

The amendments were read by the Clerk as follows:

Amendments agreed to in the free conference of the managers of the Senate and the House of Commons in respect to Bill 364, an Act to amend the Criminal Code:

1. Delete amendment number two of the Senate and substitute the following therefor:

"2. Delete all the words in Section 222B after the word "one", in line twenty-four, to and inclusive of the word "otherwise" in line twenty-eight and substitute the following:

"not being in a dwelling house, who causes a disturbance in or near any street, road, highway, restaurant, railway station, public library, tavern, billiard hall, theatre, shop or other place to which members of the public are admitted, whether as a matter of right or otherwise."

2. Delete amendment number fifteen of the Senate and substitute the following therefor:

"15. Delete paragraph (d) of clause 7, on page 3, lines twenty-four to twenty-eight inclusive, and substitute the following:

"(d) if he uses or has upon his person any weapon during or at the time of the commission or attempted commission by him of any of the offences in this section mentioned or the flight of the offender upon the commission or attempted commission thereof, and death ensues as a consequence of its use."

Hon. ELIE BEAUREGARD moved concurrence in the amendments.

He said: Honourable senators, in asking the house to concur in the amendments agreed to in the conference of the managers of the Senate and the House of Commons in respect to Bill 364, intituled, "An Act to amend the Criminal Code", I wish to say a few words in order to acquaint the members of the house with the meaning of these amendments.

The amendments to Bill 364 which were submitted by the Senate Standing Committee on Banking and Commerce may be found in the *Minutes of the Proceedings of*

the Senate of Canada, No. 54, of July 10. Of these amendments, thirty-two in number, more than fifteen were of a very minor nature. However, the House of Commons did not agree with the second and fifteenth amendments.

I do not need to say much about the change in the Senate's second amendment, because it leaves that amendment very much as it was. The object of introducing the words "dwelling house"—which was agreed to by the representative of the Department of Justice—was to make it clear that one who sang or whistled in his house would not be looked upon as a criminal nuisance. The chairman was of the opinion that this already was the fact, and that the Senate merely wanted to make it clear.

As to Senate amendment No. 15, which is to be found in the *Minutes of the Proceedings* of July 10, the change is more important than the first one. Section 7 of Bill 364 as presented to the Senate, reads as follows:

Section two hundred and sixty of the said Act is further amended by inserting immediately after paragraph (c) thereof, the following:

"(d) if he uses any weapon for the purpose of facilitating the commission of any of the offences in this section mentioned, or the flight of the offender upon the commission or attempted commission thereof, and death ensues as a consequence of such use."

The offences mentioned in section 260 are murder, rape, forcible abduction and so on. The Senate committee recommended the deletion of paragraph (d) of clause 7 and the substitution of a new paragraph (d) which reads:

(d) if he uses or has in his possession any weapon and death ensues as a consequence of its use.

The House of Commons would not agree to this amendment, and the Managers at the Free Conference drafted an entirely new paragraph which is a compromise between the original text and that offered by the Senate. I think the new paragraph is a change for the better, because the words "has in his possession", in the Senate's amendment, might result in the conviction of a person who had a weapon somewhere among his belongings, but not upon his person, at the time of the commission or attempted commission of an offence.

The proposed new paragraph reads:

(d) if he uses or has upon his person any weapon during or at the time of the commission or attempted commission by him of any of the offences in this section mentioned or the flight of the offender upon the commission or attempted commission thereof, and death ensues as a consequence of its use.

That definition covers, as we say, the four corners of the offence. If death ensued as a consequence of the use of a weapon, the Crown would have to prove that the accused used the weapon or had it upon his person during or at the time of the commission or attempted commission by him of an offence under the section.

I may say that this amendment conforms to a suggestion by the Attorney General of Ontario. It appears that in that province some accused person or persons escaped conviction, upon a charge of murder, because the Crown was not able to prove that the weapon—in that case it was a revolver—had been used by the accused. The house can understand how difficult it might be in some cases to prove the use of a weapon by an accused person when only two persons were present at the time of its use and the death of one of them ensued as a consequence of its use.

Hon. JACOB NICOL: Honourable senators, I was present at the committee when this clause was discussed and we were told what the chairman of the committee (Hon. Mr. Beauregard) has just stated, that the amendment was intended to prevent the recurrence of a situation that arose in the criminal courts of Ontario. It seems to me that the amendment is therefore an attempt to make a general law to provide for a particular case.

Hon. Mr. HAIG: No, no.

Hon. Mr. NICOL: That is a dangerous thing to do. What improvement will there be in the law if this proposed change is made? The new clause makes it a crime for anyone to have upon his person any weapon at the time he committed or attempted to commit an offence, but the idea is not followed up. The words of the clause are:

—if he uses or has upon his person any weapon during or at the time of the commission or attempted commission by him of any of the offences in this section mentioned or the flight of the offender upon the commission or attempted commission thereof, and death ensues as a consequence of its use.

Hon. Mr. HAIG: You have to look at the other part of the section; the amendment has to be considered with the section as it originally stood.

Hon. Mr. NICOL: I do not think an offence can be created that way, even if it is considered with the section of the code. My understanding of the amendment is that if a weapon is used and death ensues the accused person would be tried for murder and could be given the death penalty. Am I to understand that if a man takes part in a hold up or robbery in which no weapon is used but in which the victim is killed, that man is to be tried for murder?

Hon. Mr. HAIG: The amendment does not say that.

Hon. Mr. NICOL: If it does not mean that why is it put in?

Hon. Mr. HAIG: Honourable senators, may I explain the purpose of the amendment in this way: Let us suppose that I, having a gun in my pocket, go into a corner grocery store along with the honourable senator from Rougemont (Hon. Mr. Beauregard) and the honourable senator from Shelburne (Hon. Mr. Robertson), and the proprietor resists; and that when we go out the proprietor is dead—

Hon. Mr. NICOL: Then you must have used the gun.

Hon. Mr. HAIG: One of the three of us must have used it, and under this amendment we may all be charged with murder.

May I say that when the Managers on behalf of the Senate met in conference with members of the other house, it was quite readily agreed that the amendments as suggested by the Senate were along the right lines. It is true that the wording of amendment No. 2—which provides that if one causes a row in his own house one shall not be charged with causing a disturbance—was improved, and that amendment No. 2 was redrafted by the Minister of Justice, the Deputy Minister of Justice and the Law Clerk of the Senate in the presence of the Managers. We explained what we were trying to accomplish. We said that if two, three or six men went in to rob a grocery store—one of them having a gun in his pocket—and the proprietor was dead when they left, that would constitute the offence of murder. That is the meaning of this amendment.

Hon. Mr. NICOL: But the gun had been used.

Hon. Mr. HAIG: Quite true. The grocer would not have been killed if it had not been used. The Crown does not have to prove that the accused made use of the gun.

Hon. Mr. BISHOP: It may have been a case of suicide.

Hon. Mr. HAIG: How can the Crown prove that an accused man used a gun when the victim is dead? We have to do something to stop the epidemic of robberies in small stores. Let me give an illustration of an incident that occurred in the city of Winnipeg. About two and a half years ago three young men entered the North End Branch of the Canadian Bank of Commerce. One of them had a gun in his pocket. They said: "This is a hold-up! We want the money." The accountant replied: "Oh, no, there will be no hold-up here," and

he made a run for the men, whereupon one of them pulled a gun and shot the accountant. Under the new section those robbers, would be charged with murder.

Hon. Mr. ROEBUCK: It would be murder under the act as it now stands.

Hon. Mr. HAIG: No, it was held to be manslaughter.

Hon. Mr. HORNER: Had the jury done its duty it would have been murder.

Hon. Mr. HAIG: The use of the gun was not premeditated. The court sentenced those young fellows to ten years each.

Hon. Mr. NICOL: That is a wrong verdict.

Hon. Mr. HAIG: Why should a scalawag be allowed to go around with a gun in his pocket? He would not carry it unless he intended to make use of it. Nothing could be plainer than that. It is his intention to use the gun if an emergency arises. In those circumstances we say that the offence is no longer manslaughter but murder. There are a lot of old people running small stores, and even in my city, where the people are very well behaved, there are hold-ups every day or so. The situation must be bad in the rest of Canada when Winnipeg is so afflicted.

Hon. Mr. NICOL: The honourable senator should move from there.

Hon. Mr. HAIG: The committee had very fine cooperation from members of the House of Commons: they appreciated our point of view; and one of them, whose name I will not mention, supported our amendments even more strongly than we did.

Hon. ARTHUR W. ROEBUCK: In drawing amendments to the Criminal Code it is sometimes dangerous to take advice from law enforcement officers. It is the tendency of these officials not to take any risks of a criminal escaping, and they may lose sight of the need of protecting the innocent; their attitude is that he must take his chances.

In matters of law enforcement the real object to be aimed at is certainty of detection rather than severity of punishment. There are three conditions in this clause: first, that the accused has upon his person a weapon during or at the time of the commission or attempted commission by him of any of the offences mentioned in this section, or the flight of the offender; the second is, that at the time he is captured he has in his possession—probably in his pocket—a weapon, and somebody has lost his life; and the third is, that the loss of life is the consequence of the use of that

weapon. This possibility occurs to me: three men—I do not like to name the same ones that my honourable friend did—

Hon. Mr. HAIG: At least, I joined them.

Hon. Mr. ROEBUCK: Oh, yes. The position in which the honourable senator put himself seemed to me a little incongruous. Three men undertake a hold-up; one of them has a revolver in his pocket; a man is shot and killed; a flight takes place, and the man who originally had the revolver in his pocket and who used it slips it into the pocket of one of the other men. That other man would be presumed guilty of murder.

Hon. Mr. HAIG: All of them are guilty.

Hon. Mr. ROEBUCK: That was the old law—if that is what you are relying on—that when men undertake to commit an offence, and death ensues, it is murder. That is my understanding of the Criminal Code as it stands. I notice that two of my lawyer friends nod their heads. If that be the case, if that is the principle relied on, this amendment is not necessary. But if reliance is to be put on the principle set forth in the clause, there is possibility of danger in its application, because it is provided that if at any time during the commission or attempted commission of a crime, or the flight, the weapon by which a death was caused is found in the possession of a person, he is to be held guilty of murder. That is going a little far.

Hon. SALTER A. HAYDEN: May I add a word, since it was I who gave the explanation of this bill in the first place? Let us get back to the basic principle of this section. As the law stands—without giving effect to the amendment—if a number of people embark on armed robbery, and as a result a person is killed, the Code defines that killing as murder. That is, a person may be charged with murder. But there is a perfectly good defence which any person in that band of armed robbers may raise. He may say: "When I set out with that group to commit that robbery I did not intend to inflict grievous bodily harm upon the victim who was killed." If he raises that as a defence, the trial judge must, as a matter of law, put that theory to the jury; and time after time, though the circumstances were such as deprived the plea of any merit, the judge has put that contention of the defence to the jury and the jury has found the accused not guilty of murder but guilty of manslaughter.

My personal views on this matter were expressed here when I was explaining the bill on second reading. I said that so far as I

was concerned the law could not be made too severe in dealing with cases of people putting themselves in possession of death-dealing weapons and going out to commit a robbery in the course of which, for whatever reason, an innocent victim is killed as a result of the use of one of these weapons. That should be the law; under those circumstances the killing is murder, and the defence should not be entitled to raise the question of intent. In other words, they should not be able to plead that there was no intent to kill the deceased, but that in the excitement of trying to get away, or because of resistance offered by the victim, a gun was in some fashion discharged. I say that a person who engages in the business of defying the law should not be able to submit to a jury, through the medium of the judge, the question of his motive and his intent when he went out to do that job. The purpose of this amendment is to ensure that the question of intent—by which I mean intent to inflict grievous bodily harm—is not raised by an accused person under the circumstances I have described. I am emphatically in favour of the amendment.

Hon. Mr. DAVIES: May I ask the honourable senator what meaning is attached to "the flight of the offender"—that is as regards the length of it. How long is a "flight"? Is it assumed to be a block, two blocks, or a mile?

Hon. Mr. HAYDEN: If a man is carrying a revolver in escaping from the scene of a hold-up, and is chased by the victim, who is shot, the flight referred to would be in the course of escape from possible capture.

Hon. Mr. DAVIES: But is not the expression rather ambiguous? A man might be captured a mile away. All sorts of things might have happened in the meantime.

Hon. Mr. HAYDEN: But death has resulted. He shot a person.

Hon. Mr. DAVIES: But he is flying from the scene of the shooting, and the paragraph provides that if during the flight he is found with a weapon, he is guilty.

Hon. Mr. HAYDEN: No, no. There are two conditions: first, that he uses or has on his person a weapon, at a time when he is committing or attempting to commit one of these offences, or at the time of the flight from the commission or the attempted commission; and second, that in the course of the commission of the offence or of the attempt to commit it, or in the effort to escape from the consequence of it, death resulted to some

person from the use of that weapon. It does not matter where that death resulted. If the man shoots a police officer, of course it is held to be murder; but here the application of this principle is, I take it, to the case of the victim, who is at the scene of the hold-up; there is some scuffle, and the criminal's concern then becomes that of getting away, rather than of going through with the commission of the offence.

Hon. Mr. DAVIES: That is, while the man is being chased by an officer of the law or somebody else?

Hon. Mr. HAYDEN: No, If during the period that he is being chased by an officer of the law he shoots the officer, there can be no question but that the act is murder.

Hon. Mr. DAVIES: Yes, but he might be flying from the scene of the incident ten, fifteen or twenty minutes afterwards. It is possible, though not probable, that he might not have had a revolver when the incident occurred, it might have been in somebody else's pocket—but that when they caught up to him ten or fifteen blocks away the revolver had somehow found its way into his pocket.

Hon. Mr. HAYDEN: No. The wording is:

—if he uses or has upon his person any weapon during or at the time of the commission or attempted commission by him of any of the offences in this section mentioned or the flight of the offender upon the commission . . .

That is to say, an offence has been committed or attempted to be committed by one or more persons, and then there is an escape, and they all rush in various directions. As the result of the use of a gun, which the evidence establishes was in the possession of one of these persons at the time the hold-up was staged, the victim is dead. In these circumstances they are all guilty of murder. This provision, if it becomes law, is intended to plug a loophole, so that hereafter an accused person in such circumstances as have been described cannot insist that the jury be instructed that he did not intend to inflict any injury.

Hon. Mr. DAVIES: I predict that a great many arguments will arise in law courts over the definition of a flight.

Hon. Mr. ROEBUCK: There is a distinction between a flight and a hot flight, but no such distinction is shown in this bill. A flight might extend over a period of several years.

Another matter that bothers me is that a fight may be made by a number of persons in various directions. That is to say, when the party starts out one of its members may be in possession of a gun; then when a death ensues, the members of the party separate and go in all directions, and later another member of the party is found with the gun in his possession. It may be that once again the members of the party separate, this time completely, and that after they have done so the fellow who then has the gun pulls it out and shoots somebody. Then the man who was once in possession of the gun, but who was not even present at the scene of the crime, would be guilty of murder. There will certainly be some real arguments over this.

The motion for concurrence was agreed to

REPRESENTATION BILL FIRST READING

A message was received from the House of Commons with Bill 18, an Act to readjust the Representation in the House of Commons.

The bill was read the first time.

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of the bill.

Hon. JOHN T. HAIG: Honourable senators, before this bill is given second reading I wish to say that it has long been the practice in this house not to go into the details of a redistribution bill. For that reason I shall make no comment, except that His Honour the Speaker used the wrong term, I think, when he called this "an Act to readjust." He might well have called it "an Act to gerrymander." The term "gerrymander" is derived from Gerry, the name of an American politician who introduced a bill involving a practice that is still alive in this country. Ever since that time this practice has been called gerrymandering.

Hon. THOMAS VIEN: I should like to point out that the word was frequently heard in parliamentary circles in this country between 1878 and 1896. I recall that when I was a young member in another place—unfortunately it was years ago—I delighted in reading the speeches delivered in the two houses of parliament with respect to gerrymandering. Some speakers supported the practice while others strongly objected to it. If honourable senators have some spare time during the recess they might enjoy reading the debates of the House of Commons following the election of 1896. I would particularly refer them to the speeches of Sir Charles Tupper, leader of

the opposition, who had developed the theory that the Liberals had won a great number of seats by a minority of the votes cast, and that certain Liberal members would not have been elected had the boundaries of their representative constituencies not been altered.

Sir Wilfrid Laurier, then Prime Minister, pointed out to Sir Charles that gerrymandering had been strongly opposed by the Liberals in previous sessions of parliament, and that it was a Conservative practice. Sir Wilfrid further stated that Sir Charles Tupper, as leader of the opposition, had no right to complain of gerrymandering having taken place, because the redistribution had been made by his own friends.

In 1917 also there were bitter complaints of gerrymandering under the War-time Elections Act. At that time the Right Honourable Arthur Meighen, then Secretary of State, was charged with having introduced that measure in order to rearrange the boundaries of certain constituencies in such a way as to disfranchise certain Canadian citizens and give the right to vote to certain other people, such as the wives, mothers, daughters and sisters of Poles, Serbs and others in the United States. During that period Canada opened some eighty-three voting polls in the United States, a *fait unique* in the electoral history of Canada. I hope it will remain unique because giving people in a foreign country the right to elect members to the Canadian parliament is an extraordinary principle to be introduced in our electoral legislation.

Charges of gerrymandering were also made in 1933 or 1934 when a bill similar to the one now before us was introduced in the other place. At that time the boundaries of certain counties were changed, and all the "wicked" Liberals who were in the immediate vicinity were thrown into those counties to make them absolutely Liberal and to relieve the neighbouring counties of the Liberal vote. That also was called gerrymandering.

Hon. Mr. HORNER: Honourable senators,—

Hon. Mr. VIEN: I shall be finished in a few minutes. I know that my honourable friend will reply appropriately and with his customary vim and ingenuity. I had no intention of speaking on this measure, because, as the honourable leader of the opposition (Hon. Mr. Haig) has said, it is not usual for this house to debate at any length a bill to delimit the constituencies of honourable members of another place. But I want to point out that the first use in Canada of the word "gerrymandering" was principally by Liberals when complaining of acts of their political

opponents. In order to keep the record straight and prevent the drawing of a certain inference from the remarks of the honourable leader of the opposition, I wish to say that whether the word originated in the United States or elsewhere I do not know—

Hon. Mr. HAIG: In the United States.

Hon. Mr. VIEN:—it was introduced to our political vocabulary when the Liberal party had cause to complain that the Conservative party in office was using its powers to rearrange the boundaries of constituencies to suit its own purpose. I should add that it seldom profited from this action, because in most of the gerrymandered constituencies the Conservatives were defeated at the polls.

Hon. Mrs. FALLIS: Does the honourable senator offer that as a prophecy or forecast of what will happen from this gerrymandering?

Hon. Mr. VIEN: I am not attempting to make any forecast.

Hon. Mr. ROEBUCK: From his great store of political knowledge can the honourable gentleman tell me with what regime the phrase "hiving the Grits" originated?

Hon. Mr. VIEN: I believe the phrase "hiving the Grits" originated when it was decided that in certain Conservative ridings there were too many Grits or prospective Grits, and that they should be transferred to other constituencies where it was conceded that the Liberals already had a majority among the electors. I feel sure that the phrase will bring many interesting recollections to the minds of our honourable friends opposite.

Hon. Mr. MURDOCK: My honourable friend opposite (Hon. Mr. Haig) started this discussion. He ought to have heard enough now to hold him for a while.

Hon. Mr. HORNER: May I ask the honourable senator from De Lorimier (Hon. Mr. Vien) if he expects that this measure will bring about the same result as the 1934 redistribution?

Hon. Mr. VIEN: I am afraid that the honourable senators from Peterborough (Hon. Mrs. Fallis) and Blaine Lake (Hon. Mr. Horner) are indulging in a little wishful thinking.

So far as I can judge from the discussion in another place, there was no sinister motive in the preparation of the bill now before us. The last decennial census showed that there had to be a change in the number of elected representatives from various provinces, and this made necessary a change in the number

of constituencies. Saskatchewan, for instance, which was much to the fore in the discussion in another place, had its members reduced from 21 to 20. Clearly there had to be realignment of constituencies in that province. The chips had to fall somewhere. It has been pointed out that the honourable member of another place who most violently protested against the committee's report had given his written assent to that report. Quebec is another province whose number of members had to be changed; in this case there was an increase. One electoral district might have a population of only thirteen, fifteen or sixteen thousand, while that of another might be sixty thousand. The disparity was due largely to the 1934 redistribution. Advantage has been taken of the present opportunity to correct that situation and to de-limit constituencies in such a way as to bring about a more even division of population among the ridings. As I say, I do not believe that there was any sinister motive behind this bill. If the Liberals ever had a gerrymander in mind, they would have been convinced of its uselessness by the experience of their opponents.

Hon. Mr. HORNER: I think you are going too far now.

Hon. Mrs. FALLIS: The honourable senator said the chips had to fall somewhere. Does he not think it is a rather remarkable coincidence that they fell in the ridings of the leader of the opposition and his four ablest lieutenants?

Hon. Mr. VIEN: Nobody regrets that more than we do.

Hon. Mr. HORNER: They did not fall in Glengarry.

Hon. Mr. VIEN: I sincerely hope that the redistribution will not prevent the honourable leader of the opposition from continuing in that office for many years to come.

Hon. NORMAN P. LAMBERT: Honourable senators, I do not intend to indulge in any historical perspective of this question of redistribution. It seems to me that we can do very little about this bill. I think it should be pointed out, however, that the only justification for a redistribution measure is the taking of a decennial census which records the increase or decrease in the population of the various constituencies. It is true that where changes are made in the boundaries of a constituency some inconvenience is caused to the member who represents it.

In my opinion debate that has taken place on the subject in the House of Commons in the past and just recently, was brought about

largely by a sense of inconvenience on the part of the sitting member, who views with some concern the necessity for adjusting his organization to the demands of new conditions. I think it is most natural that objections should be forthcoming.

I am quite certain that an examination of our history would show that redistribution in the long run has had very little effect upon the outcome of the ensuing elections. I was not sitting in parliament in 1934, but was very closely in touch with what went on. May I say, by way of illustration, that the party to which I belong was then in the opposition, and that the redistribution bill, particularly as it affected the province of Quebec, met with a great deal of criticism by members from that province? As a matter of fact the leading representative from that province, the late Right Honourable Ernest Lapointe, was so critical of the measure that he challenged the government to go to the people on it. All that can be said is that when the election of 1935 came along his apprehensions were shown to have been entirely unfounded, because every seat in the province of Quebec was returned for his party.

As to the suggestions that have been made about gerrymandering or the hiving of one group here and another there, I believe that public opinion in this country is in such a liquid state that the passing of this measure will have no effect at all upon the outcome of the next general election. People form their views upon the issues of the day as they are advanced by the various political parties in what they believe to be the general interest of the country. If opinions are turned in the right direction, my view is that the technical differences between the constituencies has very little bearing on the outcome of elections.

I conclude with the thought that when we revise the Election Act something more can be said about what goes on in the constituencies.

Hon. S. S. McKEEN: Honourable senators, it has been said by the honourable leader opposite that this house takes little part in the discussion on redistribution. It occurs to me that if a satisfactory redistribution has been arrived at by a committee of the other house and a report has been presented, this house should stand by that report.

True, redistribution is purely a matter of compromise, and no one party should be entirely satisfied with the results. It is a case of each one giving a little to satisfy the whole. I believe that agreement has been reached among at least a majority of the parties as to the seats to be added. As for its effect on British Columbia, I was a little disappointed that the redistribution came so long after the

taking of a census. If it were made on the figures as shown by the ration board we would have at least another two seats.

Since the Senate is not particularly interested in the redistribution of the seats of the House of Commons, it might well consider the manner in which the seats in the Senate are distributed. That is a subject that should be examined into in this house. The Senate is intended to give numerical as well as geographical representation; therefore, more seats should go to some of the larger provinces. British Columbia is now larger than either Nova Scotia or New Brunswick, both of which have ten senators while British Columbia has only six.

There is talk of bringing Newfoundland into the confederation. Such a move would necessitate additional representation. It should not be forgotten that the other coast, west of the Rockies, is still part of Canada and should have at least two more seats in the Senate.

Hon. Mr. HORNER: Honourable senators, just to keep the record straight, in reply to my honourable friend's statement that certain members of the committee of the other house signed the report on redistribution, I should like to say that according to the Commons *Hansard* the report was signed on the understanding that the matter would be brought up in the house. The members were not agreeing to it, but were steam-rolled into signing it.

Hon. Mr. LAMBERT: A case of "on division".

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

THIRD READING

The Hon. the SPEAKER: When shall the bill be read the third time?

Hon. Mr. ROBERTSON: I move third reading now.

Hon. JOHN T. HAIG: Honourable senators, the honourable member for De Lorimier (Hon. Mr. Vien) referred only to the redistributions of 1896 and 1917.

Hon. Mr. VIEN: And 1934.

Hon. Mr. HAIG: He did not mention the other years. I think he should have told us that the average population per seat in the house is about 47,000, but that the Prime Minister's constituency has only 17,000, and its boundaries are left unchanged. He should have mentioned that the constituency of Carleton has a population of approximately 50,000 and yet a large number of votes were taken out of Ottawa and put into Carleton. It happened that in the last election the

voters in Ottawa gave a majority for the Liberal party and those in Carleton gave a majority against it.

My honourable friend did not tell us that the constituency of Muskoka-Ontario, whose representative in the other house is a prominent member of one of the opposition parties, has been divided up into a new combination. What has happened in the province of Manitoba? The change in population in the southern part of the province required that the seat to be lost should be from that district. The constituencies of Portage la Prairie and Neepawa were combined, which put the leader of the opposition in the other house into a new constituency with a population of twice the population of Glengarry. I object most to the dividing of the old constituency of Selkirk into two parts. The riding of Norquay is ideal for the present premier of Manitoba to run in—if he can be induced to come to Ottawa. That riding is a meandering one. It starts on the south side of Winnipeg and meanders northward, then east to Winnipeg, takes in some areas adjacent to the south centre of the city, and leaves a section to the north outside of Winnipeg.

Hon. Mr. HORNER: It is like a dog's leg.

Hon. Mr. HAIG: Unless you have a compass you are likely to get lost in trying to trace the boundaries of that constituency. The effect may not be so bad, because the population in that area is fairly cosmopolitan. I know Manitoba pretty well, and I am inclined to think the changes will not have any political consequences. The only member who may be hurt in this "jamboree" is the C.C.F. member for Selkirk; north of the town of Selkirk the constituency is divided east and west. If I were a friend of his, I think I would be fearing his defeat in the next election.

The really serious criticism of this bill relates to the riding of Lake Centre. The alteration proposed is an outrage. If my honourable friend had not indulged in references to this matter I would have kept quiet, but I think what has been said calls for a few remarks. The young man who represents Lake Centre is one of the ablest men in the parliamentary life of this country, as able a member as the House of Commons has seen in this generation. He is a worker; he is a veteran of the first world war. He comes down here at a great sacrifice, because not only is he a successful lawyer in his own province but his talent is such that he could attain high distinction and a lucrative practice in Montreal or Toronto, or in any other

Canadian city in which he chose to establish himself. But he prefers to stay in the West, where he is recognized as a leading counsel. Now the committee readjust his riding in order to defeat him, while they relieve the Minister of Agriculture of a district which in the main voted for the C.C.F. candidate at the last election. Three townships are taken from the south half of Humboldt and added to Lake Centre because in that district the vote was 550 for the C.C.F., 210 for the Liberal and 13 for the Conservative. Then, as if that were not enough, part of the city of Regina has been added to the constituency of Moose Jaw, with which it has no connection, solely to deprive the Conservative member of the 2,000 majority he received in that part of his constituency at the last election. If that is not a gerrymander which cries to high heaven for public protest, I do not know of any.

I am not worried about the situation in either British Columbia or Manitoba. It is inconvenient that the ridings now represented by two members—Mr. Bracken and Mr. Miller—and merged into one, because one of those gentlemen will have to step aside. I do not complain of that arrangement. As to Ontario-Muskoka things may not be so bad, because Mr. Macdonnell will undoubtedly be elected for the new seat. The really objectionable feature is the manipulation of Lake Centre constituency to create a potential adverse majority of 5,000 against the sitting member. In the committee, as the result of repeated protests the transfer of voters was limited, but the sitting member is threatened with 2,700 more opposition votes than were polled at the last election. My honourable friends may attempt comparisons with some other ridings, but in my judgment nobody can justify the kind of redistribution which it is sought to establish through this bill.

Hon. Mr. LAMBERT: May I ask my honourable friend a question?

Hon. Mr. HAIG: Yes.

Hon. Mr. LAMBERT: Has not Mr. Diefenbaker, for whom I have very great respect, agreed to this?

Hon. Mr. HAIG: He did, but upon a condition. As he said yesterday in the House of Commons.

I was compelled to agree to the last proposal, or the full force of 5,000 votes would have been made available against me. I think I can overcome an adverse majority of 1,700, but had the original proposal been adopted, there would have been 5,000 against me, and under those circumstances I could not hope to win.

Hon. Mrs. FALLIS: He was in a position where he could not help himself.

Hon. Mr. HAIG: That was the nature of his protest. I would not like to run against an opponent supported by 5,000 new votes.

Hon. Mr. LAMBERT: My honourable friend is not giving a correct interpretation of the document Mr. Tucker read in the other place, and which was signed by Mr. Diefenbaker.

Hon. Mr. HAIG: Mr. Diefenbaker gave me an explanation. The original draft proposal involved 5,000 adverse votes. The revised arrangement leaves 1,700. I do not believe there is any dispute at all about these figures. The point is that this redistribution is made at Mr. Diefenbaker's expense. Three of the constituencies in southern Saskatchewan are to be represented by two members; their total population is small, and all are represented by members of the C.C.F. Nobody will be harmed. But so far as Lake Centre is concerned the only purpose of re-drawing the boundaries is to eliminate Diefenbaker from the House of Commons. I do not think it can be done; I do not believe the people of Saskatchewan will permit it.

With regard to one observation of my honourable friend from Ottawa (Hon. Mr. Lambert), I venture to suggest that if the Conservatives had to do their redistribution work of 1933 over again, there would be no interference at all with the constituency, because they were always advised to leave it alone.

Now let me recount a little incident which occurred in 1923. At that time the Liberal party were in power in this country. One of the members of the redistribution committee was an M.P. from Manitoba with whom I went to university. He did not know much about rural Manitoba; I knew quite a bit about it. He said, "Jack, how shall I divide this province?" I believe that Manitoba was then getting three or perhaps four extra seats. He asked me how I would divide the city of Winnipeg, to which one more seat was to be allotted. I said, "I would run the division east and west". He said, "Would that help your party, or mine?" "Well", I said, "I'm blessed if I know". My idea about it was much the same as that expressed by the honourable senator from Ottawa. I said: "My experience is that if a fair redistribution is made the party which makes it gets the benefit; whereas the party which makes a bad redistribution gets kicked in the face for doing so". He ran the line east and west. A revision was made in 1933 under a Conservative government; the same line was retained. Subsequently there was a revision under a Liberal government; still the same line was adhered to. It has

remained in effect ever since. In 1925 the Conservatives carried two seats and the Liberals two seats. In 1930 the Conservatives carried two, the C.C.F. one, and the Liberals one. In 1935 the Liberals carried two and the C.C.F. carried two. I think we have there a perfect illustration of a reasonable plan of redistribution, which ultimately benefited those who made it. If it were my business to re-draw constituency lines in Winnipeg, I could do it in a manner which would give the Conservative party at least a chance in the next fight, and I could make it very difficult for the C.C.F. to get more than one seat.

I have nothing to add; but I thought that a reference to some examples of redistribution made by Conservatives, but never mentioned by Liberals, would help to correct some misapprehensions. I also wanted the house to understand that the re-drawing of this bill was not a Sunday afternoon picnic.

Hon. THOMAS VIEN: I had not intended to speak at all, but the honourable leader of the opposition (Hon. Mr. Haig) has brought me to my feet by his references to "gerrymandering" and the implication which was obvious from his words. Neither had I the intention of being exhaustive in the few remarks which I made; that is why I did not go into all the details which the honourable gentleman has now developed in his argument on the third reading.

I entirely agree with what he has said about the gentleman who now represents Lake Centre. He is extremely gifted; he is a dear personal friend of mine; and I sincerely hope that for a long time to come he will be returned to act as an opposition critic.

Hon. Mr. HAIG: I know you are genuine in that—I am not speaking cynically.

Hon. Mr. VIEN. Just as genuine as my friend was when he came down here in 1934—

Hon. Mr. Haig: 1924.

Hon. Mr. VIEN—in 1924, and suggested a certain division in the city of Winnipeg. One would have had to be more than human not to do so. The honourable senator suggested a division favourable to his friends. I do not blame him for that.

Hon. Mr. HAIG: You misunderstood. The friend was a member of the committee and a Liberal member for Manitoba.

Hon. Mr. VIEN: Yes, but I cannot convince myself that when the honourable senator suggested a certain division of the city of Winnipeg he intended to help the Liberals. I may be wrong but I am con-

vinced that what he had in mind was to retain at least one seat in the landslide of the Conservative party.

As regards what the honourable senator—

Hon. Mr. HAIG: I do not want to be misunderstood, I stated that in 1937 the line was left as it was—and in 1947 it is still the same.

Hon. Mr. VIEN: Of course it is, because whatever the intention at the time may have been, it has proven to be reasonably correct.

With respect to the discussion in another place, I would simply point out that the work was divided among sub-committees. Each sub-committee looked after the redistribution of one particular province, and a reasonable proposal was reached. Although there was not perfect agreement there was reasonable agreement, the proposal was accepted as being the best possible for each province.

Honourable senators, I think it is proper for us to approve what has been done, and to pass this bill without any amendment.

Hon. JAMES GRAY TURGEON: Honourable senators, until I listened to the debate this afternoon I had not the slightest intention of speaking on this motion. Now I wish to leave with the house three thoughts that came to my mind while the bill was under discussion in another place.

The first has to do with our international relations. Honourable senators know that one of the complaints of most western countries is that the eastern countries do not hold free elections. If I were the representative in Ottawa of one of those eastern countries whose system of election is so often criticized by western countries, and I read the charges that have been made here, in another place, and in our newspapers, with respect to the redistribution bill and its effect upon the coming elections, and then read the counter-charges made against other redistributions, I wonder what would be the nature of my dispatch to my government.

A measure of this nature should be given careful thought. I have little knowledge of the seats under discussion; I know nothing of the Saskatchewan riding of Lake Centre, except, as others have said, that the member from that district is a fine man and a hard-working member of parliament.

I do, however, know something about Cariboo and Kamloops. For many years practically all the western portion of the Kamloops riding, including the town of Kamloops, was part of the Cariboo federal constituency. It was taken out of that constituency by a redistribution previous to the election of

1935, when I first became the member for Cariboo. Most of that part of the Cariboo riding which is now going into Kamloops is in the Lillooet provincial constituency, whose member is a Conservative. He was elected in 1941 and re-elected at the last election. For two terms prior to 1941 he was not in the legislature, but he had been there formerly. In the 1935 election I was the candidate and I did not carry that portion of the present Cariboo riding. I did carry it in 1940 and again in 1945, but in the provincial election of 1941 it went Conservative, as it did again in 1945. That is not all. I think a bit of the present constituency north of that is going into Kamloops. Since 1933 it has been Liberal, although for many years it had been Conservative. I think Mr. Fulton will have just as good an opportunity in the proposed new riding as he has had in the one he now represents.

The constituency of Glengarry has been mentioned. I do not know anything about it, but from what was said in another place I understand that the Prime Minister has confirmed the statement that he has no intention of running in that riding. Therefore, anything done with respect to that constituency could not have been done with an eye to the Prime Minister's chances in the coming election. I am told by people within the sacred precincts of this building that in order to perpetuate the historical tradition which for so many years has permitted a man of Scotch descent to represent the constituency, no change is being made. I am told also that if the constituency is enlarged it will probably have a French speaking majority. There is not much Scotch blood in me, but if the reason given is the real reason for not changing Glengarry, I think it is a good one. We should keep in mind the traditional part of Canadian history, especially in old-settled parts like the Ottawa valley. If anything can be done to keep a member of Scotch descent in the seat of Glengarry, I think it should be done.

I have no desire to argue, but I do think that in view of the present world situation it is disastrous for us, in discussing what is taking place now to be harking back to what took place in elections many years ago. I say this because many representatives of the United States, Great Britain, Canada and other countries have complained that certain eastern European countries in their elections do not permit a free choice of candidates or free expression of opinion by the people, and that there is—if I may use a term that has been used here—gerrymandering in one form or another.

I hope honourable senators will excuse me for having risen on this occasion.

Hon. ARTHUR W. ROEBUCK: Honourable senators, I join with the honourable gentleman in deploring the use of extravagant terms in this discussion. I know very little about the redistribution in other provinces, but I know that in Ontario as little change as possible was made. Northern Ontario has grown rapidly since the last distribution, and centres such as Nipissing have achieved a population of over 100,000 people. The district of Cochrane has a population of seventy or eighty thousand. There was a bona fide necessity of shifting some of the representation from southern Ontario up to northern Ontario.

I also know that the riding of Muskoka-Ontario, to which the honourable leader of the opposition (Hon. Mr. Haig) referred, was one which in the nature of things had to go. It was a strange constituency at best, over 100 miles in length, running from the lake shore up to Parry Sound and having a population of about 30,000. Anybody who looks at the map fairly will see why it has been decided to distribute that sprawling constituency among three others. The northern section, which is a natural portion of the Parry Sound riding, was put in that riding. The honourable gentleman who was successful in the Muskoka-Ontario constituency at the last election is very angry about the change. I can appreciate that, because he will be somewhat, though only slightly, inconvenienced. He looks upon what has been done as a special attack upon himself; he credits himself with being so important that the Liberal party would like to eliminate him. That is not so at all. The truth is simply that he was unfortunate in having selected from his residence in Toronto a constituency which was tagged for elimination in any decent or fair redistribution.

It is not proper that we should discuss all the details of this measure. I have not gathered figures for this debate, as I did not think there would be such a debate here. From personal knowledge I can say with perfect sincerity that in the province of Ontario the approach to this problem of redistribution was bona fide, and that there was no malicious intent or over-reaching desire to injure anybody, much less our Conservative friends.

Hon. GUSTAVE LACASSE: Honourable senators, I agree with the statement of my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) that there is little we can do about this bill, for it concerns principally the elected members of another place. But with

all due respect to those who have the responsibility of representing electoral constituencies, I think we are justified, as citizens of Canada if for no other reason, in taking an interest in the bill. I agree that we should not consider it from a partisan viewpoint.

My principal reason for rising is to voice my regret, which I admit is based on sentiment, at the disappearance from the electoral map of Canada of the county of Two Mountains. I shall refrain from alluding even indirectly to one of the most vicious discussions which took place elsewhere, but I wish to point out that in the whole of Canada there are few ridings with such an important historical background as that of Two Mountains. Everyone here knows what I mean. In the course of events some constituencies have necessarily to be amalgamated, and in due time their names fall into deep oblivion of a forgotten past. I sincerely trust that "Two Mountains" will be an exception, and that this name will forever shine on our electoral map as it shines on the pages of Canadian history.

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

TRANSPORT COMMISSIONERS BILL

FIRST READING

A message was received from the House of Commons with Bill 455, an Act to extend the term of office of a Transport Commissioner.

The bill was read the first time.

SECOND READING

Hon. WISHART McL. ROBERTSON moved the second reading of the bill.

He said: Honourable senators, this is a bill in which I am interested not only as government leader but as a representative of the Maritime provinces. The Railway Act provides that a member of the Board of Transport Commissioners shall not hold office after having reached the age of seventy-five years, and the purpose of the bill is to enable the Governor in Council to continue for one year the term of office of Mr. Commissioner Stone, who became seventy-five on June 30, 1947. In his capacity as a member of the board Commissioner Stone represents labour and the Maritime provinces, and if he were replaced at this time the new appointee would be under the handicap of not having attended the board's hearings of the last few months on the application of the railways for a substantial increase in freight rates. The Maritime provinces are especially interested in this application, feeling that the board's decision may have an important effect upon their future, and they have urged the passing

of legislation to make it possible for Mr. Commissioner Stone to continue in office, as he is willing to do, until the board makes its report. Under the provisions of this bill he could remain in office at the pleasure of the Governor in Council during a period not exceeding one year from the 30th of June, 1947, and it is expected that the report will have been issued before that time.

Hon. Mr. ROEBUCK: Did I understand the honourable leader to say that Mr. Commissioner Stone is over 65?

Hon. Mr. ROBERTSON: He is 75.

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

THIRD READING

Hon. Mr. ROBERTSON moved the third reading of the bill.

He said: Honourable senators, may I emphasize that it is considered advisable to extend the term of office of Mr. Commissioner Stone because he has heard the evidence given at the hearings on the freight rates case. I am not suggesting that if he were replaced the other commissioners would do anything prejudicial to the interest of the Maritime provinces or of labour, but we would feel much better if his services were retained until the board makes its report.

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

CIVIL SERVICE SUPERANNUATION BILL

MOTION FOR THIRD READING WITHDRAWN

On the Order:

Resuming the adjourned debate on the motion for the third reading of Bill 415, an Act to amend the Civil Service Superannuation Act, and the motion in amendment, of the Hon. Senator Roebuck "That the Bill be not now read a third time but that it be committed to a Committee of the Whole presently."

Hon. JOHN T. HAIG: Honourable senators, I propose to ask the house to grant me a special favour by allowing this bill to go to the committee of the whole. When this measure was before the house yesterday I was opposed to it and in favour of the amendment proposed by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). Since then I have heard some representations which indicate to me that I may be wrong. Therefore, I should like honourable members to have an opportunity of discussing the bill in committee without committing themselves to any principle.

Hon. CHARLES L. BISHOP: Honourable senators, some of the clear minds in the Senate seem a bit confused over this measure.

I think that both the purpose of it and the way in which that purpose is to be carried out are set forth in complete clarity. The enactment is motivated by the best of intentions.

In brief, the age for compulsory retirement, which now is 70, is reduced to 65. However, if it is desired to retain the services of anyone up to 70 years of age this may be done from year to year by order in council.

I am informed that no wholesale retirement of government employees is to be expected, unless the employees themselves want to retire. Those who are capable, efficient, and willing to be kept on are not likely to be dispensed with. While this new provision permits a civil servant to retire voluntarily at age 60, the government also may retire anyone at that age if it deems that there is sufficient reason for so doing; but when it is agreed that the efficiency of many persons of 60 is unimpaired, I do not foresee any civil servant possessing such qualifications being forced out of the service.

If anyone wants to retire because of impaired health, or for other reasons, he will find that the bill provides the necessary facilities to enable him to do so under favourable circumstances. As one moves out one leaves room for someone else to move up in the progression of promotion. Advancement is the natural ambition of the public servant and the prospect of it is, or ought to be, an incentive to the best endeavour.

If in the civil service superannuation system there is any measure of generosity on the part of the public treasury, it is only in line with the modern trend in all democratic countries towards social security. A sense of security is the solvent of many worries, and one of the great contributions to peace of mind. If the treatment provided for can be called generous, let us remember that civil servants who are eligible for its benefits have earned the reward by the length, fidelity and acceptability of their service, and also by making substantial contributions year by year to the large fund which sustains the system of superannuation.

One word more. I am advised that this measure is approved by the Civil Service Federation of Canada, the Ottawa Civil Service Association, the Amalgamated Civil Service Organization, and, as the honourable leader has said, by a parliamentary committee and a royal commission. The sanction of such authentic bodies should go far to allay the fears and dispel the gloom of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) or of any other members of this house who may share his views.

Hon. Mr. ROBERTSON: Honourable senators, the leader opposite (Hon. Mr. Haig) was good enough to speak to me about this matter. I have no objection to the bill being considered in committee of the whole, and to facilitate matters I have taken the precaution of having in attendance officials of the department so that the honourable senator from De Salaberry (Hon. Mr. Gouin) or any other honourable member may question them. It should be understood that when the house goes into committee of the whole it need consider only those sections which the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) wishes to be considered.

Hon. Mr. HAIG: I would concur in that suggestion.

The Hon. the SPEAKER: Honourable senators, the motion before the house is for third reading of the bill. Is it the wish of honourable senators that the motion be withdrawn.

The motion for third reading was withdrawn.

CONSIDERED IN COMMITTEE

On motion of Hon. Mr. Robertson the Senate went into committee on the bill.

Hon. Mr. SINCLAIR in the Chair.

On section 1—Definitions:

Hon. Mr. ROEBUCK: I move:

That subsection 4 of section 1 be amended by striking out, in paragraph (jj) the word "sixty" and substituting the words "sixty-five".

The paragraph would then read:

(jj) "retirement age" means sixty-five years of age.

I suppose there is no need of repeating what was said in the debate of yesterday. I more or less agree that all these amendments hang on the first one, and that if you do not agree to change this paragraph by striking out the word "sixty" and substituting "sixty-five" you will be opposed to similar changes all the way through. I shall make an added comment, but it will be very short.

When I was speaking yesterday, the classic illustration with regard to this matter did not pass through my mind, as it did a little later on. The outstanding case of this kind in English literature is that of Charles Lamb who wrote the "Tales of Shakespeare". Lamb was an official of the India office where he was given a job to support him while he wrote his stories and essays, because in those days litterateurs were esteemed more highly than they are nowadays. He was a great letter writer, and he wrote all over England complaining of being chained to a desk, the slave of the India office, while his heart was breaking.

Finally he was superannuated, and he addressed letters to friends all over England indicating his happiness at having escaped at last from slavery. This mood lasted about three weeks, when he began another series of letters, the burden of which was that he was again the most miserable man in all England, because he had nothing to do. Men who, though advancing in years, are not old men should not give up their work and retire. What Charles Lamb needed was a holiday, not to abandon his work, his habits of regularity, and the necessity of keeping time by the clock. That lesson applies in ample measure in the present case. Before leaving it, I cannot resist the temptation of repeating a little witticism of Charles Lamb while he was in government employment. At one time somebody complained or called him to task for getting down so late in the morning: he answered, "Yes, but see how early I leave in the afternoon".

Gentlemen, I am opposed to this business of lowering the age of retirement, and I offer the amendment for your favourable consideration.

Hon. Mr. NICOL: Did I understand the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) to say yesterday that retirement could be applied for at the age of sixty but could not be imposed. Is not that the law now?

Hon. Mr. ROEBUCK: That is the law. As I understand it, retirement can be given at almost any time if the circumstances warrant it.

Hon. Mr. NICOL: At sixty-five?

Hon. Mr. ROEBUCK: At sixty-five, yes; but compulsory retirement does not take place now until the age of 70. It is the lowering of the age limit from 65 to 60 to which I strongly object. Under the clause now before us, "retirement age" means sixty years of age, and I urge that we strike out "sixty" and substitute "sixty-five". If this amendment is carried, when an employee reaches 65 he may retire on full pension; but under the bill as drafted he may leave at sixty and go fishing, or engage in business of some kind to serve his own interests.

Hon. Mr. NICOL: Yes, if he asks to be retired.

Hon. Mr. ROEBUCK: That is so, but why should we give him that right? Why should we change the rule we have followed in the past, and allow a man who is in the very prime of life, with all his faculties, his health and the experience he has gathered in the public service, to leave it on full pension?

Hon. Mr. BISHOP: If he is a very valuable and efficient servant, probably the government would not let him go.

Hon. Mr. ROEBUCK: If the bill passes in its present form it will be his right to go, and he cannot be held against his will. Under the act as now constituted he can be retained. But if this bill goes through he can retire no matter how valuable he may be, or how healthy and strong. I do not think such a provision is in the public interest.

Hon. Mr. BISHOP: If he should retire at sixty he would receive a much smaller superannuation allowance than he would get if he remained until sixty-five.

Hon. Mr. ROEBUCK: No. As I understand the bill, the full pension will be payable at the age of sixty.

Hon. Mr. GOUIN: Not necessarily. The maximum is obtainable only after thirty-five years of service.

Hon. Mr. ROEBUCK: Well, if the civil servant has completed his thirty-five years he can retire on full pension at sixty, although he may be perfectly healthy and in the prime of life.

Hon. Mr. GOUIN: Honourable senators, I think it is important to understand the act as is in order to realize the effect of the changes which we are discussing, and which consist in lowering the retirement age—the so-called voluntary retirement age—from sixty-five to sixty, and lowering the compulsory retiring age from seventy to sixty-five.

There are two phases to be considered. First there is the automatic phase. When a civil servant reaches the age of seventy, under this bill he cannot be continued in office except as provided for in paragraph (2) of section 8 of the bill. It reads as follows:

(2) Nothing contained in subsection one of this section shall be deemed to require any contributor to be retired from the Civil Service by reason of having attained the age of seventy years, until at least two years have elapsed after the coming into force of the said subsection.

Under section 8 of the bill no contributor shall be retained in the civil service beyond sixty-five years of age, but annual extensions may be granted to him until he reaches the age of seventy.

The first remark which I wish to make is in reply to a question put yesterday by the honourable senator from Pembroke (Hon. Mr. White). He enquired as to the attitude of the civil servant concerning the lowering of the retirement age. With leave of the Senate I wish to read a resolution dated July 7, 1947, from the National Joint Council of

the Public Service. That is an association which includes representatives of certain civil service organizations as well as representatives of the government. The resolution reads as follows:

The National Joint Council of the Public Service, having examined the provisions of the bill to amend the Civil Service Superannuation Act,

(1) endorses the provisions of the bill:

(2) expresses its appreciation of the action of the Minister of Finance in facilitating its consideration of the bill;

(3) expresses its appreciation of the work of the Superannuation Advisory Committee, the Department of Finance, the Minister of Finance and the Government in connection with the Bill; and

(4) expresses the hope that the Bill will be passed at the present session of Parliament.

I also wish to present to the Senate a letter addressed to the honourable leader of the government here (Hon. Mr. Robertson) dated July 15. This letter is signed by Mr. T. R. Montgomery, Acting President, Civil Service Federation of Canada. That is one of the organizations I have already mentioned, and forms part of the National Joint Council of the Public Service. The letter reads as follows:

Dear Sir,—

The Bill No. 415, An Act to amend the Civil Service Superannuation Act, now before the Senate for consideration, is, in the opinion of the Civil Service Federation of Canada, one of the most important bills affecting Public Service Administration which has been brought forward in many years.

The Civil Service Federation, representing civil servants all across Canada and in every department of government has strongly pressed, over the years, for such an Act. We believe it to be not only in the interest of the employee but also very much in the public interest. The increased efficiency brought about by a betterment of morale consequent upon the increased promotional opportunities opened up to members of the service due to the lowering of the retirement age will be quickly apparent and most beneficial.

The fact that promotion in the public service is relatively slow and promotional opportunities for the many thousands in the lower grades comparatively few in comparison with their numbers tends to make the Public Service less attractive than it should be to many highly efficient well-trained Canadians.

It should also be recalled that recruitment to the public service now involves many thousands of young veterans who have a right to expect along with others the opportunity for quicker advancement in the future than has been possible in the past.

The above are a few of the main reasons why the Federation has approved of the Bill and is most anxious that it be adopted at the current session of parliament.

In summing up, the lowering of the retiring age will do three things: first, it will increase

efficiency; second, it will increase promotional opportunities, and, third, it will favour the young veterans.

The question of the proper retirement age for civil servants is not a new one. It was carefully considered in 1939 by a parliamentary committee of the House of Commons which recommended that the permissive retirement age be lowered to sixty, and the compulsory retirement age to sixty-five. As honourable senators know, a royal commission was appointed in 1946 under the chairmanship of Mr. W. L. Gordon. Their report of July 4, 1946, page 21, line 7, suggested that:

The efficiency would be improved and public money saved if earlier superannuation were possible. We suggest that the Superannuation Act should be amended so as to permit of superannuation in such cases at the option of the government at age sixty for men and fifty-five for women.

Surely my honourable colleague from Toronto-Trinity (Hon. Mr. Roebuck) cannot complain that this bill does not go as far as the recommendations of the so-called Gordon Commission. The government has decided not to differentiate between men and women.

There is also a recommendation from the Superannuation Committee of the Civil Service, an organization with representatives from the civil servants as well as from the government. This recommendation is summarized in the Commons *Hansard* of July 4, in the remarks of Honourable Mr. Abbott:

Under the law as it now stands the age for voluntary retirement is sixty-five years and the age for compulsory retirement seventy, subject to extension by order in council for a further period of five years. The 1939 parliamentary committee had recommended that these ages be reduced to sixty and sixty-five years respectively, and the royal commission on administrative classifications in the public service recommended that the Superannuation Act should be so amended as to permit of superannuation in certain cases at the option of the government at age sixty for men and at age fifty-five for women. The superannuation committee of the civil service has also recommended earlier retirement ages than now prevail, feeling that general earlier retirement would make for greater efficiency in the public service "not only by separating those whose efficiency may have diminished, but by accelerating the rate of promotions in the service which very frequently are much delayed in large portions of the civil service in existing circumstances."

The government has therefore decided to reduce the voluntary retirement age to sixty for both men and women, and the compulsory retirement age to sixty-five for both men and women, subject to extension year by year for a further period of five years by order in council on the recommendation of the head of the department and the treasury board for reasons of peculiar efficiency and fitness for the position. The bill is so drafted as to implement this decision, but

the new provisions will not require any contributor to be retired by reason of having attained the age of seventy years until at least two years after the coming into force of the legislation. Provision is also made that effective August 1, 1957, additional retirement benefits may not accrue after the age of sixty-five years. This provision will strengthen the effective application of the compulsory retirement age of sixty-five years. We believe that these changes, while perhaps increasing slightly the financial burden on the superannuation fund itself, will nevertheless make for increased economy in the public service because of greater efficiency and improved morale.

In the light of the statement of the Minister of Finance, and considering the recommendation made by the parliamentary committee in 1939, the royal commission on administrative classifications in the public service—the so-called Gordon commission—in 1946, and the civil service superannuation committee, and in view of the approval by the national joint council of the public service on behalf of the organizations which it represents, and the special approval given by the largest of these organizations, the Civil Service Federation of Canada, which I understand has a membership of 50,000, I do not share the fears expressed by my honourable colleague from Toronto-Trinity (Hon. Mr. Roebuck) that if this subsection becomes law the civil service will suffer a great loss through the retirement of trained men who, after reaching the age of sixty will choose to go fishing or into private business. There are exceptional cases of professional men of outstanding ability who render valuable service even after seventy, but this is not the general rule. In fact, I know of many instances where men of about sixty are already showing well-characterized signs of inefficiency. So long as our system does not permit of superannuation at sixty the efficiency of various branches of the public service will be diminished by the retention of employees who are no longer capable of doing a good job. I might point out here that in banks and other business institutions sixty years is the normal retiring age, and I believe that is also true of the United Kingdom civil service.

Let us consider the probable course of a civil servant who upon reaching his sixtieth birthday has the option of retiring on pension. If he likes his work and is efficient and conscientious he will wish to continue serving his country. It will also be to his pecuniary interest to do so, because in any event his salary will exceed what he could be paid in superannuation benefits, and unless he has already been in the service thirty-five years he will by remaining after the age of sixty increase the amount of pension payable to

him when he becomes sixty-five. The amount of the pension is the average of the salary for the last ten years of service.

A civil servant who desires to retire at sixty will come under section 4 of the bill, which provides that the Governor in Council may grant him a superannuation allowance. In other words, retirement on pension at sixty is permissive; it is within the discretion of the Governor in Council. Of course, under the Civil Service Act, chapter 22 of the Revised Statutes of Canada, 1927, section 20, as amended, appointments to the civil service are in principle during pleasure. I submit that the efficient civil servant will have every inducement to continue in the service after sixty years of age, and that, generally speaking, he is unable to enter private business on a satisfactory footing at that time of life. I will admit—for I want to state the whole case fairly—that it might be to the advantage of professional men to retire at sixty, and enter into private practice but at that age the average civil servant whose work is of a purely clerical nature would not leave the civil service to take up a new line of business.

We have had representations from various organizations of civil servants which indicate that they believe it fair and reasonable to adopt the new retirement age provided for in this measure. Moreover, there are cases where by reason of arduous work or exposure to extreme climatic conditions sympathetic consideration should be given to those now approaching the age of 65 years but who cannot be paid their pensions under the present act unless they become physically incapacitated. In these cases no discretion is given for the granting of superannuation at an earlier age than 65.

May I refer to letter carriers, rural mail clerks and immigration inspectors, who have either to "pound the pavement" or stand on their feet for long periods of time? The honourable senator from Toronto-Trinity protested strongly that on humanitarian grounds we should not kill the sexagenarian by allowing him to have nothing to do. I submit that on humanitarian grounds also, we should consider very seriously the position of the letter carriers, mail clerks and others who under present circumstances would retire if it were not for the fact that they would receive only a refund of the amount which they have contributed. It is well known that in a large city like Montreal there are letter carriers who are deserving of consideration, and who would greatly benefit by the lowering of the retirement age as proposed by this legislation.

In summing up I wish to say that under this bill superannuation at 60 would be put into effect in a limited number of cases and that it would increase rather than impair, the efficiency of the various departments. That is apparent from the letters and resolutions which we have before us. I cannot take upon myself the responsibility of ignoring the recommendations and resolutions which I have submitted to this house and I intend to vote against the amendment.

Hon. Mrs. FALLIS: May I ask a question of the honourable senator, or of the officials, through him? Are there any figures available which would indicate the approximate number of civil servants who at the age of 60 have completed thirty-five years of service and would be eligible for the full pension?

Hon. Mr. GOUIN: I will attempt to obtain that information at once.

Hon. Mr. HORNER: Honourable senators, while the answer to the honourable lady's question is being looked up may I ask why there is a jump of five years? That is a long period at that stage of life. Why could we not have made the voluntary and compulsory ages 63 and 68 respectively instead of 60 and 65?

Hon. Mr. GOUIN: The figures recommended by the parliamentary committee and by the royal commission were 60 and 65.

Hon. Mr. MARCOTTE: Honourable senators, first may I complement my friend from De Salaberry (Hon. Mr. Gouin) on his able argument in favour of the bill. His closing remarks appealed to me strongly.

We use the words "voluntary retirement" and "compulsory retirement," but where in the bill do we find any reference to voluntary retirement? You will find reference to the fact that the government may offer retirement at 60. If the government may offer retirement at 60 under the bill, it will be able to do so under the present amendment. A man is entitled to superannuation at 60, but if he wishes to do so, he may continue in the service to age 65. If the amendment put it that way I think there would be little objection.

May I read a paragraph from a letter presented by my honourable friend from De Salaberry (Hon. Mr. Gouin), which is as follows:

It should also be recalled that recruitment to the public service now involves many thousands of young veterans who have a right to expect along with others the opportunity for quicker advancement in the future than has been possible in the past.

It is the usual story of pushing the old man aside, which is not quite fair.

We are told that under this bill there will be quicker advancement in the civil service. I ask what is to prevent advancement as far as salaries and grades are concerned at the present time? There is nothing in the act which prevents promotion.

In my opinion a man should have the right to apply for superannuation at 60 instead of at 65. As far as rural mail carriers and those who do arduous labour are concerned, 60 years is a fair retirement age, but as my honourable friend well knows, for clerical work the man between 65 and 70 has more ability to grasp situations than has the younger man. We have only to look around this chamber to realize that, the old men—I except the lady members—continue to work through the hot weather while the young people are away on holidays.

It seems to me that the crucial point is this: eliminate the provision for a man to be superannuated at sixty if he so desires, and you eliminate all criticism. You say he is not obliged to retire. Supposing nobody wants to leave the service, where will there be any chances for the young men who are expecting to see the old men pushed aside, to give them opportunities of advancement? I had a visit this morning from Mr. Montgomery, who wrote the letter which has been referred to. We had quite an argument, but we concluded by agreeing with each other when he understood what I had in mind. He said, "Yes, the minute we are able to get our superannuation at sixty there will be no trouble". Change the wording of the bill in this respect, and I will be with you, but if it is not changed I could not agree that the provision for retirement as set out in the bill means exactly what you say it means. You advocate voluntary retirement, but it is not so stated there. Make it so; then I shall approve of it. If you do not, the matter is wholly one of interpretation. Who is going to do the interpreting? Under a section which at the moment I cannot identify, the government "may" offer this. If the government "may" offer, then it may press superannuation upon a man, and instead of giving him an opportunity of choice, of making his own election, pressure will be put on him and he will have to retire.

Hon. Mr. GOUIN: At this point I wish to try to answer my honourable friend. First, there was no bad faith on my part when I used the expression to which he has referred. The phrase "voluntary retirement" is always used; and in fact I qualified it with the expression "so-called". I would prefer to use the term "permissive retirement". Section 6 as revised will read:

(1) The Governor in Council may grant (a) to a contributor who has served in the civil service for ten years or upwards and

(i) who has attained retirement age, an annual superannuation allowance.

Then, if we refer to section 1, subsection 4, paragraph (jj) which my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) desires to amend, we find that when he reaches the age of sixty a civil servant may apply for superannuation. I say that that is permissive. Even though the present bill were withdrawn, as each civil servant is appointed during good pleasure, he may receive a "notice of dismissal"—if it may be appropriately so called. I know also that he may be offered retirement with the advantages of superannuation; and such offer he is obliged to accept. But what prejudice will the majority of civil servants suffer if that age limit of sixty-five is lowered to sixty? I need not repeat all the arguments. Under present circumstances letter-carriers would not receive any superannuation who have not reached 65; but through the amendment which is now before us they will obtain that benefit. My honourable friend asked why it is to be assumed that opportunities of promotion will be created. Well, it is not a matter of pushing out those who are rather advanced on the road of life when they are efficient, but when they show a certain degree of inefficiency. If they are retired, under conditions which I submit are fair and reasonable, places are made for others and the efficiency of the civil service is thereby enhanced. I would not describe such a process as cruel; it is in fact a natural and reasonable one.

Now concerning the veterans. It is not my contention that through these changes in the statute, thousands upon thousands of veterans would immediately find employment. All I say is that they would have a better chance of obtaining a certain number of positions which by this means will become vacant.

Hon. Mr. ROBERTSON: Regarding the specific question which was asked by the honourable senator from Peterborough (Hon. Mrs. Fallis), I am advised, on the basis of estimates made in 1931, that approximately 18 per cent of all civil servants enter the service at ages which would enable them to complete thirty-five years of service at sixty. I cannot say whether the percentage has changed materially between that time and the present. If the average age of entrance is higher today, the percentage qualifying at sixty would be correspondingly lower; if the age of entrance is now lower, the percentage would be higher. That is all the information I can give.

Hon. Mr. ROEBUCK: I want to compliment the honourable gentleman in whose hands the government's case has been placed on his defence of this bill. The administration could not have chosen a more capable counsel to represent them; and I presume that under those circumstances everything which could be said has been said in favour of the measure as it stands and in opposition to the amendments which I have suggested. I do not believe any argument has been omitted. I wish also to compliment the honourable senator from De Salaberry (Hon. Mr. Gouin) on placing in our hands a most valuable document, namely the reasons which have actuated the Civil Service Association in making their recommendations. I hold in my hand that document: it supports completely the arguments which I have advanced. It is signed by Mr. T. R. Montgomery, Acting President, Civil Service Federation of Canada. That gentleman is elected to his office by the votes of civil servants, most of them young people, because as time goes on the numbers of those of advanced years are gradually thinned, and those eligible for superannuation are but a small percentage of the total number. So; I repeat, this gentleman represents electors largely drawn from the younger element.

Hon. Mr. ROBERTSON: Why does the honourable senator say that?

Hon. Mr. ROEBUCK: Because the younger class is so much more numerous than the older ones.

Hon. Mr. ROBERTSON: All of them get old, though.

Hon. Mr. ROEBUCK: All of them get old in time, but at the present time the great majority are the younger civil servants, not older ones who are at the point of retirement; these latter are comparatively few. I will read from the letter which has been put in our hands by the gentleman who is in effect, if not in fact his counsel.

Hon. Mr. GOUIN: I would not call myself his counsel.

Hon. Mr. ROEBUCK: Well, the honourable gentleman is a counsel, and a very good one, and surely he is making Mr. Montgomery's case. This is what he says:

The increased efficiency brought about by a betterment of morale.

That is to say, the people who are left in their jobs are going to be much better satisfied.—a betterment of morale consequent upon the increased promotional opportunities opened up to members of the service due to the lowering of the retirement age will be quickly apparent and most beneficial.

See the significance of that statement. The morale of the younger men who stay in their jobs, after the older men are pushed out, is going to be increased because they will be promoted a little quicker. I read further:

The fact that promotion in the public service is relatively slow and promotional opportunities for the many thousands in the lower grades comparatively few in comparison with their numbers tends to make the Public Service less attractive than it should be to many highly efficient well-trained Canadians.

Certainly the promotion for these civil servants is too slow to satisfy them, and I appreciate their desire for advancement. We have all been eager for promotion and have struggled for better work. For these reasons many of us left jobs that we held and struck out in some other direction. The old fellows were ahead of us, but we did not propose that they be thrown out of their jobs so that we would be promoted more rapidly.

I read further:

It should also be recalled that recruitment to the public service now involves many thousands of young veterans who have a right to expect along with others the opportunity for quicker advancement in the future than has been possible in the past.

I ask you to observe the concluding sentence:

The above are a few of the main reasons why the Federation has approved of the Bill and is most anxious that it be adopted at the current session of parliament.

The reasons are not "a few" in number; there is only one reason—the younger men want to push the older ones out. No other reason is shown in this letter.

My honourable friend (Hon. Mr. Gouin) has said that each man may stay in his office if an order in council is passed on the recommendation of the head of his department. I have just as much confidence in the heads of departments of the civil service as has anyone else; I feel that we have a fine civil service in Canada and I am proud of it. I get along well with various departmental officials, and have met with nothing but courtesy from them. My argument at the present moment is entirely in their interest. I may not be right, but I feel that I am struggling for their interests, because I would not like to see anybody hurt.

As I have said, my honourable friend (Hon. Mr. Gouin) has stated that the older men, if efficient, may remain in their jobs provided that the heads of their departments so recommend. That is all right for the "teacher's pet." He or she will stay on the job. I am very glad though that I am not a civil servant approaching the retirement age and that my right to continue in my occupation depends upon the smile of the man just ahead of me.

I am well pleased that that is not my position. It would be all right if I drove him around in my car and took my hat off to him as I came in, and told him what a fine fellow he was.

Hon. Mr. LACASSE: And gave him an apple.

Hon. Mr. ROEBUCK: Yes, and gave him the teacher's red apple. If I were the "teacher's pet" I certainly would be considered the most efficient fellow around when he made his report; but heaven help me if I crossed him in his whims. I do not want to attack the heads of the departments. They are usually fair, but they are also human. I do not wish to repeat the chit-chat of civil servants but I know that I would not be prepared to place all of them in the hands of departmental heads.

I have not changed my mind at all, even after hearing the very able address in support of this bill. This is just a case of pure, simple, unadulterated pushing out of the older men so that the morale of the younger men may be improved.

Hon. WISHART McL. ROBERTSON: Honourable senators, I should like to say a word or two on the point stressed by the honourable senator from Toronto-Trinity in connection with the letter which the honourable senator from De Salaberry (Hon. Mr. Gouin) presented on behalf of the Civil Service Federation of Canada. Last night the seconder of the motion asked me what was the view of civil servants in regard to this proposal and, as honourable senators will recall, I had to frankly admit that I did not know. All I could say was that I had received no representation against it, and that if the opportunity arose it would be only proper for me to place before the house an intelligent answer to that question. I therefore asked my honourable friend from De Salaberry to get all the information he could on the subject. As a result this letter was submitted for consideration. Whatever may be the motive of the civil service is for them to decide. We are only seeking to supply the Senate with an answer to this question.

Hon. Mr. ROEBUCK: Will the honourable senator permit me to say that if he is under the impression that my remarks were criticism of either himself or the honourable senator from De Salaberry, I wish to correct that impression.

Hon. Mr. ROBERTSON: I appreciate that.

Hon. Mr. ROEBUCK: You not only did the proper thing, but you supplied the Senate with valuable information.

Hon. Mr. ROBERTSON: I think the honourable senator from De Salaberry (Hon. Mr. Gouin) pointed out that there were differences of opinion as to what the permissive retirement age should be. The report of the Gordon Commission advocated one thing, the parliamentary committee had other ideas and the advisory committee had still further suggestions. My honourable friend (Hon. Mr. Roebuck) has taken a specific paragraph from a letter written by the Civil Service Federation and has suggested that the proposed legislation is based on it. That letter was written only yesterday, and it is too ridiculous for words that my honourable friend should present such an argument. I have no doubt that this legislation was introduced only after taking the recommendation of the parliamentary committee into consideration, and for my friend to suggest that what is contained in this paragraph was the motive, is a ridiculous statement.

Hon. Mr. ROEBUCK: I do not think that that word is exactly parliamentary.

Hon. Mr. ROBERTSON: I shall withdraw it, and say that it seems to be an unreasonable statement.

I want to refer to another point. The government believes that this legislation would be advantageous to the public service. It would not result in a heavy drain upon the superannuation fund, and would present an opportunity for retirement in instances where retirement is desirable from the point of view of the service. I hardly think the honourable senator from Toronto-Trinity is fair in pouring such scorn on the ambitions of young people.

Hon. Mr. ROEBUCK: I did not pour scorn on the ambitions of young people.

Hon. Mr. ROBERTSON: I think that young men in the service who desire to be promoted and those outside who would like to be appointed to the service have a perfectly legitimate ambition, and why it should be regarded as something unworthy of them I cannot understand. I fail to see how the bill would injure anyone, and I should think it would be likely to contribute to the efficiency of the public service.

It seems to me, honourable senators, that there are ample reasons why the amendment of the honourable senator from Toronto-Trinity should not be adopted.

Hon. Mr. ROEBUCK: I rise on a point of order. Our leader has surely departed from the urbane and kindly attitude that he usually adopts in this house. Firstly, he described the position which I take as ridiculous.

Hon. Mr. ROBERTSON: I withdrew that.

Hon. Mr. ROEBUCK: All right. Then he said I poured scorn on the ambitions of young men. I did nothing of the kind. I approve of the ambitions of young men, but I do not approve of their carrying out those ambitions at the expense of older men. What we are discussing is whether we are in favour of legislation which, as it has been said, would make it possible to push old men out in order to improve the morale of young men.

Hon. THOMAS VIEN: Honourable senators, irrespective of the legitimate ambition of any person to enter or be promoted in the civil service, we have to consider in connection with this bill the question of public interest. I suggest that at sixty-five many a man is still capable of serving the public well. We need to look no farther afield than the Senate and the House of Commons to find not a few persons who have reached that age and are still mentally and physically alert. The public interest requires that the departments of government be able to benefit from the experience of capable employees of long service. There may be cases where the efficiency of a branch would be improved by the retirement of an employee of sixty-five, and at present it is within the discretion of the Governor in Council as to whether a civil servant shall be continued in office beyond that age.

Hon. Mr. HAIG: I would like to ask my honourable friend two questions. First, has he any objection to the voluntary retirement of a civil servant at sixty?

Hon. Mr. VIEN: No; I have no quarrel with that at all.

Hon. Mr. HAIG: The second question is this: what is wrong with the provision that the Governor in Council may, if he sees fit, superannuate a civil servant who has reached the age of sixty?

Hon. Mr. VIEN: There is nothing wrong with that. My only objection to the bill is that it makes retirement compulsory at sixty-five. I would like the Governor in Council to have power to extend tenure of office from year to year after sixty-five.

Hon. Mr. ROBERTSON: That is in the bill.

Hon. Mr. GOUIN: Section 8, page 10.

Hon. Mr. VIEN: If that is in the bill, I was under a misconception and have spoken to no purpose. I understood that after an employee reached sixty-five the Governor in Council will not be able to extend his tenure.

Hon. Mr. ROEBUCK: Let us not get at cross purposes. Under the present law the retirement age is seventy, but the Governor in council can extend the tenure of office annually for five years. The power to grant extensions has not been widely used in the past, except during the war. This bill would lower the retirement age to sixty-five and give the Governor in Council discretion to extend the term of employment annually for five years.

Hon. Mr. VIEN: I misunderstood the bill. I cannot see any objection to voluntary retirement of a civil servant at sixty and compulsory retirement at sixty-five, if there is provision for an annual extension of service until the employee is seventy. If that is the purpose of the bill I entirely agree with it.

Hon. Mr. BISHOP: That is what the bill provides.

Hon. Mr. HAIG: The honourable gentleman from De Lorimier (Hon. Mr. Vien) has expressed my view exactly. As I read the bill yesterday I thought that civil servants would be compulsorily retired at sixty-five, and I wanted the government to have the right to retain employees, if it so wished, to the age of seventy. This morning I found out that the government has that discretion under this bill. I am in favour of the provision that a civil servant who voluntarily retires at sixty will be entitled to superannuation. As the act now stands, superannuation benefits are not payable to anyone who retires before sixty-five. I adjourned the debate on the bill yesterday in order to look into its provisions, and I am satisfied with them.

The Hon. the CHAIRMAN: Is the committee ready for the question?

Some Hon. SENATORS: Question.

The Hon. the CHAIRMAN: The question is on subsection (4) of section 1, at page 2 of the bill, line 39. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has moved in amendment that the word "sixty" be struck out and the word "sixty-five" substituted. All in favour of the amendment will please say "Content".

Some Hon. SENATORS: Content.

The Hon. the CHAIRMAN: All in favour will please say "Non-content".

Some Hon. SENATORS: Non-content.

The Hon. the CHAIRMAN: In my opinion the Non-contents have it.

Section 1 was agreed to.

Hon. Mr. HAIG: I move that the committee rise and report the bill.

Hon. Mr. ROEBUCK: Don't move quite so fast.

Hon. Mr. HAIG: I thought my honourable friend was through.

Hon. Mr. ROEBUCK: There are three amendments in the hands of the chairman. So far we have dealt with what has been referred to as voluntary retirement.

Sections 2, 3 and 4 were agreed to.

On section 5—amount of allowances.

Hon. Mr. ROEBUCK: I move the following amendment:

Page 8, line 45. Strike out the word "sixty" and substitute the words "sixty-five".

Hon. Mr. VIEN: Is this amendment to the same effect as the previous one?

Hon. Mr. ROEBUCK: Yes.

The Hon. the CHAIRMAN: The question is on the amendment moved by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), to section 5, page 8, line 45. Those in favour of the amendment will say "Content".

Some Hon. SENATORS: Content.

The Hon. the CHAIRMAN: Those opposed to the amendment will say "non-content".

Some Hon. SENATORS: Non-content.

The Hon. the CHAIRMAN: I declare the amendment lost.

Section 5 was agreed to.

Sections 6 and 7 were agreed to.

On section 8—retirement age.

Hon. Mr. ROEBUCK: I move the following amendment:

Page 10, lines 1 to 18 inclusive. Strike out section 8 of the bill and renumber the subsequent sections accordingly.

The effect of this amendment is to allow the act to continue as it stands at present, with the retirement age at 70.

The Hon. the CHAIRMAN: The question is on the amendment of the honourable senator from Toronto-Trinity section 8 of the bill be struck out. Those in favour of the amendment will say "Content".

Some Hon. SENATORS: Content.

The Hon. the CHAIRMAN: Those opposed to the amendment will say "Non-content".

Some Hon. SENATORS: Non-content.

The Hon. the CHAIRMAN: I declare the amendment lost.

Section 8 was agreed to.

Sections 9 to 13 inclusive were agreed to.

Schedule A was agreed to.

The bill was reported without amendment.

THIRD READING

Hon. Mr. ROBERTSON moved third reading of the bill.

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

PRIVATE BILL

CONCURRENCE IN COMMONS AMENDMENT

The Senate proceeded to the consideration of the amendment made by the House of Commons to Bill O-12, an Act to incorporate the Catholic Episcopal Corporation of Labrador.

Hon. ELIE BEAUREGARD: Honourable senators, the House of Commons has returned this bill with the following amendment:

For the present title substitute the following: "An Act to incorporate the Roman Catholic Episcopal Corporation of Labrador."

This amendment of the Commons, if adopted, necessitates four further amendments, as follows:

1. Page 1, line 12: Before the word "Catholic" insert the word "Roman".

2. Page 1, line 14: Before the word "du" insert the word "romaine".

3. Page 5, line 4: Before the word "Catholic" insert the word "Roman".

4. Page 5, line 6: Before the word "du" insert the word "romaine".

I now move concurrence in these proposed amendments, and in the Commons amendments.

The motion was agreed to, and the amendments were concurred in.

REFUND OF FEES

Hon. Mr. BEAUREGARD moved:

That the parliamentary fees paid on the Bill O-12, an act to incorporate The Catholic Episcopal Corporation of Labrador, as amended, be refunded to Mr. Guy Dorion, the solicitor for the petitioner, less printing and translation costs.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. ROBERTSON: Honourable senators, progress in the other house is uncertain, but I would ask that when we adjourn today we stand adjourned until 11 o'clock to-morrow morning.

I see an honourable senator shaking his head. Perhaps he thinks I am too optimistic.

Hon. Mr. McKEEN: They are not doing anything in the other house.

Hon. Mr. VIEN: I have discussed this matter with two or three members of the opposition, all of whom said the work would be concluded to-morrow night. At the present time they are still debating a question of confidence.

Hon. Mr. ROBERTSON: Under the circumstances I will move the formal motion for adjournment.

The Senate adjourned until to-morrow at 3 p.m.

THE SENATE

Thursday, July 17, 1947.

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

Prayers and routine proceedings.

BUSINESS OF THE HOUSE

Hon. Mr. ROBERTSON: Honourable senators, the Senate has now disposed of all the business that has come before it, and the order paper is now clear. As there is considerable uncertainty as to what progress is being made in another place towards completing the work of the session, I am going to ask honourable senators to remain in the building subject to call, so that we may deal with the supply bill when it comes from the other chamber. In the meantime, I would suggest that we adjourn during pleasure, to reassemble at the call of the bell at approximately 5.45 this afternoon. By that time I shall have secured what information I can, and will advise honourable members whether it is desirable that we sit this evening. I am sure it is the wish of honourable members to facilitate the business of the session, should rapid progress be made in another place.

The Senate adjourned during pleasure.

The sitting was resumed.

Acting Speaker: Hon. THOMAS VIEN, P.C.

Hon. Mr. ROBERTSON: Honourable senators, from inquiries I have made it appears that the prospect of receiving any legislation from the other house this evening is not good. Nevertheless, it has been suggested that we hold ourselves in readiness, and I would there-

fore ask the house to take recess until the call of the bell, probably at ten o'clock tonight.

Hon. Mr. HORNER: Is there much hope of prorogation tonight?

Hon. Mr. ROBERTSON: I began by saying that the prospect is not good. However, "hope springs eternal."

At six o'clock the Senate took recess.

The sitting was resumed.

PROROGATION OF PARLIAMENT

The Hon. the ACTING SPEAKER informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Honourable Patrick Kerwin, acting as Deputy of His Excellency the Governor General, would proceed to the Senate chamber this day at 11 p.m. for the purpose of proroguing the present session of parliament.

PRIVATE BILL

CONCURRENCE BY COMMONS IN SENATE AMENDMENTS

The Hon. the ACTING SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill O-12, an Act to incorporate the Catholic Episcopal Corporation of Labrador, and to acquaint the Senate that they have agreed to the amendments made by the Senate to this bill, without any amendment.

CIVIL SERVICE SUPERANNUATION BILL

CONCURRENCE BY COMMONS IN SENATE AMENDMENTS

The Hon. the ACTING SPEAKER: Honourable senators, a message has been received from the House of Commons to return Bill 415, an act to amend the Civil Service Superannuation Act, and to acquaint the Senate that they have agreed to the amendments made by the Senate to this bill, without any amendment.

The Senate adjourned during pleasure.

The sitting was resumed.

APPROPRIATION BILL No. 5

FIRST READING

A message was received from the House of Commons with Bill 457, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st of March, 1948.

The bill was read the first time.

SECOND READING

Hon. Mr. ROBERTSON moved the second reading of the bill.

He said: Honourable senators, I think I should make a brief statement with reference to this bill. The total expenditure under the main estimates, together with the two supplementary appropriations, is \$2,199,049,353.74. Of this sum, statutory items amount to \$932,429,733.18, leaving a balance of \$1,266,619,620.56. It will be recalled that the appropriation bills numbered 1, 2, 3 and 4 which already have been passed, aggregated \$390,307,633.68, so that there remains a total amount under main and supplementary estimates of \$876,311,986.88. This amount is made up of, first, the balance of the main and first supplementary estimates of \$761,322,767.72, and further supplementary estimates of \$114,989,219.16.

I would point out to honourable members that the statutory items, which it is not necessary to vote, include carrying charges on the public debt, statutory outlays such as family allowances and other provisions in respect of the Department of National Health and Welfare, and items such as indemnities and salaries for judges.

I might also point out that, while the total expenditures of over \$2,000 million are mainly on current account, they include items of approximately \$82,000,000 under soldiers' settlement plans, and are of a capital, not of a current, nature.

The general position in respect to expenditures and revenues as indicated by the Minister of Finance in the House of Commons is, that his original estimate of revenues for the current year was in the vicinity of two billion, 450 million, before allowing for the tax reductions which were subsequently made. The estimate of expenditures at that time was about two billion 100 million dollars, which would have left a prospective surplus of 350 million. As a result of tax reductions equivalent to 160 million, the estimated surplus is reduced to 190 million dollars. Should all the provinces come in under the contemplated plan, that 190 million dollars would be reduced by approximately 110 million, which would leave a balance of 80 million. It is anticipated, however, despite the increase of approximately 114 million dollars under the supplementary estimates, that as a result of savings in the main estimates, and possibly some savings in the supplementary estimates, the general financial situation as far as the estimates are concerned will not be materially changed.

Hon. G. V. WHITE: Honourable senators, the figures just mentioned by the honourable leader of the government (Hon. Mr.

Robertson) are of such magnitude that it is hardly within my power to grasp them. As at this stage of the session no useful purpose can be served by a prolonged discussion on this important measure, we on this side of the house are prepared to facilitate the passage of this bill through its various stages.

Some Hon. SENATORS: Hear, hear.

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

THIRD READING

The Hon. the SPEAKER: When shall this bill be read the third time?

Hon. Mr. ROBERTSON: With leave of the Senate, now.

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

The Senate adjourned during pleasure.

PROROGATION OF PARLIAMENT

THE ROYAL ASSENT—SPEECH FROM THE THRONE

The Honourable Patrick Kerwin, the Deputy of 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 Charles Gordon Nelson.
- An Act for the relief of Pamela MacKay Alderdice Johnstone.
- An Act for the relief of Lilly Evans Auty.
- An Act for the relief of Esther Lancit Weiss.
- An Act for the relief of Bruce Montgomery Cooper.
- An Act for the relief of Marion Naomi Gomery McGee.
- An Act for the relief of Margaret Hazel Reid Koppel.
- An Act for the relief of James Alexander King.
- An Act for the relief of Proctor Clifford Neil.
- An Act for the relief of Elizabeth Anne Eden Lindsay.
- An Act for the relief of Ernest Edward Joslin.
- An Act for the relief of Jessie Alberta Allan Derby.
- An Act for the relief of Dorothy May Duff Hisey.
- An Act for the relief of Elizabeth McIntosh Barber.
- An Act for the relief of Muriel Lucy Brighton Burdon.
- An Act for the relief of Constance Mae Ponman Newman.
- An Act for the relief of Florence Alice Mapston Calcutt Doak.
- An Act for the relief of Rose Housefield Blumstein.
- An Act for the relief of Gertrude Loiseau Gaulin.

- An Act for the relief of Marie Rose Alba Bernadette Lapointe dit Robin Ricard.
- An Act for the relief of Thelma Genender Lefkowitz.
- An Act for the relief of Mary Joyce Joly Clark.
- An Act for the relief of Gertrude Helen Cayford Collins.
- An Act for the relief of Francis George Isaac Fellows.
- An Act for the relief of Elly Maria Charlotte Alden McBride.
- An Act for the relief of Gladys Elizabeth Thompson Dorrance.
- An Act for the relief of Una Kathleen Balmfirth Little.
- An Act for the relief of William Walter Woodall.
- An Act for the relief of Helen Lillian Jaques Bowen.
- An Act for the relief of Doreen Jeanette Sibley Tirbutt.
- An Act for the relief of Ida Norma Thompson Thornton.
- An Act for the relief of Evangeline May Connelly Stervinou.
- An Act for the relief of Olive Viola Olsson Ferguson.
- An Act for the relief of Evelyn Ethel May Reich Macdonnell.
- An Act for the relief of Ernest Edward Lippiatt.
- An Act for the relief of Elizabeth Butler Roberts Lambton.
- An Act for the relief of Libby Margolese Smith.
- An Act for the relief of Jean Elizabeth Hancock Thompson.
- An Act for the relief of Isabella Hodgson McRae Edwards.
- An Act for the relief of Marjorie Aileen Copping Ladouceur.
- An Act for the relief of Annie Mildred Parnell Smellie.
- An Act for the relief of Veronica Donnelly Hope Johnstone Shelley.
- An Act for the relief of Irja Alina Agnes Vaisanen Shanahan.
- An Act for the relief of Isabel Lindsay Mackay Dietz.
- An Act for the relief of Edith Dean Michaels.
- An Act for the relief of Maurice Michael.
- An Act for the relief of Otto Hemlein.
- An Act for the relief of Mary Josephine Jessop Croker.
- An Act for the relief of Rose Lazar Nadigel.
- An Act for the relief of Frances Clare Lynch Layton.
- An Act for the relief of Robert Alfred Nall.
- An Act for the relief of Juliette Adrienne Labrosse Renaud.
- An Act for the relief of Jean Isabel Dalton Ryan.
- An Act for the relief of Rose Elkin Steinman.
- An Act for the relief of Clinton Escott Vipond.
- An Act for the relief of Alison McKinnon Palmer.
- An Act for the relief of Ralph Wighton.
- An Act for the relief of Claude Garcin Coffin.
- An Act for the relief of Bea Helen Taffert Levin.
- An Act for the relief of Elsie King Moorhouse.
- An Act for the relief of William John Edgar McVetty.
- An Act for the relief of Alfred John Holton.
- An Act for the relief of William Howell MacDonald Brown.
- An Act for the relief of Henrietta Elizabeth Forde Norrie.
- An Act for the relief of Gaston Cartier.
- An Act for the relief of Margaret Lillian McCorkell Baldwin.
- An Act for the relief of Hilda Wylie Bannister.
- An Act for the relief of Sarah Goldberg Cohen.
- An Act for the relief of Esther Mary Harding Breeze.
- An Act for the relief of Jessie MacFarlane Boyle Smith.
- An Act for the relief of Paul Jaegglin.
- An Act for the relief of Muriel Agnes Martin Adams.
- An Act for the relief of Edwin Theophilus Phillips.
- An Act for the relief of Lillian May Alsop Mackenzie.
- An Act for the relief of Robert Crawford Kirk.
- An Act for the relief of Robert Thomas Jackson.
- An Act for the relief of Ernest Wright.
- An Act for the relief of Theresa Sherpitis Morganti.
- An Act for the relief of Omer Montpetit, junior.
- An Act for the relief of Harold Robinson.
- An Act for the relief of Margaret Cote Truax.
- An Act for the relief of Netta Cheyne Lee.
- An Act for the relief of Bessie Letovskiy Silverman.
- An Act for the relief of Percy Coleman Stuart.
- An Act for the relief of Pearl Vesta Fields Hollenbeck.
- An Act for the relief of Adele Kuznetz Lesser.
- An Act for the relief of Joseph Alexander Oswald Mercier.
- An Act for the relief of Michael Maturjiw, otherwise known as Michal Matwijow.
- An Act for the relief of Eugenie Beatrice Smith Ricketts.
- An Act for the relief of Hilda Mary Charlotte Kelly Smith.
- An Act for the relief of Eileen Louise Thomas Bleakney.
- An Act for the relief of Eugenia Drake Armstrong Newell.
- An Act for the relief of Muriel Aileen MacKeage Fewtrell.
- An Act for the relief of Evelyn Marie Elliott McGrath.
- An Act for the relief of Mary Nellie McGurk Stone.
- An Act for the relief of Cipoire Segall Wormbrand.
- An Act for the relief of Violet Olive Magdalene Allchin Clark.
- An Act for the relief of Victor Reid Murray.
- An Act for the relief of Agnes Jane Irwin Everitt Dixon.
- An Act for the relief of Peter Samuel Rosen.
- An Act for the relief of Rose Waselevskiy Balakirsky.
- An Act for the relief of Sophie Wener Finestone.
- An Act for the relief of Norma Mary Sharp Chapman.
- An Act for the relief of Douglas Wilson Bradshaw.
- An Act for the relief of Muriel Amelia Dufty Rochet.

- An Act for the relief of Ethel Ornstein Pfeffer.
- An Act for the relief of Hilda Katz Delnick.
- An Act for the relief of Emilienne Grinsell Daoust.
- An Act for the relief of Alice Hamilton Peck Stevenson.
- An Act for the relief of Doris Victoria Bellisle Page.
- An Act for the relief of Sydney Beaver.
- An Act for the relief of Gladys Kathleen Wilkins Todd.
- An Act for the relief of Norma Elizabeth Jane Murray Hanko.
- An Act for the relief of Bernadette Mayford Roy.
- An Act for the relief of Ellen Irene Gertrude Preston Hastie.
- An Act for the relief of Marjorie Winnifred Bearman Smeall.
- An Act for the relief of Mary Winifred Joyce Dick Dunford.
- An Act for the relief of Eileen Ardis Locke Thompson.
- An Act for the relief of Margaret Hamilton Wilson Bergeron.
- An Act for the relief of Norma Marzitelli Rudzik.
- An Act for the relief of Eileen Millar de Levi.
- An Act for the relief of Hilda Constance Caroline Mosley Dwyer.
- An Act for the relief of Louis Marcel Frigon.
- An Act for the relief of Florence Nancy Maria Haworth Stewart.
- An Act for the relief of John Bernth Jones, otherwise known as John Berth Jones.
- An Act for the relief of Patricia Violet Puttock Bromby.
- An Act for the relief of Dorothy Hawkins Myers.
- An Act for the relief of Evelyn Deltoff Moore.
- An Act for the relief of Eveline Hache Groulx.
- An Act for the relief of Annie Lucy Hurteau.
- An Act for the relief of Evelyn Alice Lancaster Chenoweth.
- An Act for the relief of Robert Lussier.
- An Act for the relief of Robert Rosaire Loiselle.
- An Act for the relief of Marjorie Evelyn MacPherson Puley.
- An Act for the relief of Sarah Rafferty Jackson.
- An Act for the relief of Ida Berman Zatz.
- An Act for the relief of Patricia Ellen Burt Williams.
- An Act for the relief of Charles Alfred Michel Kelly.
- An Act for the relief of Pearl Summers Slater.
- An Act for the relief of Aime Jacques.
- An Act for the relief of Grace Evelyn Smith Copeland.
- An Act for the relief of Jessie Gertrude Noel Magee.
- An Act for the relief of John Luchuck.
- An Act for the relief of Rhondda Blanche Peace Hurford Smith.
- An Act for the relief of Mabel Grace Mattinson.
- An Act for the relief of Marcel Simonon.
- An Act for the relief of Marian Susan Willson Roberts.
- An Act for the relief of Jean Gainfort Grossman.
- An Act for the relief of Evelyn Mildred Cook Stone.
- An Act for the relief of Lily Elizabeth Harris Cunningham.
- An Act for the relief of Mildred Merica Ruth Goodreau Snyder.
- An Act for the relief of Harry Powell.
- An Act for the relief of Margaret Patricia Fairhurst Richards.
- An Act for the relief of Evelyn Florence Esson Pugh.
- An Act for the relief of Katie Rhoda Brick McGrath.
- An Act for the relief of Louise Guiol Ghetler.
- An Act for the relief of George William Curtis Johnson.
- An Act for the relief of Melville Mae Rundle Swinburne.
- An Act for the relief of Ruby Weldrick Hunt.
- An Act for the relief of Doris Shapiro Kolman.
- An Act for the relief of Mary Margaret Rider Brown.
- An Act for the relief of Fennie Nettie Adelstein Waldman.
- An Act for the relief of Gustave Lucien Verhelle.
- An Act for the relief of Ruby Campbell Matts.
- An Act for the relief of Dorothy Kathleen Morrison Germain.
- An Act for the relief of Sophie Radwolsky Closner.
- An Act for the relief of Muriel Emma Wood Durrell.
- An Act for the relief of William John Carmichael.
- An Act for the relief of Guido Verdoni.
- An Act for the relief of Ronald John Park.
- An Act for the relief of Gloria Avon Roland.
- An Act for the relief of Gilberto (Albert) Belmonte.
- An Act for the relief of Mildred Lillian Flude.
- An Act for the relief of Pauline Joan Hyde Murphy.
- An Act for the relief of Alsyae Mae Lissimore Lawrence.
- An Act for the relief of Jessie Leonard Simpson Clunie.
- An Act for the relief of Fern Catherine Kerr Ekins.
- An Act for the relief of Lilly Elizabeth Ingborg Lindfors Crowhurst.
- An Act for the relief of Romeo Richard.
- An Act for the relief of Charles Augustus Dolling.
- An Act for the relief of Charles Frederick McDowell.
- An Act for the relief of Woolf (Robert) Cook.
- An Act for the relief of Adele Brown Kerkofsky.
- An Act for the relief of Ellen Heathcote Taschereau.
- An Act for the relief of Molly Marcovitch Schwartz.
- An Act for the relief of Betty Gertrude Bernstein Schreiber.
- An Act for the relief of Margaret Joan Anstey Steven Hyslop.
- An Act for the relief of Elly Zahn Kaminsky.
- An Act for the relief of Naomi Joan Williamson Cantlie.
- An Act for the relief of Matilda Jane Cumming.
- An Act for the relief of Agnes Dowd Brown.
- An Act for the relief of Ursula Catherine Tetreau Black.

- An Act for the relief of Eleanor Edith McKechnie Martineau.
 An Act for the relief of Jack Wallis.
 An Act for the relief of Evelyn Margaret Morrison Cryer.
 An Act for the relief of Frances Eileen Schribner Mackay.
 An Act for the relief of Irene Laflamme Kattas.
 An Act for the relief of Eileen Maude Gardner Richards.
 An Act for the relief of Frances Audrey Gray Lacaille.
 An Act for the relief of Aline Theoret Larose.
 An Act for the relief of Margaret Betty Rollings Burman.
 An Act for the relief of Beatrice Dorothy Pountney Alker.
 An Act for the relief of Margaret Jean Duff Dorval.
 An Act for the relief of George Somerville Blackie Begg.
 An Act for the relief of Lillian Guersio Galardo.
 An Act for the relief of Stewart Davidson Myles.
 An Act for the relief of Dorothy Bradford Hurley.
 An Act for the relief of Elsie McCormick Albers.
 An Act for the relief of George Wilson Dyce.
 An Act for the relief of Rita Johnson Cherrier.
 An Act for the relief of Esther Cole Zeesman.
 An Act for the relief of Celia Yaffe Dubinsky.
 An Act for the relief of Elsie Marlyn Garayt Johnston.
 An Act for the relief of Leone Rhea Leduc Metcalf.
 An Act for the relief of James Arthur Ablett.
 An Act for the relief of Goldie Slovinsky Tkatch.
 An Act for the relief of Harold Fassett Staniforth.
 An Act for the relief of Claire Morgan Lockner Middleton-Hope.
 An Act for the relief of Rose Nemerofsky Silverstein.
 An Act for the relief of James Albert Caruthers, otherwise known as James Albert Fell.
 An Act for the relief of Ronald Edwin George.
 An Act for the relief of Margaret Lena Bertha Dasen Scheffer.
 An Act for the relief of Ethel Mary McKenzie Cramp.
 An Act for the relief of Evelyn Alice Howard Smart.
 An Act for the relief of Mary Margaret Tibbins Gogo.
 An Act for the relief of Alfred Nelson Nickle.
 An Act for the relief of Arthur Haigh MacGill.
 An Act for the relief of Clinton Leslie Dobson.
 An Act for the relief of Bernard Stanley Bailey.
 An Act for the relief of Archie William Young.
 An Act for the relief of Olive Lever Sanborn Lead.
 An Act for the relief of John Mackie.
 An Act for the relief of Isabel Mercer Leboeuf.
 An Act for the relief of Hilda Irene Gordon Lazarus.
 An Act for the relief of Mary Margaret Bernice Walker Kennedy.
 An Act for the relief of Gertie Rabin Bard.
 An Act for the relief of Ruth Morrison Henderson Sidders.
 An Act for the relief of Philip Berger.
 An Act for the relief of Harold Swann.
 An Act for the relief of Margaret Isabelle Curry.
 An Act for the relief of Rosamond Edith Bean Crease.
 An Act for the relief of Alma Mary Hanway Eccles.
 An Act for the relief of Alberta Dorothy Olson Colby.
 An Act for the relief of Clair Reginald McLaughlin.
 An Act for the relief of Eugene Klein.
 An Act for the relief of Daniel Hudson.
 An Act for the relief of Eileen Edna Paget Bray Dundas.
 An Act for the relief of Jessie Goodis Markis.
 An Act for the relief of Julia Luella Audrey Cleroux Babbage.
 An Act for the relief of Mile Kristo Yoja, otherwise known as Stanley Vadic.
 An Act for the relief of Anthony Wavroch.
 An Act for the relief of Mary Magee Glasheen.
 An Act for the relief of Mary Ann Clorenda Archer Richardson.
 An Act for the relief of Gladys May Kay Oliver.
 An Act for the relief of Henry Thomas Matthews.
 An Act for the relief of Ivy Stapleton Brown.
 An Act for the relief of John William Sydney Jordan.
 An Act for the relief of Pamela Mary Gottschalk Muckell.
 An Act for the relief of Winnifred Doris Cleaver Wooley.
 An Act for the relief of Eileen Francis Murphy Kerson.
 An Act for the relief of Joyce Kathleen Reynolds Swards.
 An Act for the relief of Anne Fishman Minsk.
 An Act for the relief of Muriel Alice Goddard Perkins.
 An Act for the relief of Irene Elizabeth Burke Robinson.
 An Act for the relief of Gardner Hinkley Prescott.
 An Act for the relief of Joseph Amedee Alexis Cousineau.
 An Act for the relief of Mildred Verna Ruth Schnauffer Case.
 An Act for the relief of Robert Ralph Tripp.
 An Act for the relief of Charles James Langevin.
 An Act for the relief of Edward Frank Fulton.
 An Act for the relief of Pauline Bertha Marwick Dallison.
 An Act for the relief of Evelyn May McNaught Grandison.
 An Act for the relief of Margaret Turner Shaw Ward.
 An Act for the relief of Olivier Pierre Bernard Lagueux.
 An Act for the relief of Hazel Mair Grant Rubin.
 An Act for the relief of Doris Louise Dickson McMurray.
 An Act for the relief of Ethel Florence Barr Sheills.
 An Act for the relief of Gabrielle Augustine Gilberte Desmarais Creelman.

- An Act for the relief of Christos C. Koukouvelis.
 An Act for the relief of Aime Bibeau.
 An Act for the relief of Henry Eaton.
 An Act for the relief of Lodie Kadei Nakel.
 An Act for the relief of Margaret Sophie Bolenski Dubeau.
 An Act for the relief of Marion Mapes Harvey Allinson.
 An Act for the relief of Frances Alice Egg Johnston otherwise known as Frances Alice Egg Willey Johnston.
 An Act for the relief of Selden Grant Stoddard.
 An Act for the relief of Elmon Parker Law.
 An Act for the relief of James Dewey, junior.
 An Act for the relief of Peggy Alicia Stilwell Kneeland.
 An Act for the relief of Alexander Montieith.
 An Act for the relief of Evelyn Clara Woods Cross.
 An Act for the relief of Minnie Braimaster Kazarensky.
 An Act for the relief of Peter Moroz, otherwise known as Peter Morris.
 An Act for the relief of Lorne Earl Barth.
 An Act for the relief of Thomas Wynn Hayes, junior.
 An Act for the relief of Claire Black Wolfe.
 An Act for the relief of Anna Lovannah Theoret Wilson.
 An Act for the relief of Norman Lorraine Desrosiers.
 An Act for the relief of Rose Jacobson Greenberg.
 An Act for the relief of Guido Corbo.
 An Act for the relief of Harold Ashton Hugh Roberts.
 An Act for the relief of Mary Kalichman Pulver.
 An Act for the relief of Gaston Dorval Lachance.
 An Act for the relief of Donat St. Jean.
 An Act for the relief of Sheila Sydney Doner Gordon.
 An Act for the relief of Thomas Walter John Moon.
 An Act for the relief of Edward Charles Barron.
 An Act for the relief of Violet Eileen Lepine Tickner.
 An Act for the relief of Jean Lawrence Ritchie.
 An Act for the relief of Livio Quintino Fantacci.
 An Act for the relief of Bertha Berecovi Hamer.
 An Act for the relief of Ann Bogdanof Millichamp.
 An Act for the relief of Beatrice Elman Perlman.
 An Act for the relief of Grace Emily Dawes Matheson.
 An Act for the relief of Gabriel Burszan.
 An Act for the relief of Doris Phoebe Potter Potts.
 An Act for the relief of Richard Andrew Frame.
 An Act for the relief of Louis Gertsman.
 An Act for the relief of William Page.
 An Act for the relief of Maud Mary Rose Denton.
 An Act for the relief of Judith Bychowsky Sanders.
 An Act for the relief of Marie Irene Joly Martineau.
 An Act for the relief of Sam Pronman.
- An Act for the relief of Eva Greenblatt Thow.
 An Act for the relief of Edith Norma Isaac Davidson.
 An Act for the relief of Ida Lottie Stubina Pollack.
 An Act for the relief of Minnie Black Her- man.
 An Act for the relief of Clifford Gilbert Adams.
 An Act for the relief of Dallas Sara Barnes Millington.
 An Act for the relief of Madeleine Agnes Joly de Lotbiniere Doucet.
 An Act for the relief of Adeline Charlotte Simons Desjardins Teakle.
 An Act for the relief of Margaret Blane Bowen Adair.
 An Act for the relief of Mary Hrab Nav- rotzki.
 An Act for the relief of Pierre-Ben-Danais Warren.
 An Act for the relief of Ethel Florence Rhodes Pompetti, otherwise known as Ethel Florence Crowdy Pompetti.
 An Act for the relief of Elisa Jamoul Hull.
 An Act for the relief of Ernest Stanley Rundell.
 An Act for the relief of Thelma Lillian Dalton Hilger, otherwise known as Thelma Lillian Dalton Goernert.
 An Act for the relief of Mary Alice Berrigan Hamelin.
 An Act for the relief of Dorothy Mary Boyce Jackson.
 An Act for the relief of Edith Oberfeld Mintz.
 An Act for the relief of Roger Lebeau.
 An Act for the relief of Sheila Marcus Issenman.
 An Act for the relief of Zenobia Perrow Broadbent Emond.
 An Act for the relief of Joseph Edmond Gerard Santoire.
 An Act for the relief of Alderic Gemme.
 An Act for the relief of Joseph Rosealphee Oderic Dussault.
 An Act for the relief of Dan Alonzo Dwight Wright.
 An Act to amend the Railway Act.
 An Act to amend the Interpretation Act.
 An Act to amend the Special War Revenue Act and to change its title to the Excise Tax Act.
 An Act to amend the Fisheries Research Board Act.
 An Act to amend the Income War Tax Act.
 An Act to establish the Canadian Maritime Commission.
 An Act to amend the Veterans Business and Professional Loans Act.
 An Act to establish the Dominion Coal Board.
 An Act respecting the Ottawa Electric Railway Company.
 An Act to incorporate Commonwealth Insurance Company.
 An Act to incorporate Progressive Insurance Company of Canada.
 An Act to incorporate The Limitolders' Mutual Insurance Company.
 An Act to incorporate Federation Insurance Company of Canada.
 An Act to amend the Canadian Commercial Corporation Act.
 An Act to amend the Old Age Pensions Act.

An Act respecting the protection and conservation of the forests on the eastern slope of the Rocky Mountains.

An Act to provide superannuation benefits for senior appointees of the Department of External Affairs serving outside Canada.

An Act respecting certain National Parks and to amend the National Parks Act.

An Act to provide for privileges and immunities in respect of the United Nations and related international organizations.

An Act respecting The Canada Permanent Trust Company.

An Act to amend the Prisons and Reformatories Act.

An Act to establish a benevolent fund from army canteen and other service funds.

An Act respecting the Hudson Bay Mining and Smelting Co., Limited.

An Act to amend the Trust Companies Act,

An Act to amend the Civil Service Act.

An Act to amend the Senate and House of Commons Act.

An Act respecting the refunding and adjustment of indebtedness of the four Western provinces to the Government of Canada in respect of certain outstanding loans for relief and other purposes and final settlement of the claims of the provinces of Alberta and Saskatchewan in respect of natural resources.

An Act respecting The Woman's Auxiliary to the Missionary Society of the Church of England in Canada.

An Act to incorporate the Yellowknife Telephone Company.

An Act to provide for the alteration of His Majesty's Royal Style and Titles.

An Act to authorize the Government of Canada to enter into agreements with the governments of the provinces pursuant to which, in return for compensation, the provinces agree to refrain from levying certain taxes for a limited period.

An Act to amend the Canadian Broadcasting Act, 1936.

An Act to amend the Militia Pension Act (Disablement Pension).

An Act to amend the Criminal Code.

An Act to readjust the representation in the House of Commons.

An Act to extend the term of office of a Transport Commissioner.

An Act to incorporate the Roman Catholic Episcopal Corporation of Labrador.

An Act to amend the Civil Service Superannuation Act.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1948.

After which the Honourable the Deputy of the Governor General was pleased to close the Third Session of the Twentieth Parliament of Canada with the following Speech:

Honourable Members of the Senate:

Members of the House of Commons:

The restoration of peace and world recovery have not proceeded as speedily as had been hoped for. Failure to conclude peace settlements with Germany and Austria has complicated the political and economic situation, not only in Europe, but throughout the world. Several countries, including Canada, have approved treaties of peace with Italy, Roumania, Hungary and Finland.

In Europe, the delay in the re-establishment of industries has continued to affect adversely the balance of foreign trade and of international payment. The severe winter and the shortage of necessities, particularly of food, have added to human suffering, and aggravated the problems of relief and rehabilitation.

Unsettled world conditions have been reflected in many of the measures you have been called upon to consider at the session now being concluded.

On June 30, the United Nations Relief and Rehabilitation Administration came to an end. The need for relief, however, has not ended. In recognition of this need, parliament has made a substantial appropriation for the purchase of food and other essentials of life required by peoples of war-devastated lands. Parliament has also approved Canadian membership in the International Refugee Organization.

Canada is participating fully in the activities of the Economic and Social Council, the Atomic Energy Commission, and other agencies of the United Nations. Our country is also effectively represented at the International Conference on Trade and Employment at Geneva.

As a result of the deliberations of a special session of the General Assembly of the United Nations, a committee, on which Canada is represented, was created to prepare a report on Palestine.

An important feature of the session has been the removal, in an orderly manner, of the majority of controls and restrictions in force during and immediately after the war. To guard against sudden and excessive increases in the cost of living, and for other reasons, certain emergency orders and regulations have been continued for a further transitional period.

Another important development has been the action taken to encourage immigration. The government's policy involves the careful selection of immigrants and adjustment of their numbers to the absorptive capacity of the country. Practical steps have also been taken to relieve the lot of many displaced persons and refugees.

Notwithstanding the unsettled conditions abroad, employment and national income at home have remained at high levels. The demand for the products of our primary industries has, in almost all cases, been sustained. Towards stabilizing the incomes of those engaged in agriculture, measures relating to the Canadian Wheat Board, and to the sale and export of certain other agricultural products have been enacted. The Fisheries Prices Support Act is being brought into operation. The maintenance of our prosperity will increasingly depend upon how conditions develop in other parts of the world.

In the past few months, in most industries, Canada has fortunately enjoyed a relatively wide measure of industrial peace. Preliminary consideration has been given in parliament to an important measure to provide more effective machinery for the settlement of industrial disputes and the adjustment of differences between employers and employees. A similar measure will be introduced at the next session.

The government has continued to give constant attention to meeting the need for housing. To this end, substantial amendments have been made to the National Housing Act.

A further measure of social security has been provided by important amendments to the Old Age Pensions Act. Increases have been

made in the amount of pension, and also in the amount of other income permitted to pensioners. In addition, the pensionable age for blind persons has been lowered from forty to twenty-one years.

The Civil Service Superannuation Act has been amended to include additional categories of public servants and to permit retirement at an earlier age than heretofore. Comprehensive changes have also been made to increase the security provided by the Act. Statutory provision has been made for the veteran's preference in appointments to the civil service, and to permit of annual increases in remuneration to temporary employees.

Steady progress has been made in placing the defence forces on a peacetime basis. The Department of National Defence Act has been amended to provide for the consolidation of the administration of the department, and for the establishment of a Defence Research Board.

During the session, an important announcement of joint Canada-United States policy respecting co-operation in defence was made at Washington by the President and at Ottawa by the Prime Minister.

Other important measures enacted during the session include bills concerning a dominion coal board, a maritime commission, the Canadian Broadcasting Corporation, conservation of natural resources, loan adjustments with certain of the provinces, the Patent Act, penitentiaries and the Criminal Code. A benevolent fund from army canteen and other service funds has been established.

The representation of the people in the House of Commons has been readjusted on a basis which will more effectively maintain the historic principle of representation by population.

The question of human rights and fundamental freedoms, and the manner in which those obligations, accepted by all members of the United Nations, may best be implemented, has been given preliminary consideration by a special joint committee of the Senate and the House of Commons. It is the intention of my

ministers to recommend the reappointment of this committee at the next session of parliament.

Members of the House of Commons:

I thank you for the provision you have made for all essential services.

A most gratifying achievement of the session now concluding has been the substantial reduction in the level of taxation on personal incomes, which became effective on the first of July, and which was made possible by the drastic reduction of public expenditures. At the end of the year, the tax on excess profits will be removed.

Authority to conclude tax agreements with the provinces has been vested in the government. Seven of the nine provinces have signified their intention to conclude such agreements.

A bill to revise the income tax law was introduced in order to permit of study and consideration of its provisions between now and the next session.

Honourable Members of the Senate:

Members of the House of Commons:

The recent visit of the President of the United States to Ottawa was deeply appreciated by the citizens of Canada. The visit afforded renewed evidence of the close and cordial relations of our two countries.

My ministers have been pleased to welcome a delegation from the National Convention of Newfoundland. Members of the delegation are exploring the possibility of finding a basis, which would be mutually acceptable, for the federal union of Newfoundland with Canada.

The people of Canada have learned with great pleasure of the betrothal of Her Royal Highness The Princess Elizabeth to Lieutenant Philip Mountbatten. As Her Royal Highness and Lieutenant Mountbatten continue to face the future with its duties and responsibilities, it will be the wish of all that health, happiness, and divine guidance may gladden their path through life.

Amid the uncertainties and perils of these troubled times, I pray that the guidance of Almighty God may be vouchsafed to our country and all the nations.

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